

Recycling our cities



Half Year Results 2013



- ❑ **Important events of the Half Year 2013 at a glance**
- ❑ Portfolio description and valuation
- ❑ Financial management
- ❑ Forecasts and goals for 2013

IMPORTANT EVENTS OF THE HALF YEAR 2013 AT A GLANCE

▪ Commercial management

- Renegotiation of existing lease agreements for long periods (9 years) : Alma Court (3,000 sqm), Diamond (4,800 sqm) and Corvettes (3,800 sqm) -> Decrease in rental income of € 325 k
- Departure of two tenants: H5 (1,240 sqm) and Athena Business Center (3,900 sqm)
- Important pre-letting activity for Suresnes: 85% occupancy rate
- Marché Saint Germain: Negotiation on a commercial lease for 2/3 of the area in progress

▪ Half year results

- Net rental income decrease to € 4.7 Mio due to sales
- € 2.16 Mio capital gains
- Results impacted by exceptional results on City Mall and Montea

▪ Financial management

- Stability of leverage (59.1%)
- Strengthening of financing through realized Public Exchange Offer on bonds
- Decrease of average cost of debt to 4.61%
- Reinforced hedging for years 2016-2018

DYNAMIC PORTFOLIO EVOLUTION

▪ Exceptional progression of built-to-suits and retail redevelopments

- Veridis (6,500 sqm) - Acquisition made in H1 2013
 - 15 years rental agreement signed with Marsh & McLennan
 - Construction started in July 2013
 - Delivery foreseen in December 2014
- Suresnes (4,660 sqm)- Acquisition made in Q2 2012-Works started in Q3 2012
 - Delivery foreseen Q1 2014
 - Commercialization evolves positively: already 85% prelet
- Secrétan (4,180 sqm) - Redevelopment started
 - Delivery foreseen Q1 2015
 - Prelet
- Rocquencourt (27,060 sqm)
 - Reputable hotel brands have confirmed their interest in the site and will submit binding lease offers
- LOI signed with international group for the construction of new headquarters of 7,500 sqm on The Loop (Ghent)
- No acquisitions



DYNAMIC PORTFOLIO EVOLUTION

▪ Divestments

- Prins B.5 (*March 2013- 6,800 sqm*)
 - Sale of building acquired in 2007 (before crisis)
 - Building fully renovated and rented
 - Sales price of €9.1 Mio (yield of 7.75%)
 - Capital loss of €0.87 Mio

- Eragny (*April 2013 – 12,000 sqm*)
 - Sale of a retail asset
 - Sales price of €18.65 Mio (yield of 8.1%)
 - Capital gain of €3.24 Mio



INCOME STATEMENT

Consolidated results (in € '000)	H1 2012	H1 2013
Net rental income	5,107	4,737
Other income (commissions on JV)	978	420
Share in the result of companies accounted by the equity method	323	8
Recurrent income	6,408	5,165
SG&A	(4,198)	(3,867)
Other costs	(380)	(376)
(Recurring current result) REBIT	1,830	922
Net result of sale on real estate operations & companies accounted EM	3,194	2,157
(Current result) EBIT	5,024	3,079
Net financial costs	(3,719)	(2,030)
EBT	1,305	1,049
Taxes	347	(1,454)
Net current result	1,652	(405)
Deferred taxes	531	(611)
Variations of fair value on investment buildings (IAS 40)	414	(5,406)
Variations of fair value, value reduction and depreciation on companies accounted by the equity method	(528)	(8,280)
Result of the reclassification of companies accounted by the equity method	0	10,503
Value loss/gain on stocks (IAS 2)	567	0
Variations of fair value on hedging instruments (IAS39)	(1,221)	2,316
Net Result	1,415	(1,883)
Net result (part of the group)	1,419	(1,883)

KEY ELEMENTS OF THE INCOME STATEMENT

- Decrease of the net rental income: €4,737 K vs €5,107 K on 30/06/2012
 - “Loss” of rental income on assets sold in 2013 (Eragny and Prins B.5)
 - Renegotiation of several leases at lower financial conditions (*see commercial activity on slide 3*)
 - Absence of rental income on acquisitions and redevelopments
- Contributing companies accounted by the equity method. Distinction to be made between current and exceptional result

Current result : €8 K vs. €323 K on 30/06/2012

- Grondbank The Loop, Jardins des Quais and City Mall: in line with previous year
- Dolce Conference centers: results for Dolce Chantilly below last year due to bad economical climate and works affecting hotel capacity. Dolce La Hulpe roughly in line with last year and major occupancy agreement signed with Deloitte EMEA

