



Hold

Recommendation unchanged

Share price: EUR 50.58

closing price as of 16/01/2014

Target price: EUR 54.00

Target Price unchanged

Reuters/Bloomberg

BEFB.BR/BEFB.BB

Market capitalisation (EURm)	1,070
Current N° of shares (m)	21
Free float	74%
Daily avg. no. trad. sh. 12 mth	18,081
Daily avg. trad. vol. 12 mth (m)	913
Price high 12 mth (EUR)	52.03
Price low 12 mth (EUR)	45.48
Abs. perf. 1 mth	2.52%
Abs. perf. 3 mth	-0.92%
Abs. perf. 12 mth	5.52%

Key financials (EUR)	12/12	12/13e	12/14e
Gross Rental Income (m)	129	137	138
EBITDA (m)	87	115	116
EBITDA margin	64.5%	81.2%	81.1%
Portfolio Result (m)	(35)	(10)	(5)
Net Financial Result	(41)	(21)	(34)
Net Profit (adj.)(m)	75	85	77
Funds From Operations	75	85	77
EPS (adj.)	4.24	4.12	3.78
DPS	3.45	3.45	3.50
IFRS NAVPS	54.10	57.72	58.18
EPRA NAVPS	54.18	57.72	58.18
Premium/(Discount)	(13.2%)	(12.6%)	(13.1%)
Earnings adj. yield	8.4%	8.1%	7.5%
Dividend yield	6.8%	6.8%	6.9%
EV/EBITDA	22.4	17.7	18.0
P/E (adj.)	11.1	12.3	13.4
Int. cover(EBITDA/Fin.int)	2.1	5.5	3.5
Net debt/(cash) (m)	948	973	1,020
Net Debt/Total Assets	46.8%	43.0%	44.0%

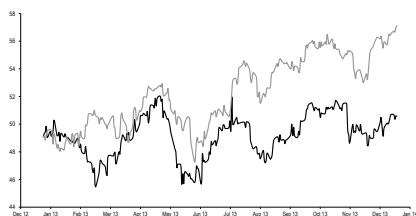
Noord building

The facts: according to a Belgian newspaper, the administrative departments of the city of Brussels would move from their current location (Place De Brouckere) to possibly the « Noord building ».

Our analysis: The Noord building (42,746sqm compared to a total portfolio of some 900.000sqm) is among the oldest buildings (1989) of Befimmo. The company in the past already made no secret that the current occupier (the Flemish community) will leave the building at the end of 2016, implying a renovation with potential for a larger building considering the rather limited height of the current building. After renovation, the building could be occupied in 2019/20.

Besides, Befimmo has obtained at the end of 2012 a building permit for the construction of the WTC IV tower (56,400sqm) which may house the Flemish community, since Befimmo has been selected in their tender. The issue of this tender was initially expected for September of last year, but we may doubt now that a decision would be made before the elections in the summer.

Conclusion & Action: All in all, this news makes sense considering the good location of the Noord building, for which we were not fearing difficult times. No change in recommendation and target price.



Shareholders: AG Insurance 15%; AXA Belgium 9%;
Own shares 2%;

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