

EQUITY
REAL ESTATE

| FEBRUARY 21, 2014 |

 **Befimmo (Buy, TP=€58) - Full-year results - Cash flow fell short of our estimates because of exceptional charges; but NAV was stable - H. Quadrelli (1p)**

■ **Analyst meeting/conference call**

The company held a conference call yesterday at 5.30 pm CET.

■ **Main surprises**

The main gap between our estimates and the results stems from an exceptionally high general charges rate (+7.4%) due to the integration of the property management business and to the increase in taxes and charges related to various projects. The financial charges were slightly higher than expected, widening the gap between the reported figures and our estimates. The company confirmed that it would pay a gross dividend of €3.45. The value of the portfolio declined by 0.94% only, thanks to the Brussels CBD (-1.01%) and Flanders (+0.47%). NAV appears stable.

■ **Potential impact on SG & market forecast**


Our model is currently under review. Our €58 TP reflects a 5% discount (-5% sector, -2% liquidity, +2% 'reputation', 0% speculation) to our estimated fair value of €61.5. Risk to TP: An increase in the Brussels CBD office vacancy rate would have a negative impact on our valuation and TP.

■ **Potential impact on share price/recommendation**

We do not expect any significant movement in the share price, as the negative impact of higher than expected charges should be offset by stable NAV and better prospects for 2014.



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