Exceptional results

- Montea: reclassification of participation from “companies accounted by the EM” to “LT financial assets” leads to exceptional capital gain of € 10.5 Mio based on share price valuation
- City Mall: exceptional loss of € 8.44 Mio mainly due to change in strategy for site in Charleroi (exit vs shopping center development) and corresponding value reduction on future projects and on participation value (JV limited now to Charleroi, Verviers and Namur)

KEY ELEMENTS OF THE INCOME STATEMENT

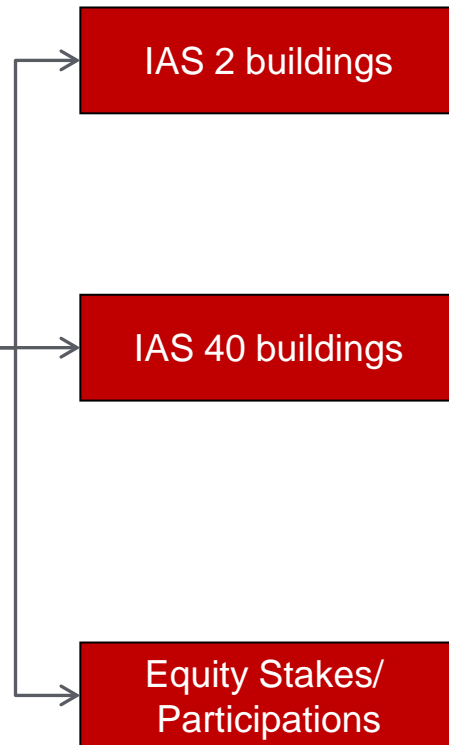
- Small decline of operational costs
- Capital gains of € 2.157 K vs € 3.194 K on 30/06/2012
- Quasi-stability of net financial charges
- Consolidated net result of -€ 1.883 K vs € 1.419 K on 30/06/2012 mainly due to exceptional items



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COMPOSITION OF BANIMMO'S PORTFOLIO

Banimmo



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 by company's auditor and E&Y

