Banimmo

Presenting Banimmo
June 2012

AGENDA

- **Business model**
- **Focus on sustainable developments**
- **Portfolio description and valuation**
- **Financial management**
- **Forecasts and goals for 2012**

Banimmo in Neither a REIT neither a pure developer

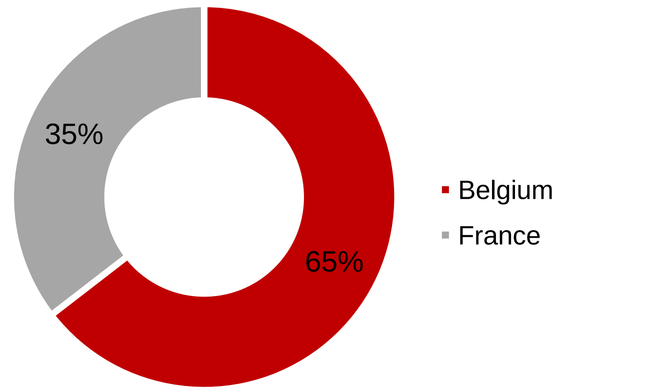
- **Property company generating both capital gains and a diversified base of recurrent income**
  - Neither plain real estate investment company (REIT), neither pure developer
  - Specialized in the repositioning of under-managed assets and the development of sustainable built-to-suits
  - Focus on value-add assets, with technical, commercial or financial upgrading potential
  - Income coming mainly from two sources:
    - Capital gains from 'asset redevelopment' and built-to-suits
    - Recurrent income
      - Rental income from diversified tenant base
      - Operational income from ownership and management of conference centers
      - Financial income from stake in listed REIT Montea
      - Fee income

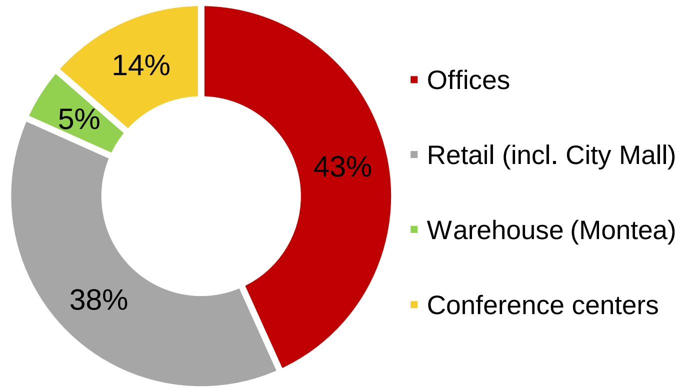
    => Recurrent income covering general and financial expenses: no cash flow squeeze

- **Banimmo is not a REIT**
  - Fully liable to corporate tax but in practice very low effective tax burden. Historically, yearly tax paid of on average 200-500 k€
  - Actively involved in property redevelopment and development

Diversified Portfolio in different stages

- **Diversified real estate portfolio**
  - Geographically:
    - Belgium
    - France
    - Luxemburg
  - Type of segment:
    - Offices
    - Retail
    - Conference centers
  - At different phases of the repositioning process :
    - Pre-development
    - Under development
    - Development finished





- **Real estate strategy**
  - Rotation period between 5 and 7 years, which explains why Banimmo's portfolio is made of assets at different phases of the repositioning process
  - Medium-sized projects: achieve diversification (+/- 75% in the € 10 -25 Mio range)

LOW HOLDING DURATION

- **Like a developer, Banimmo has a low holding duration and succeeds in generating high capital gains and IRR's on the assets it repositions**

Name building	Type of building	Size	Disposal date	Number of years of detention	IRR	Capital gain (margin)/m²*	Repositioned
Lozana	Offices	7,000 m²	Dec. 2011	11 years	16%	352 €/m²	Yes
Saran I	Retail	2,300 m²	Dec. 2011	4,5 years	9%	-81 €/m²	No
Antwerp Expo	Exhibition hall	22,635 m²	Jul. 2011	4,25 years	13%	-54 €/m²	No
Clamart	Retail	8,000 m²	May 2011	4 years	37%	475 €/m²	Yes
Kruger Park	Retail	12,700 m²	Dec. 2009	10 years	34%	468 €/m²	Yes
Sirius (Mobistar)	Offices	29,500 m²	Nov. 2009	8,5 years	45%	528 €/m²	Yes
Brouckère Tower	Offices	32,700 m²	2006/2007	7 years	29%	534 €/m²	Yes

** Rental income stream not included and excluding brokerage costs*

FINANCIAL TARGETS

- **Finanical targets**
  - Target IRR (post tax-post leverage) on individual investments >15%

Lozana	Saran I	Antwerp Expo	Clamart	Kruger Park	Sirius (Mobistar)	Brouckère Tower
16%	*9%*	*13%*	*37%*	*34%*	*45%*	*29%*

  - Overall financial leverage <65%

Key ratios	***31/12/2007***	***31/12/2008***	***31/12/2009***	***31/12/2010***	**31/12/2011**
Fin debt/Total assets	*21.0%*	*51.3%*	*46.3%*	*60.0%*	***57.5%***

  - Ratio recurring income divided by total cost (SG&A and Financial charges) >1 in order to avoid cash squeeze

