



Hold

Recommendation unchanged

Share price: EUR 53.36

closing price as of 16/05/2013

Target price: EUR 54.00

from Target Price: EUR **52.00**

Reuters/Bloomberg

BEFB.BR/BEFB.BB

Market capitalisation (EURm)	1,020
Current N° of shares (m)	19
Free float	80%
Daily avg. no. trad. sh. 12 mth	20,017
Daily avg. trad. vol. 12 mth (m)	1
Price high 12 mth (EUR)	53.95
Price low 12 mth (EUR)	42.72
Abs. perf. 1 mth	4.02%
Abs. perf. 3 mth	4.63%
Abs. perf. 12 mth	23.62%

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%)	(0.4%)	(0.5%)
Earnings adj. yield	8.0%	7.5%	7.2%
Dividend yield	6.5%	6.5%	6.3%
EV/EBITDA	21.7	18.8	19.2
P/E (adj.)	11.5	13.3	13.8
Int. cover(EBITDA/Fin.int)	2.1	3.0	3.1
Net debt/(cash) (m)	948	965	997
Net Debt/Total Assets	46.8%	46.2%	47.0%



Source: Factset

Shareholders: AG Insurance 17%; SFPI 3%;

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1Q figures, not bad

The facts: 1Q figures have been released yesterday after market closure and were followed by a conference call.

EPRA earnings per share emerged at EUR 1.13, up 14% from EUR 0.99 on the back of a net rental income of EUR 32.5m, up by 2.5% yoy and an operating margin of 93.8% (from 95%). The occupancy rate was 95.74%.

The remaining average length of leases was 9.08 years, down from 9.32 years at the end of December.

EPRA NAV was EUR 55.20, and EUR 55.36 on an IFRS basis on the back of a pretty unchanged value of the portfolio to EUR 1965.9m, made of a -0.12% decrease in the CBD, -1.14% in decentralised Brussels and +1.44% in the periphery.

LTV was 46.6%, compared to 48.03% at the end of December.

The yield on portfolio was also stable at 6.89% versus 6.91% at the end of December.

The sale of the Mons I building (7,851sqm), which was already announced has been achieved at a price of EUR 8m, in line with the value given by the experts.

During the conference call, the CEO confirmed that Fedimmo has been selected in the tender for the construction of a building for the Flemish community with the WTC 4 to be constructed building, but also that some corporates were interested in this project. The CEO also reiterated that there were some encouraging signs of a revival in the Brussels office market.

It was also said, that within the request asked by the judicial authorities about the Paradis building in Liège, the name of Befimmo was not mentioned.

Our analysis: Although the EPS of EUR 1.13 seems in advance to the FY guidance of EUR 4.03, the company sticks to its guidance considering that 1Q has seasonally lower costs and this effect was exacerbated this year, particularly in January and February. In addition, corporate overheads were lower because there were no longer fees to be paid to the statutory manager since the simplification of the structure and the adoption of a new legal regime (SA). Besides, the average cost of debt continued to decline somewhat from 3.38% in 2012.

Obviously, the guidance for a dividend of EUR 3.45 was also confirmed.

Conclusion & Action: Good set of results, which seem somewhat in advance to the guidance, partly thanks to non-recurrent items in our view, which is kept unchanged. On this basis and taking into account some changes in market parameters (risk free rate,...) we slightly upgrade our TP from EUR 52 to EUR 54. Hold maintained.