

# REAL ESTATE MORNING NEWS



31/10/2012

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## Corporate News

### **Befimmo, Hold, EUR 48.8 TP**

Befimmo has reached an agreement with AG Real Estate on the purchase of the Statutory Manager of Befimmo, from AG Real Estate for a consideration of EUR 21m. Befimmo has also agreed with AG Real Estate to internalize the property management activities (technical maintenance, rent accounting and accounting related to expenditures to be charged to tenants) currently performed by AG Real Estate Property Management, to Befimmo for a consideration of EUR 1. The yearly remuneration granted to AG Real Estate stood at EUR 1.4m in 2010 and EUR 1.6m in 2011, equal to 2% of the adjusted IFRS consolidated pre-tax result. This remuneration of 2% was slightly higher than what we see at peers. For 2012, this operation is expected to generate a net positive impact of EUR 0.07/share on the EPRA earnings (1.75% positive impact on our 12e EPS). As from 2013 onwards, the impact will be EUR 0.06/share. This transaction will lead in 2012 to an estimated one-off net negative impact of EUR 1.09/share on the NAV (EUR 56.67/share at 30/6/12). The LTV will increase by approx. 1% (47% after the purchase of Fedimmo).

Befimmo further announces that it will focus on Belgium and Luxembourg and will not pursue its plans to invest in France.

Fedimmo SA will apply to obtain FSMA's agreement for the institutional REIT status, a process that could still be completed by the end of 2012.

This is good news for Befimmo, not only CF wise, but we believe that Befimmo will achieve a higher level of contacts through internal property management. In practice, Befimmo will take over the team from AG Real Estate. AG Real Estate is still the reference shareholder of Befimmo with 16.8% and we assume that this deal will not change their intention to act likewise. However it wouldn't be a good deal if this is one of the first steps of AG Real Estate to let Befimmo go on its own way. Secondly, we believe it's very wise to focus on Belgium and Luxembourg as Befimmo has in-house expertise on these markets. Thirdly, we welcome the fact that Befimmo will be able to profit from the REIT tax regime after implementing Fedimmo in an institutional Sicafi. We wonder about the amount of exit tax to be paid and the tax benefits for Befimmo. We will attend the conference call hosted by management at 10am.

# Corporate Events

## Conference call Befimmo

We will attend the conference call hosted by Befimmo management today at 10am

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