Key ratios	***31/12/2007***	***31/12/2008***	***31/12/2009***	***31/12/2010***	**31/12/2011**
Recurrent income/ (SG&A and Fin. charges)	*100.4%*	*119.3%*	*112.8%*	*103.0%*	***102.5%***

Case : Property repositioning Electrolux

Location

- Brussels Decentralized

Specifications

- Previous surface: 6,350 m²
- Current surface extended to 8,242 m²

Tenant

- Electrolux (100%)
- Fixed 9 years leasing contract (possible extension up to 12 years)
- Annual instalment of €1.6M

Acquisition and renovation

- Acquisition in December 2004, fully occupied, based on initial yield of 14.3%
- Previous tenant has been moved to other building of the portfolio of Banimmo in July 2010
- Start in August 2010 of heavy renovation of existing building and creation of new wing
- Renovation in different phases and last phase completed in 06/2011
- High environmental standards (E-level of E60)

Before renovation

After renovation

BUSINESS MODEL: BUILT-TO-SUITS – CASE STUDY

Case study: Built-to suit for Mobistar

Location

- Evere (next to NATO)

Specifications

- Area of 43.600m²
- 3 buildings with a total surface of 24.200 m²

Acquisition

- Date: 2000
- Amount: €14.1 mio
- During first years, buildings were rented to Honeywell

Renovation/repositioning

- Complete repositioning of the site
  - Renovation of the 1st building (Da Vinci H3) and rented to the European Commission with a long term lease contract
  - Demolition of 2nd building (Da Vinci H4) and construction of the new headquarters of Mobistar (+/-30.000 m²), with a delivery date in the second half year of 2009 , and with a long term lease agreement. The gross rental income amounts to €4 - 4.5 m. The building was sold in 2009 at an asset value of €70 mio, generating an IRR of 45%
  - Complete renovation of 3th building (Da Vinci H5) that is now fully occupied.

Before renovation

After renovation

Agenda

- Business model
- **Focus on sustainable developments**
- Portfolio description and valuation
- Financial management
- Forecasts and goals for 2012

CLEAR FOCUS ON SUSTAINABLE DEVELOPMENT

The development of sustainable buildings is a long term strategy for Banimmo

2009	Delivery of the new headquarters of Mobistar **(built-to-suit):** This building meets the highest standards of energy efficiency, achieving an exceptional E-level of E79
2010	Complete **renovation/ repositioning** of the Arts 27 building. The obtained E-level is E79
2011	**Repositioning** of an old building into a new sustainable building that hosts the new headquarters of Electrolux in Brussels with an E-level of 60
2012	Delivery of the new offices of VMM in Ghent **(built-to-suit).** The building has an E-level of 68
2012	Signing of a lease-agreement with a financial institution in order to built their new regional headquarters **(built-to-suit)** with a foreseen BREEAM score of « Very good » or « Excellent »

WHY? IMPACT OF NEW REGULATION ON BUILDING EFFICIENCY

Current and future maximum E-levels for <u>NEW</u> office buildings in Belgium

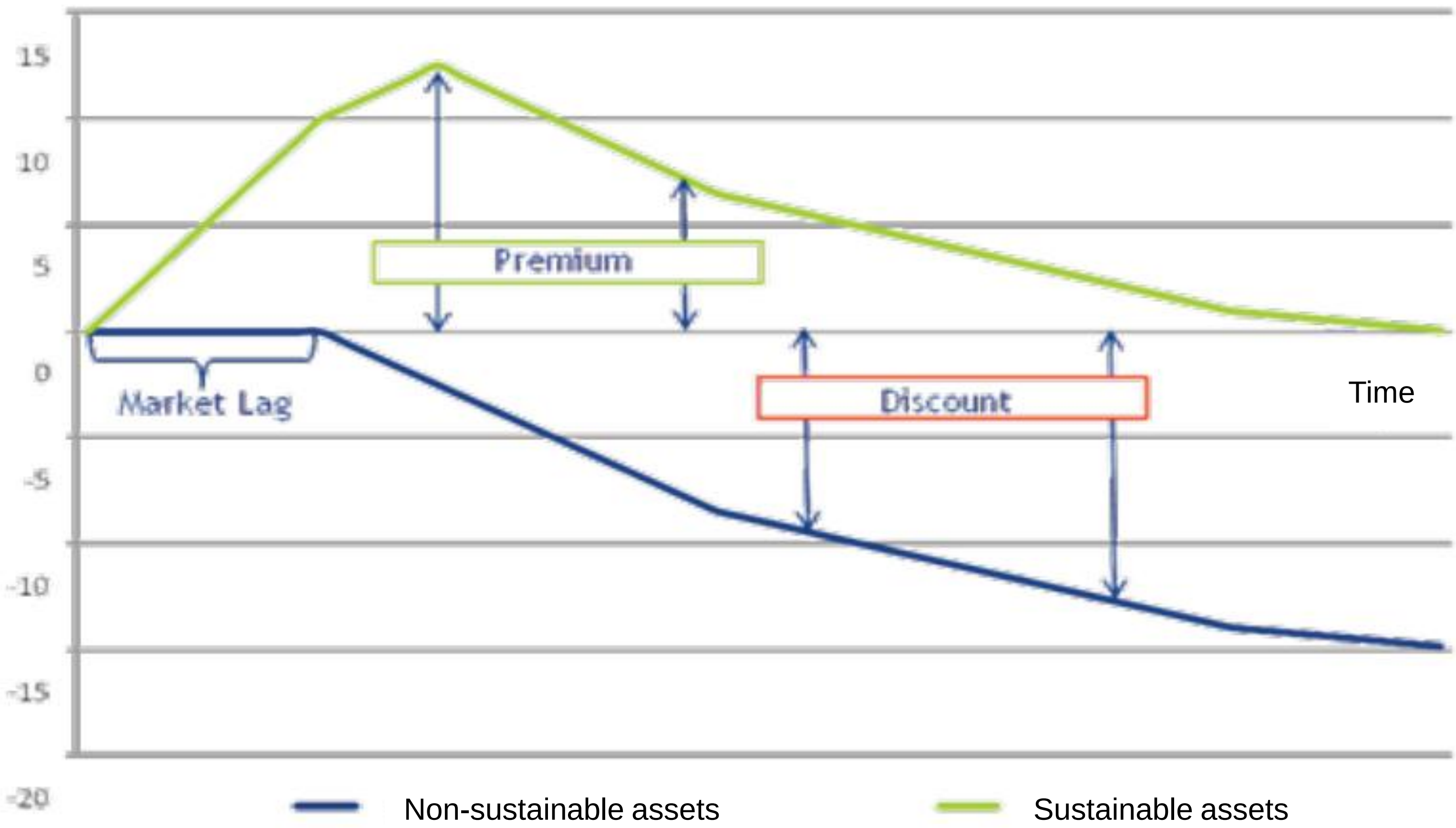
	2010	07/2011	09/2011	2012	2014	Future
Brussels	**E90**	**E75**				
Flanders	**E80**			**E70**	**E60**	
Wallonia	**E100**		**E80**			