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

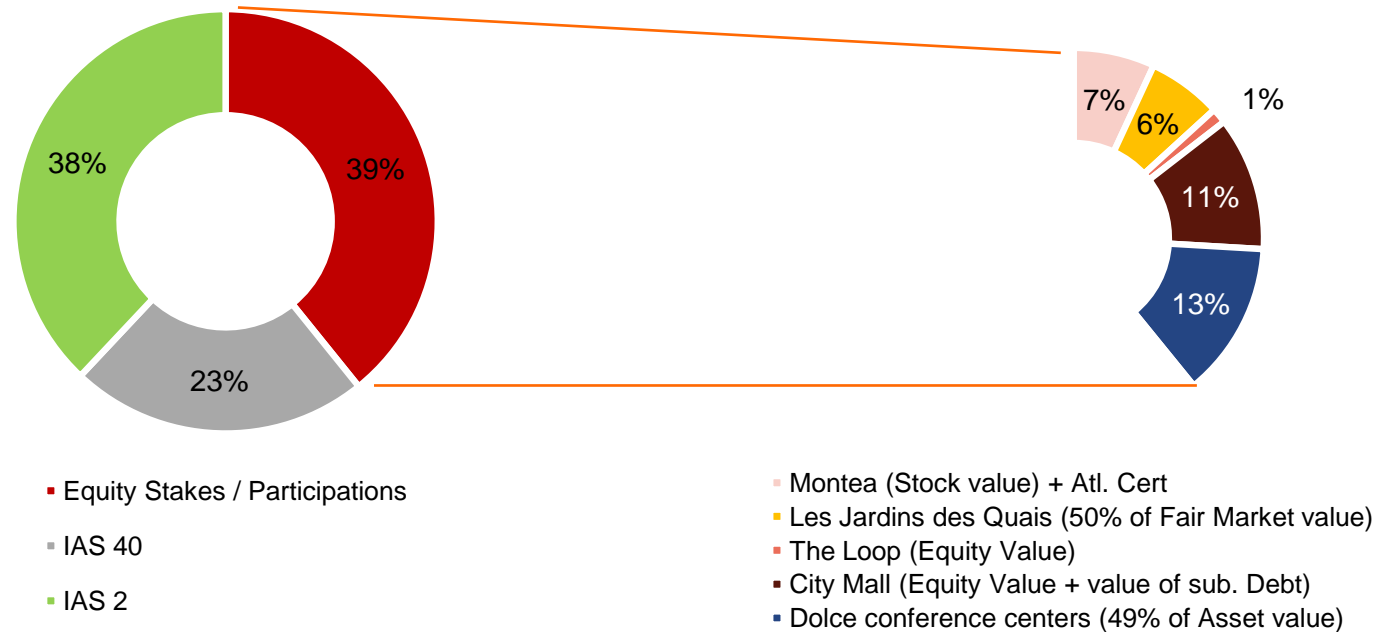
Equity Stakes/ Participations

- Banimmo has 6 different equity stakes/ participations which are the result of a strategic decision to invest in larger projects by limiting the financial exposure. Those are:
 1. Montea: participation in logistic REIT
 2. les Jardins des Quais: Outlet Center in Bordeaux
 3. Conferinvest: Conference Centers
 4. City Mall: 2 city center shopping mall projects and Charleroi Expo Site
 5. The Loop: mixed projects in Ghent
 6. New built-to-suit in Charleroi

COMPOSITION OF BANIMMO'S PORTFOLIO (CONTINUED)

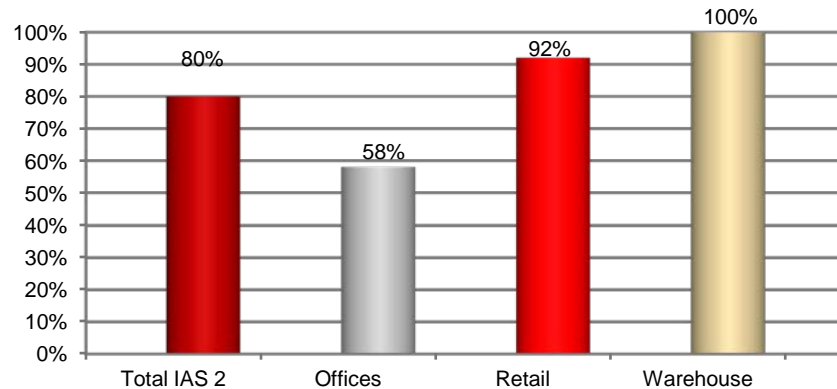
By investment type

(based on total portfolio value of €396 mio)



IAS 2 ASSETS - STOCKS

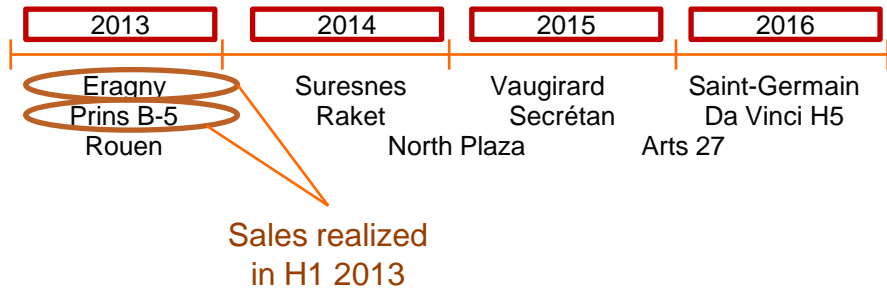
Occupancy



Total IAS 2 value in accounts	€150.6 mio
Of which retail	€69.0 mio
Of which offices	€81.6 mio

Total IAS 2 building surface	79,500 sqm
Total IAS 2 construction potential of land bank	156,000 sqm

Anticipated rotation

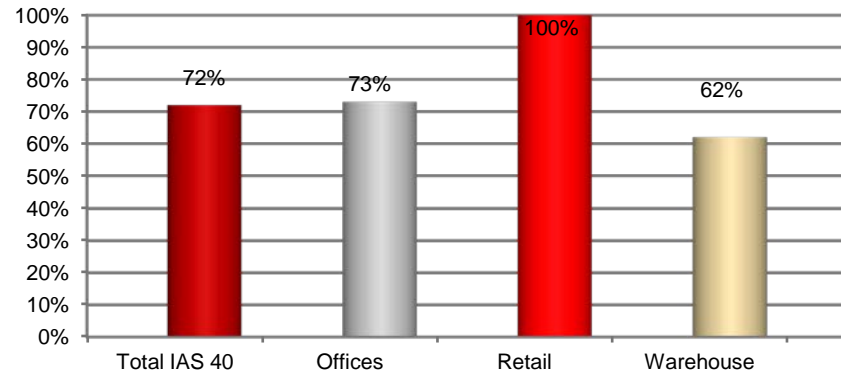


Banimmo is actively:

- repositioning/building 6 assets representing 20,500 sqm
 - Marché Saint-Germain : 3,179 sqm
 - Vaugirard: 2,083 sqm
 - Veridis: 6,500 sqm
 - Secrétan: 4,200 sqm
 - Suresnes: 4,660 sqm
 - Rocquencourt: 27,060 sqm
- working on 3 landbanks representing nearly 70,000 sqm :
 - The Loop V3: 20,000 sqm
 - The Loop V5: 36,000 sqm
 - Ans Min. 12,000 sqm

IAS 40 ASSETS

Occupancy



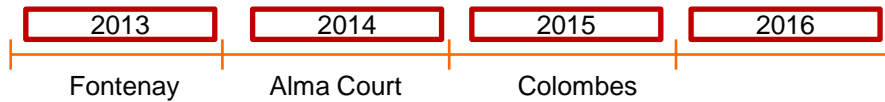
Total IAS 40 value in accounts €90.5 mio

Of which Retail €6.9 mio

Of which Offices €83.6 mio

Total IAS 40 building surface 75,600 sqm

Anticipated rotation



EQUITY STAKES/ PARTICIPATIONS: MONTEA AND JARDINS DES QUAIS

This category includes as of today 6 investments

1. Participation in Belgian logistic oriented REIT **Montea**

- Value: € 24.4 Mio (based on stock price of 30/06/2013)
- Participation now accounted as financial participation and no more through equity method
- Dividend: € 1.609 K
- Improved liquidity of the stock
- No shareholder's agreement → quasi cash

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

- 50% stake with Affine since 2005
- Multi purpose complex: 13,271 sqm Retail / 12,524 sqm Offices – spread over 5 blocs
- Occupancy of 97% at 30/06/2013
- Commercial repositioning completed → mature asset
- Significant cash generation
- Asset valued in books of Banimmco in accordance with IAS 40
- Exit target: end 2013

EQUITY STAKES/ PARTICIPATIONS : CONFERENCE CENTERS

3. Conference Centers (Dolce Hotels)

- Equity stake: 49% with 2 family offices
- Two assets:
 - Dolce La Hulpe (Brussels) : 35,977 sqm ; reconstruction in 2007; green label
 - Dolce Chantilly (Paris): 17,000 sqm; renovation in 2008
 - Both with a 15 years Management contract with US operator Dolce – 9 years to go
 - In Brussels, 4,000 sqm offices let to Swift (termination 2013)
- Banimmo and investors underwrote the operating risk. Banimmo is asset manager for an annual fee of €400K
- Trading performance:
 - Disappointing results for Dolce Chantilly in H1 2013 due to weak economical climate and works affecting hotel capacity.
 - Satisfactory level for Dolce La Hulpe and signature of major agreement with Deloitte EMEA for next five years

In '000 €	La Hulpe 2011	La Hulpe 2012	La Hulpe H1 2013	Chantilly 2011	Chantilly 2012	Chantilly H1 2013
Turnover	21,422	20,801	10,820	15,711	15,349	7,371
EBITDA	4,487	3,737	2,057	3,526	2,447	484
Rents	850	850	328	None	None	None

- Net bank debt : €41.0 Mio
- Asset valuation of €94 Mio (Source CBRE Hotels London H1 2013)

EQUITY STAKES/PARTICIPATIONS: CITY MALL

4. Three large retail projects in City Mall

▪ Verviers

- Covered shopping mall of 29,700 sqm GLA with 1,150 parking spaces
- Catchment area: 350,000 consumers & 53,000 inhabitants
- Building permit obtained and appeals against permit abandoned
- Relaunch of pre-letting process and progress on construction process (preparation → contracting)
- Delay will result in higher costs and lower margin

▪ Namur

- Covered shopping mall of 22,500 sqm GLA with 1,000 parking spaces
- Catchment area: 350,000 consumers & 108,000 inhabitants
- In the city center, next to the central railway station
- PCA-R (local use plan) launched by City of Namur in April 2013 and finalization expected in H2 2014
- This PCA-R causes a delay in the project execution but without impact on the expected margin
- Building permit 2014/2015 and construction – 25 months
- Support of local and regional authorities
- Pre-letting process has started

▪ Charleroi Expo

- The “Charleroi Expo” site is a site of 7 hectares, in front of City House with excellent road & public transport accesses
- Initial project reshaped into a multifunctional project including refurbished exposition areas, hypermarket and retail, offices, parkings
- Decision to sell to local developer

