



Hold

Recommendation unchanged

Share price: EUR 51.36

closing price as of 18/04/2013

Target price: EUR 52.00

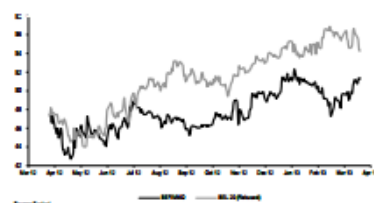
Target Price unchanged

Reuters/Bloomberg

BEFBR/BEFBB

Market capitalisation (EURm)	982
Current N° of shares (m)	19
Free float	77%
Daily avg. no. trad. sh. 12 mth	19,707
Daily avg. trad. vol. 12 mth (m)	1
Price high 12 mth (EUR)	52.30
Price low 12 mth (EUR)	42.72
Abs. perf. 1 mth	6.88%
Abs. perf. 3 mth	-0.19%
Abs. perf. 12 mth	7.91%

Key financials (EUR)	12/12	12/13e	12/14e
Gross Rental Income (m)	129	127	127
EBITDA (m)	87	105	105
EBITDA margin	64.5%	79.9%	79.6%
Portfolio Result (m)	(35)	(7)	(5)
Net Financial Result	(41)	(35)	(33)
Net Profit (adj.)(m)	75	74	71
Funds From Operations	75	74	71
EPS (adj.)	4.24	4.02	3.86
DPS	3.45	3.48	3.36
IFRS NAVPS	52.21	53.57	53.65
EPRA NAVPS	51.71	53.57	53.65
Premium/Discount	(6.5%)	(4.1%)	(4.3%)
Earnings adj. yield	8.3%	7.8%	7.5%
Dividend yield	6.7%	6.8%	6.5%
EV/EBITDA	21.7	18.5	18.9
P/E (adj.)	11.5	12.8	13.3
Int. cover(EBITDA/Fin.Inf)	2.1	3.0	3.1
Net debt/cash (m)	948	965	997
Net Debt/Total Assets	46.6%	46.2%	47.0%



Shareholders: AG Insurance 17%; Own shares 4%; SFPI 3%;

Private placement to finance a large acquisition

The facts: Befimmo disclosed yesterday that it launched, and already closed with success, a private placement of 637,131 shares at a price of EUR 49 per share, meaning a total of EUR 31.2m in order to finance the acquisition of the so-called "Blue Tower" in Brussels (quartier Louise) for EUR 78.5m from the German fund Morgan Stanley P2 value. This acquisition will be financed by the creation of 610,000 Befimmo shares. These new shares will have a lock-up period of 180 days.

Befimmo has no longer own shares. AG Insurance now retains 16.5% in Befimmo while it is 3.2% for SFPI (public body)

Befimmo anticipates that this transaction will be relative from 2013 onwards: EPS EUR 0.03 in 2013, EUR 0.04 in 2014 and EUR 0.07 in 2015. The LTV will increase by only 0.4%.

The building is made of 24,535sqm of office space, 3,629 of archives, 285sqm of commercial area and 332 parkings.

The current gross rent amounts to EUR 5.4m (gross initial yield of 6.9%) with a potential rent uplift to EUR5.9m (gross potential yield of 7.5%) based on a 100% occupancy rate of the building, i.e. letting of the 2,000 sqm currently available. The building is let based on 3/6/9 or 6/9 lease agreements.

The building underwent renovation works in the course of the last five years and benefits today from a BREEAM In Use "Good" certification.

Following this transaction, the occupancy rate and the weighted average lease duration of the portfolio emerges at 95.74% and 9.08 years respectively, compared to 95.87% and 9.32 respectively at the end of 2012.

Our analysis: This transaction had already been rumored in the market, based either on facts or on common sense. Indeed, Befimmo again sticks to giving priority to Belgium, by contrast with its shareholder, while the prospects of the Brussels market have no longer the same attraction than in the past for foreign investors. Besides, not so much players have enough financial stature and the knowledge of the Brussels office market of Befimmo which may prove to be useful to attract multi-tenants in this sizeable building.

Conclusion & Action: A sizeable transaction in Befimmo home market, for which it was the typical candidate, at facial standard conditions. No change in TP and recommendation.