A. <u>In the investment market</u>

- Outdated buildings that are not compliant with new environmental standards will be more difficult to let
- Renovation works will be increasingly subject to environmental compliance. Few investors should be willing or be able to meet those challenges at a competitive cost
- Growing pressure to upgrade existing buildings will increase stock of obsolete buildings
- Increasing number of institutional investors are becoming aware of environmental issues and are adapting their demand to new regulations
- **Increasing stock of obsolete assets represents a huge opportunity for Banimmo**

WHY? TWO TIER INVESTMENT MARKET IS EMERGING

Possible evolution of rental premium/discount (*Source: Joël Gorselé, Petercam - Sven De Bondt, Bopro*)



WHY? GROWING CONCERN OF CORPORATE IMAGE COMPATIBLE WITH SUSTAINABLE ECONOMY

B. In the tenant market

- Stricter regulations on the energy efficiency of buildings (introduction of performance certificates) drives up the demand for sustainable buildings for corporate and public sector occupiers
- Additionally, energy efficiency and corporate image are gradually becoming a major concern for tenants
- Not only the amount of rent, but also the amount of charges has become important in the decision process

Difference of energy cost for same building with different E-norm (*Source: Banimmo, based on building of +/- 10,000m²*)

Primary energy	Building A (E135)	Building A (E65)
E value (Brussels)	**135**	**65**
Heating	118 kWh gas / m² / yr	31 kWh gas / m² / yr
Cooling	16 kWh elec / m² / yr	7 kWh elec / m² / yr
Auxiliaries	14 kWh elec / m² / yr	7 kWh elec / m² / yr
Lighting	26 kWh elec / m² / yr	9 kWh elec / m² / yr
Office / IT use + kitchen	28 kWh elec / m² / yr	28 kWh elec / m² / yr
Common energy costs (heating, cooling, auxiliaries)	8,87 € / m² / yr	3,11 € / m² / yr
Private energy costs (lighting, office use)	6,46 € / m² / yr	4,47 € / m² / yr
Total energy costs	**15,3 € / m² / yr**	**7,6 € / m² / yr**

BANIMMO'S OFFICE PORTFOLIO'S OBSOLESCENCE LEVEL

Name building *	Age (Jones Lang LaSalle classification)	E-level
Athena Business Center	Old	E302***
Alma Court	Modern (10 years)	E135**
Arts 27	New (refurbished in 2009)	E79
Diamond	Modern (10-15 years)	From E139 to E195 **
Raket (Electrolux)	New	E60
Sirius (Mobistar)	New	E74
H5	New (Refurbished in 2010)	E91
North Plaza	New (refurbishment in progress)	E90
Prins B. 5	New (Refurbished in 2010)	E104
Corvettes	Old	E161

* For the office buildings H3, analysis is being performed. For the retail assets, no analysis is currently performed as sustainability issues are less present (depending on tenant, etc)

** Asset plan to improve energy efficiency. Objective for Alma Court is to obtain a E-level of E80

***ABC will be converted into a residential development

Our portfolio is for the major part meeting current investors' demand

AGENDA

- Business model
- Focus on sustainable developments
- **Portfolio description and valuation**
- Financial management
- Forecasts and goals for 2012

