

Atenor

Belgium/Real Estate

Analysier

**Hold**

Recommendation unchanged

Share price: EUR 38.01

closing price as of 05/03/2010

Target price: EUR 40.00

Target Price unchanged

Reuters/Bloomberg

ATEO.BR/ATEB.BB

Market capitalisation (EURm)	192
Current N° of shares (m)	5
Free float	47%
Daily avg. no. trad. sh. 12 mth	1,873
Daily avg. trad. vol. 12 mth (m)	0
Price high 12 mth (EUR)	41.20
Price low 12 mth (EUR)	33.50
Abs. perf. 1 mth	2.87%
Abs. perf. 3 mth	7.13%
Abs. perf. 12 mth	3.01%

Key financials (EUR)	12/08	12/09e	12/10e
Sales (m)	94	63	60
EBITDA (m)	43	13	12
EBITDA margin	46.2%	21.5%	20.5%
EBIT (m)	40	12	11
EBIT margin	42.4%	18.5%	17.6%
Net Profit (adj.)(m)	41	9	12
ROCE	25.8%	7.1%	5.8%
Net debt/(cash) (m)	28	56	55
Net Debt/Equity	0.2	0.5	0.5
Debt/EBITDA	0.7	4.2	4.5
Int. cover(EBITDA/Fin. int)	121.3	5.5	3.8
EV/Sales	2.2	3.4	3.7
EV/EBITDA	4.7	15.7	17.8
EV/EBITDA (adj.)	4.7	15.7	17.8
EV/EBIT	5.1	18.2	20.8
P/E (adj.)	4.6	19.6	15.4
P/BV	1.5	1.5	1.6
OpFCF yield	-16.4%	2.2%	-2.4%
Dividend yield	6.8%	6.8%	7.2%
EPS (adj.)	8.20	1.81	2.46
BVPS	24.98	24.16	23.99
DPS	2.60	2.60	2.73



Source: Factset

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FY09 results: dividend maintained as expected.

The facts: Results have been released Friday March 5 after market close. An analyst meeting occurred at the same time.

Our analysis: Our main, though minor fear, was about the dividend, that rather unsurprisingly was unchanged versus one year earlier and as such identical to our own forecast. Bottom line (EUR 7.3m or EUR 1.45 per share) was only marginally higher than at the issue of 1H (EUR 7.2m) and below our own assumption (EUR 9.3m). Main reason for this difference is linked to the delay in the delivery of the President building while the good progress made in Media Gardens was not sufficient, as we could have expected to offset this issue.

Having in mind that the capital gains are the core contributor to Atenor figures, they reached EUR 14.6m at the issue of 1H made of EUR 11.99m for President and EUR 2.19m for Victor (Brussels South station). For FY09 as a whole the contribution of President has been reduced to EUR 10.04m reflecting price adjustments linked to the delay in the delivery. Atenor released that very recently (February 25), it reached an agreement with the buyer CRI about the delivery and the payment of the balance of the price. Besides, Atenor gives preference to an amical settlement with the general contractor.

Besides, the company made an update about the projects of which we did not pointed out major adverse items. We will highlight that the company is optimistic about the agreements for the ambitious Premium project (mixed set of residential units, offices and commercial spaces of more than 80,000sqm for which a permit has been submitted in December 2008).

As far as the balance sheet is concerned, the delay in the delivery of the President in addition to works in progress has led to a net financial debt of EUR 71.6m at the end of FY09 but this situation will have moved towards a net cash position considering the booking of nearly EUR 50m in the days preceding the release of the FY09 results.

Conclusion & Action: No major surprises in these figures. While main projects will not contribute massively to the 2010 figures, the share price has really no trigger for an upside, putting aside any valuation update, but at the other hand the attractive dividend yield, secured by the financial structure, is a good support. Hold and target price maintained before fine tuning our figures.