

**Exane Market Commentary****02 August 2013****Authors: Vishal Lakhani****Morning Headlines:****3) Befimmo – H1 2013 Results****3) Befimmo – H1 2013 Results****Numbers**

>FFO/share of EUR2.39 looks good versus last year (EUR2.13), primarily driven by a lower cost of debt - which averaged just 3.17% over the first half of the year

>H1 earnings represent 58% of the company's FY guidance of EUR4.03, which was given at the beginning of the year

>EPRA NAV/share of EUR55.37 and NNNAV/share of EUR54.54

**Operational performance**

>It's difficult to draw too many conclusions on leasing on the basis of 8,600 sq m of new leases and renewals over H1 - although company comments that these were "in line with assumptions made when preparing the three-year outlook"

>Occupancy down from 95.9% at December 2012 to 94.8% at H1 due to a number of tenant departures and the inclusion of the Blue Tower in the portfolio

**Portfolio valuation**

As usual, no material move in the valuation of the portfolio, which has declined by a mere 0.36% over the first half of the year.

Worst performance from Brussels Decentralised (-5.2%) and Wallonia (-2.4%), best performance from Luxembourg (+1.5%) and developments (+2.9%)

The portfolio is now valued on an initial yield of 6.55%

Reversionary potential remains deep in negative territory at -11.8%

**Outlook**

No explicit comments on changing outlook. Dividend forecast for the full-year of EUR3.45/share has been confirmed.

*Source: Company*