Composition of Banimmo's portfolio

Banimmo
- IAS 2 buildings
- IAS 40 buildings
- Equity Stakes

IAS 2- Stocks

- Assets/property acquired exclusively with a view to subsequent disposal in near future or for development and resale
- Assets are **not** revalued by independent expert at market value but remain at historical acquisition cost. Impairment test is performed

IAS 40- Investment Properties

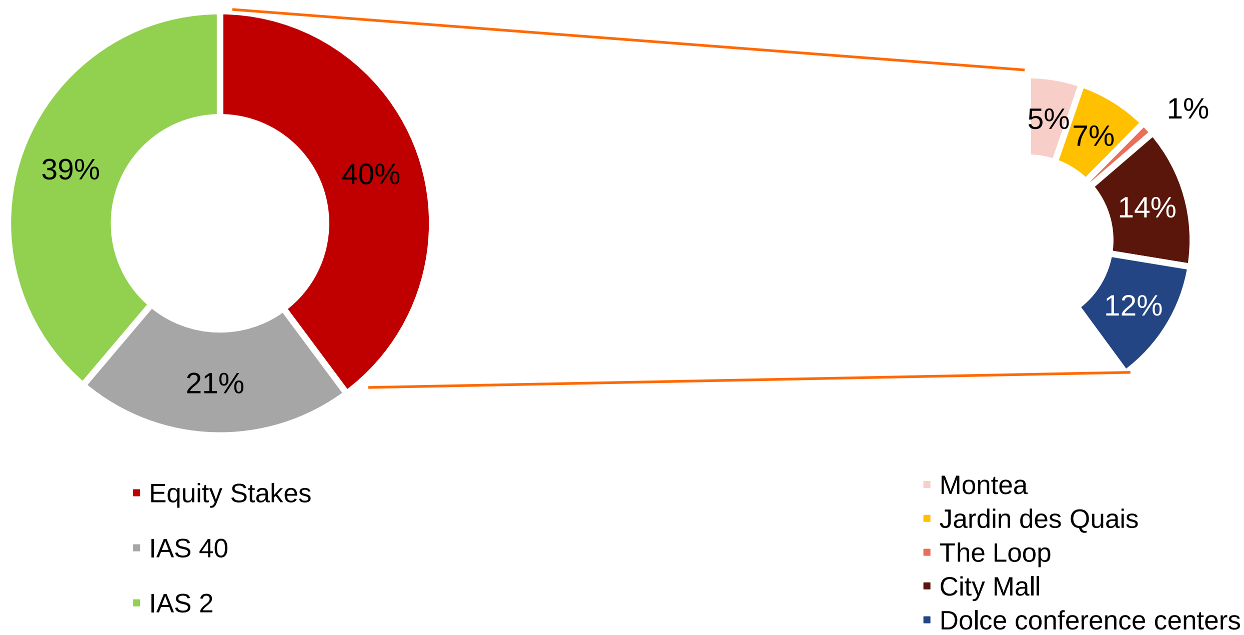
- Assets that are not classified as IAS 2-Stocks remain classified as investment property even if a sale is possible. Amount of IAS 40 buildings will decrease in the future

Equity Stakes

- Banimmo has 6 different equity stakes which are the result of a strategic decision to invest in larger projects by limiting the financial exposure. Those 6 equity stakes are:
    1. Montea: Participation in Logistic REIT
    2. Jardin des Quais: Outlet Center in Bordeaux
    3. Conferinvest: Conference Centers
    4. City Mall: 3 city center shopping mall projects
    5. The Loop: Mixed projects in Ghent
    6. New Built-to-suit in Charleroi

COMPOSITION OF BANIMMO'S PORTFOLIO (CONTINUED)

By investment type



IAS 2 ASSETS - STOCKS

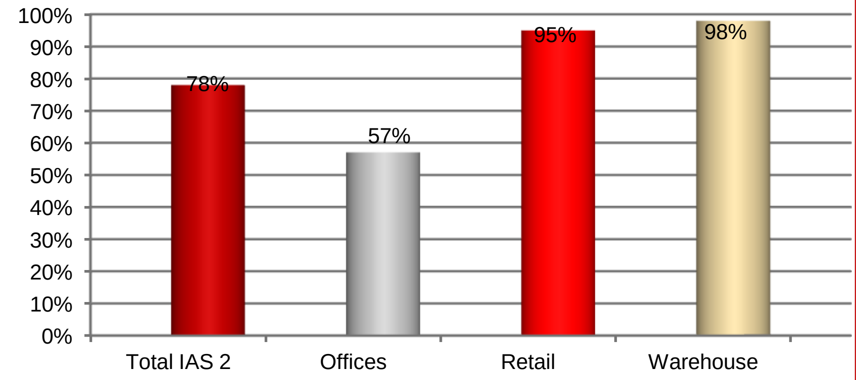
List of buildings

Prins B. 5	6,492 m²	Belgium	Antwerp	Offices
North Plaza	13,630 m²	Belgium	Brussels	Offices
Da Vinci H3	12,449 m²	Belgium	Brussels	Offices/whs
Da Vinci H5	3,785 m²	Belgium	Brussels	Offices
Electrolux	8,242 m²	Belgium	Brussels	Offices
Arts 27	3,734 m²	Belgium	Brussels	Offices
Vaugirard	2,083 m²	France	Paris	Retail
Marché-Saint-Germain	3,179 m²	France	Paris	Retail
Rouen	2,848 m²	France	Rouen	Retail
Eragny	12,465 m²	France	Eragny	Retail
Secrétan (VEFA)	3,800 m²	France	Paris	Retail

