



**Hold**

Recommendation unchanged

**Share price: EUR 48.08**

closing price as of 18/05/2013

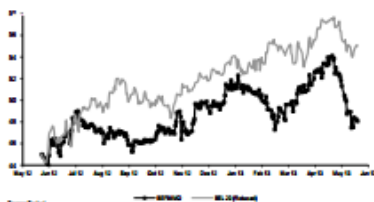
**Target price: EUR 54.00**

Target Price unchanged

Reuters/Bloomberg BEFB.BR/BFB.BB

Market capitalisation (EURm)	919
Current N° of shares (m)	19
Free float	80%
Daily avg. no. trad. sh. 12 mth	155,170
Daily avg. trad. vol. 12 mth (m)	750
Price high 12 mth (EUR)	54.11
Price low 12 mth (EUR)	44.06
Abs. perf. 1 mth	-10.89%
Abs. perf. 3 mth	0.04%
Abs. perf. 12 mth	5.66%

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%)	(10.3%)	(10.4%)
Earnings adj. yield	8.8%	8.4%	8.0%
Dividend yield	7.2%	7.2%	7.0%
EVEBITDA	21.7	17.9	18.3
P/E (adj.)	11.5	12.0	12.4
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%



Shareholders: AG Insurance 17%; SFPI 3%;

**Axa for 9.6% in Befimmo with new building**

**The facts:** Axa will bring the AMCA building in Antwerp in Befimmo portfolio in exchange of 2,037,037 new Befimmo shares so that the insurance company will enter in the capital of Befimmo for 9.6%.

The issue price of the new shares is EUR 54.00 per share, well above the current share price and close to the last published NAV (IFRS) of EUR 55.36 (31 March 2013).

With annual rents of EUR 7.1m, the gross yield emerges at 6.4%.

The building is well located in Antwerp (close to "Het Eilandje"). It was erected in 1992 and includes 58,000sqm of office space, 1,500sqm of archives and 500 parking spaces.

As a result of the transaction, the remaining weighted average length of leases is up from 9.08 years to 9.21 years, considering that the building is rented for 16.5 years to a public body.

**Conclusion & Action:** This major transaction follows another important one (the acquisition of the so-called Blue Tower for EUR 78.5m in April) and enables to reduce the LTV ratio by 2.5%, which could open the door for some additional investments considering some signs of revival of the Brussels office market, according to Befimmo. After the correction that has affected most Belgian REITs, reflecting probably the rise in interest rate, Befimmo had been the most- and too largely- affected, although the hedging rate had been sizeably increased (fixed rate debts inclusive IRS of 58.4% at the end of December). We welcome this transaction and stick to our TP and recommendation.

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