

BUILDING TEAM SPIRIT TOGETHER



EQUITY REAL ESTATE

| MAY 15, 2012 |

Dear Emilie Delacroix

Please find below our latest publication:

 [Befimmo \(Buy, TP=€62.0\) - Quarterly results - Stable indicators - H. Quadrelli \(1p\)](#)

Q1 results: 1) The overall portfolio was flat on a comparable structure basis in Q1 (-0.76%), of which -1.3% for operations and +31.15% for the pipeline, stemming mostly from the building permit granted to build a financial centre in Liege (a €95m building project on rue Paradis). We would highlight the drop in the decentralised zone (-12%) and suburbs (-9%). This result is an increase in rental yields, from 7.01% to 7.13%. 2) Occupancy rates were flat at 94.6%. 3) Private bond investment in the US of €150m. 4) Net NAV was flat at €56.98. 4) Property operating profit came to €30.1m. Gross dividend confirmed at €3.45.

The yoy property results were in line with our forecasts, as was net NAV. However, due to the lack of some data in the press release, we will wait for more details before possibly adjusting our model.

Our target price (€62.0) is derived from our fair value (€61.9) and market premium (0%). Our fair value is the average of three methods: 10-year DCF (€56.4), Gordon-Shapiro (€63.1), and discounted dividends (€66.4). The market premium is a liquidity discount (-2%) plus a reputation premium (+2%). Risk to TP: An increase in vacancy rate in the Brussels office market would have a negative impact on our target price.



QUADRELLI Henri

 +33 1 42 13 37 33

 henri.quadrelli@sgcib.com




VARALDO Michel

 +33 1 42 13 73 02

 michel.varaldo@sgcib.com



MOZZI Marc

 +44 20 7762 5090

 marc.mozzi@sgcib.com