List of land bank

Name	Construction potential	Country	Location	Segment
Ans	n.d.	Belgium	Ans (Liege)	Offices/retail
Da Vinci H2	20,000 m²	Belgium	Brussels	Offices
Land Diamond	+/- 10,000 m²	Belgium	Brussels	Offices
The Loop V5 East	36,000 m²	Belgium	Ghent	Offices
The Loop V3	20,000 m²	Belgium	Ghent	Offices

Occupancy



Gross rental yield	*6.3%*
Gross rental yield if fully occupied	*8.3%*

Total IAS 2 value in accounts *€151.5 mio*

Anticipated rotation

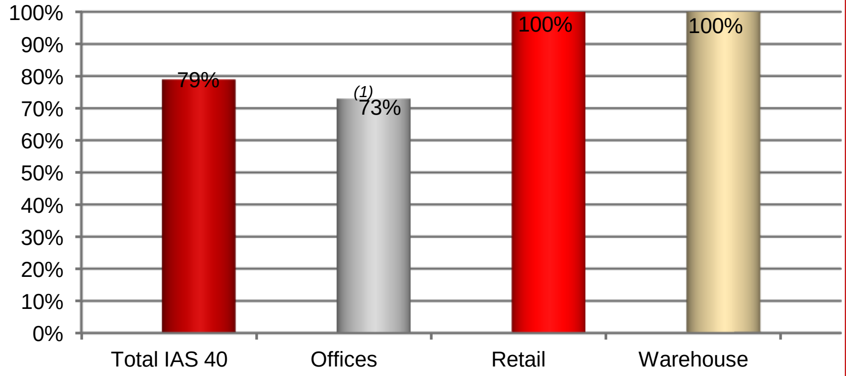
2012	2013	2014	2015
Saint-Germain Arts 27 Prins B-5 Da Vinci H3	Eragny Da Vinci H5 Electrolux	Rouen Secrétan	Vaugirard North Plaza

IAS 40 ASSETS

List of buildings

Diamond	12,771 m²	Belgium	Brussels	Offices
ABC	18,180 m²	Belgium	Brussels	Offices/whs
Alma Court	16,042 m²	Belgium	Brussels	Offices
Colombes	14,215 m²	France	Corvettes (Paris)	Offices
Saran II	600 m²	France	Orléans	Retail
Fontenay	1,970 m²	France	Fontenay	Retail

Occupancy



Anticipated rotation

2012	2013	2014	2015
Saran II	Fontenay Alma Court		Colombes

Gross rental yield	*7.5%*
Gross rental yield if fully occupied	*9.7%*

Total IAS 40 value in accounts	*€84.2 mio*

EQUITY STAKE INVESTMENTS: MONTEA AND JARDINS DES QUAIS

This category includes as of today 6 investments

1. Equity participation in Belgian logistic oriented REIT **Montea**

   - Equity value : €20.8 Mio
   - Dividend: € 1.53 Mio
   - No shareholder's agreement → quasi cash

2. **Jardins des Quais** (Bordeaux – France)

   - 50% stake with Affine since 2005
   - Multi purpose complex: 15,643 sqm Retail / 9,691 sqm Offices – spread over 5 blocs
   - Occupancy 83% at 31/12/2011. Over 95% by 30/06/2012
   - Commercial repositioning completed → mature asset
   - Fair value of € 49.3 Mio at 31/12/2011. Implicit yield 7.9% on offices – 6.50% on retail
   - Exit target: 2013

Equity Stake Investments: Conference centers

3. Conference Centers (Dolce Hotels)

- Equity stake: 49% with 2 family offices
- Two assets: Dolce La Hulpe (Brussels) : 35,977 sqm ; reconstruction 2007; green label
  Dolce Chantilly (Paris): 17,000 sqm; renovation 2008
  - 15 years Management contract with US operator Dolce – 10 years to go
  - At Brussels, 4,000 sqm offices let to Swift (termination 2013)
- Banimmo and investors run operating risk. Banimmo is asset manager for an annual fee of € 400K
- Trading performance: stabilized assets. Respective occupation rate : 60%, 63%

In '000 €	*La Hulpe 2010*	*La Hulpe 2011*	*La Hulpe 2012E*	*Chantilly 2010*	*Chantilly 2011*	*Chantilly 2012E*
Turnover	*21,021*	*21,422*	*21,950*	*14,755*	*15,710*	*16,800*
EBITDA	*3,915*	*4,490*	*4,800*	*2,515*	*3,525*	*3,900*
Rents	*850*	*850*	*850*	*None*	*None*	*none*

- Net bank debt amounts: €45.5 Mio with an annual installment of € 3,750 K
  Financial charge: +/- € 2,000 K
  DSCR (hotel): 1.51

- Valuation *(Source Banque Degroof)*
  Assumptions:
  Occupancy 65% ADR 2012 inflated: 134€ /136€
  WACC: 8.75% ke: 13%
  EV Hotel (100%): € 120 Mio
  + office building: € 7 Mio

Equity Stake Investments: City Mall

4. Three large retail projects in City Mall

- **Verviers**
  - Covered shopping mall of 29,700 m² GLA with 1,150 parking spaces
  - Catchment area: 350,000 consumers & 53,000 habitants
  - Building permit suspended by Council of State
  - Withdrawn by Minister of Territory .To be relaunched in October including remarks Council of State
  - Possible construction start date: Q2 2013 – 40 months
  - Support of local and Regional authorities

- **Namur**
  - Covered Shopping mall of 22,500 m² GLA with 1,000 parking spaces
  - Catchment area: 350,000 consumers & 108,000 habitants
  - In the city center, next to the central railway
  - PRU plan launched by City of Namur
  - Building permit Q2 2013 and construction – 25 months
  - Support of local and Regional authorities

- **Charleroi**
  - Acquisition of nearly 7 hectares located on the “Charleroi Expo” site
  - Nearly 7 hectares non built in front of City House – Excellent public accesses
  - Catchment area: 650,000 consumers & 200,000 habitants
  - Talks postponed after municipal elections (October 2012)
  - City preference for a multifunctional project including

Retail:	+/- 45,000 sqm
Residential:	+/- 10,000 sqm
Offices:	+/- 30,000 sqm
Hotel	t.b.d.
Parkings:	3,000 units

  - No precise time schedule

Equity Stake Investments: City Mall (continued)

Financial Framework

- Equity stake: 42.5%   Economical stake: 38.25%
- Co-control with Huon partner. Previously Foruminvest Belgium managing director.
- Team dedicated thru specific entity CMM (City Mall Management). Entity aside.
- Total investment of € 54 Mio

  Split: € 19 Mio Equity

                € 35 Mio Mezzanine Financing (8%)
- Equity price is allocated to the 3 projects based on building area

Base 100%	Verviers	Namur	Charleroi *
	€ 423 sqm	€ 503 sqm	€ 593 sqm

* Retail area only

- Targeted average rent/sqm parkings included : € 450 - € 500/sqm
- Market cap yields on shopping centers: <6%
- Estimated fully loaded cost per retail sqm until completion

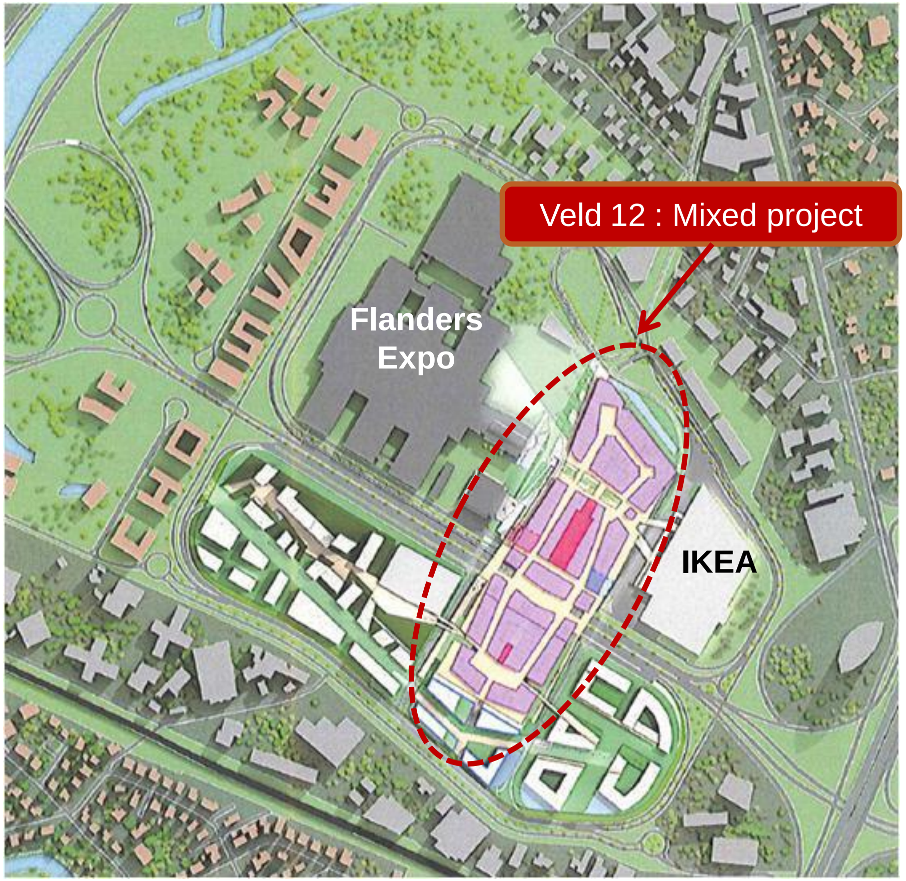
Base 100%	Verviers	Namur	Charleroi
	€ 5,900 sqm	€ 5,900 sqm	not definable yet

Equity Stake Investments: The Loop

5. The Loop

- Banimmo has a participation of 25% in Grondbank The Loop, owner of the land

- Development of a mixed project on Veld 12 anchored by a retail complex (Design Outlet Factory)
  - Constructible area of +/- 100,000 m² made of a.o
    - Retail (+/-35,000 m²)
    - Offices (+/-20,000 m²)
    - Leisure (+/-15-40.000 m²)
  - Pre-development phase under way with a specialised operator in view of a joint offer in order to acquire the land



6. Built to suit in Charleroi

- Built to suit in Charleroi for +/- 8,000 sqm – 75 parkings
- Land belonged to a third party who teamed up with Banimmo
- Leased 15 years firm with financial institution
- ERV: 156€/sqm
- Sustainable building: target E60
- Production cost/sqm: € 2,077/sqm (land included)
- Exit 2015

SUM OF THE PARTS

Banimmo

				Value	
Banimmo	IAS 2 buildings			€151.5 mio	Book-value (historical acquisition cost (not revalued at Fair market value by independent expert)
	IAS 40 buildings			€84.2 mio	Book-value (Fair market value by independent expert)
	Equity Stakes	14.8%	Montea	€20.8 mio	Stock Market value
		50%	Jardin des Quais	€18.2 mio	50% of Fair Market value of €49.3 less Financial debt of €12.8 mio
		49%	Conference Centers	€26.7- 36.5 m	49% of Asset value range between €100 and €120 mio less financial debt of €45.5 mio
		38.25%	City Mall	€54 mio	Total investment cost
		25%	The Loop	€16 mio	Fair Market Value value by independent expert
			Total	€371.4 - €381.2 mio	

Fair market value (by independent expert): €84.2 mio, €20.8 mio, €18.2 mio, €26.7- 36.5 m, €16 mio

Historical acquisition cost: €151.5 mio, €54 mio

SUM OF THE PARTS (CONTINUED)

	Value
Total Value	€371.4 - 381.2 mio
Net financial debt	€211.0 mio
Banimmo's equity value	€160.4-170.2 mio
Total number of shares	11.356.544
Equity value per share	Low : €14.1 High: €14.9 Average: €14.5

This computed Net Intrinsic Value is only a partial Intrinsic Value as more than 50% of the total asset value (IAS 2 buildings and City Mall) is valued at historical acquisition cost and not at Fair Market value by an independent expert

BANIMMO'S STOCK PRICE STANDS WELL BELOW NIV

Stock price evolution Banimmo vs Bel 20 (rebased) and EPRA EURO (rebased)

AGENDA

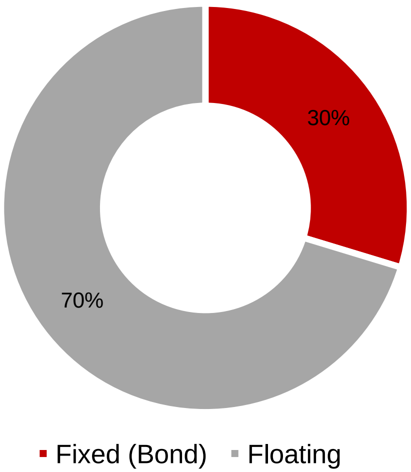
- Business model
- Focus on sustainable developments
- Portfolio description and valuation
- **Financial management**
- Forecasts and goals for 2012

Financial Management

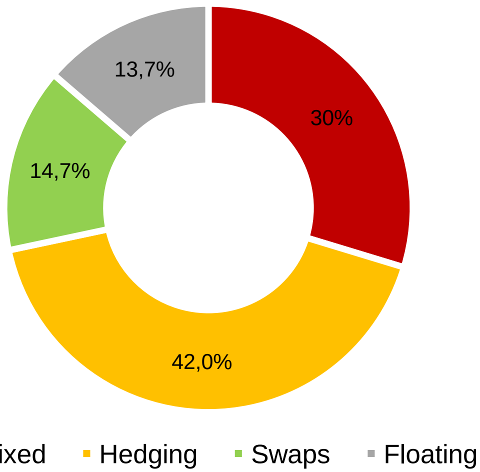
Key ratios	*31/12/2010*	*30/06/2011*	*31/12/2011*
Net debt (€ mio)	*242.5*	*216.0*	***211.0***
Net debt/shareholders equity	*1.77*	*1.56*	***1.58***
Fin debt/Total assets	*60.0%*	*56.7%*	***57.5%***

We wanted and obtained a well diversified and hedged funding structure

Financing base before hedging

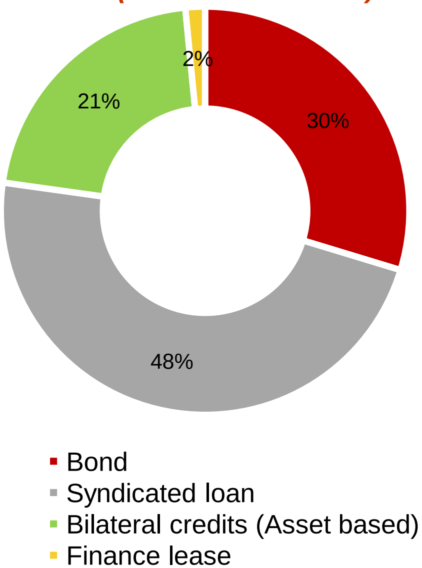


Financing base after hedging*



Funding source diversification

(Total of €252.5 mio)

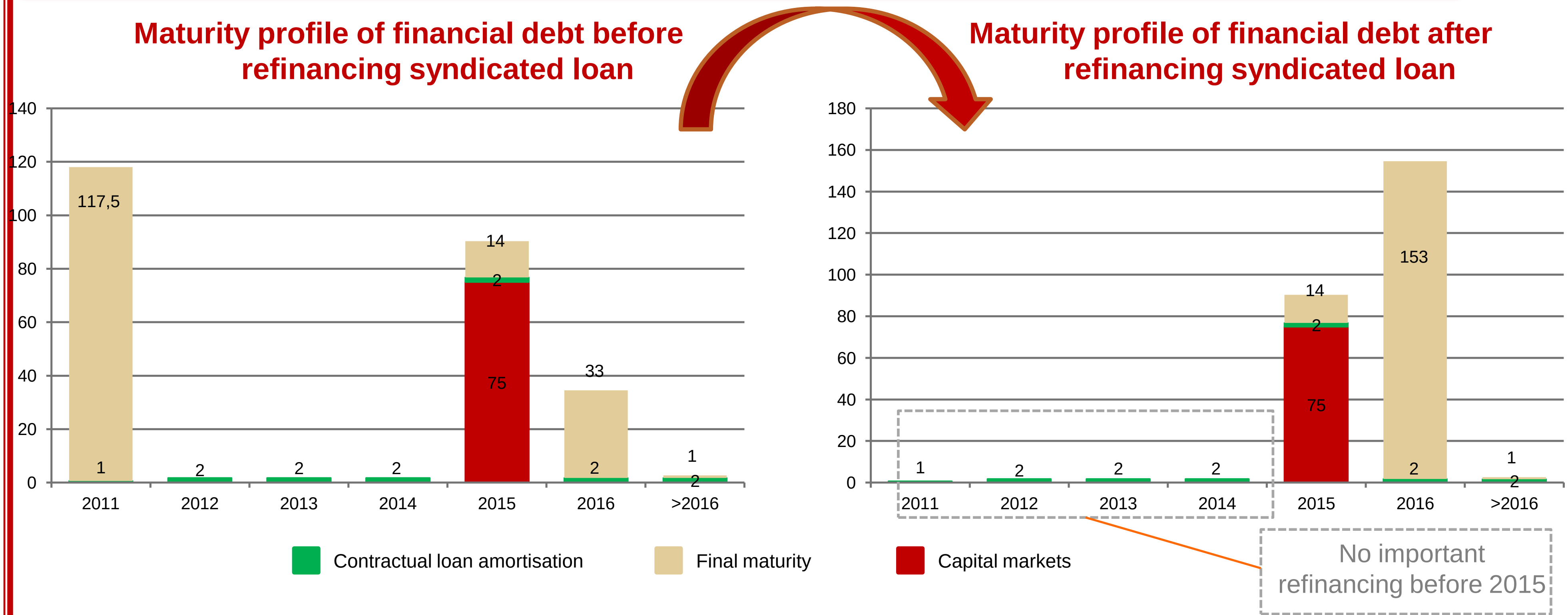


More than 85% of debt is now hedged or based on fixed rate

Well-diversified financing sources: Dependence from syndicated credit has progressively been decreased through signing of bilateral loans and bond issuance

(*) Percentage as of Q2 2012 till Q3 2014

NEW CLUB DEAL AVOIDS REFINANCING RISK BEFORE 2015



- Exit of existing syndicated loan (4 banks) into a club deal with two banks (ING-KBC):
  - Duration of 5 years (till 09/2016)
  - Nominal amount of € 120 mio
  - Revolving type with LTV ratio of 65%
- Average cost of debt 2011:
  - 5.01% (hedging instruments included) versus 4.5% in 2010 (still important impact of Floor of €50 mio @ 4.35% till Q1 2012)

AGENDA

- Business model
- Focus on sustainable developments
- Portfolio description and valuation
- Financial management
- **Forecasts and goals for 2012**

FORECASTS AND GOALS FOR 2012

- **Accelerate disposals of assets acquired before 2007 (before asset value deflation) to position Banimmo on new acquisition opportunities at present (lower) market prices**
- Total sale objective of up to €80 mio
- Montea
  - Sale of shares realized in H1 2011 has allowed Banimmo to go back to its initial holding level
  - Remains important participation and no further share sales is planned in the near term
- Pipeline of “built to suit” products in discussion
- Increasing opportunities to reposition aging assets and conversion into “sustainable” assets
- Positive outlook for improvement of existing vacancy for Alma Court and Diamond buildings: occupancy of IAS 40 portfolio could increase to 86% instead of 79%, representing additional rental income of 600 K€
- Focus on retail will persist:
  - Less vacancy on Retail compared to Offices and attractive investment segment currently sought by investors
  - The Loop: breakthrough on this retail development opportunity after signing of partnership agreement (+/- 35,000 m² retail)
  - Important pipeline of Banimmo France: Due diligence for retail acquisition of 5.200 m² ongoing

Banimmo

Turning obsolescence into sustainable excellence

www.banimmo.be