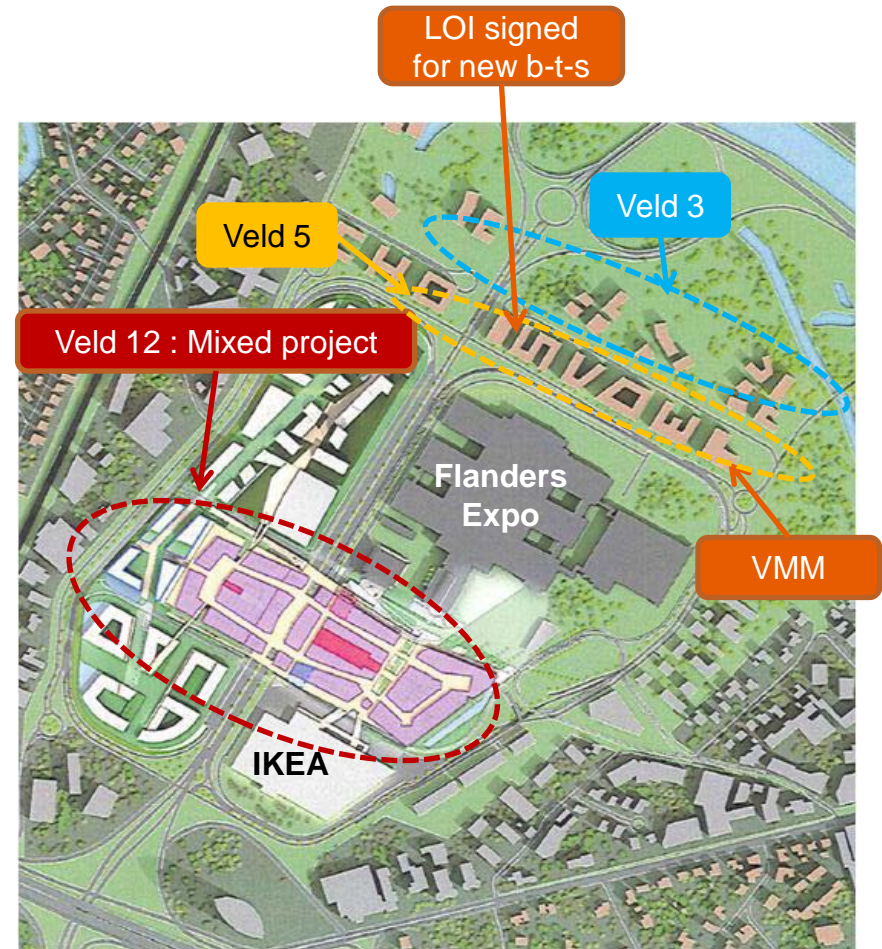
→ Changed strategy has led to exceptional loss of €8.44 Mio on City Mall because no new projects and exit strategy vs LT development strategy for Charleroi



EQUITY STAKES/ PARTICIPATIONS : THE LOOP

5. The Loop

- Banimmo has a participation of 25% in Grondbank **The Loop (GBTL)**, owner of the land
- With first realization (VMM-PMV), GBTL enters into an active development phase / sales of land plots
- LOI signed for BtS of 7,500 sqm on Veld 5
- Development of a mixed project on Veld 12 anchored by a retail complex (Design Outlet Factory)
 - Constructible area of +/- 100,000 sqm made of a.o.
 - Retail (+/-38,000 sqm)
 - Offices (+/-20,000 sqm)
 - Leisure (+/-15-40,000 sqm)
 - Pre-development phase under way with a specialised operator in view of a joint offer to acquire the land
 - Completion of final agreement between Banimmo and Grondbank The Loop reasonably expected H2 2013
- Signing of the agreements related to the cooperation in view of the commercialization and developments of the Veld 3 and Veld 5 (56,000 sqm). Beginning of commercialization



EQUITY STAKES/ PARTICIPATIONS : BUILT-TO-SUIT CHARLEROI

6. Built-to-suit in Charleroi

- Built-to-suit in Charleroi for +/- 8,000 sqm – 75 parkings
- Delay resulting from appeal against permit
- Legal proceedings against partner in order to enforce the execution of signed partnership
- Incurred costs are limited



SUM OF THE PARTS

Value

Banimmo

IAS 2 assets

€145.2 mio

Book-value (historical acquisition cost (not revalued at Fair Market Value by independent expert) **(+/- 80,000 sqm)**)

IAS 40 buildings

€5.4mio

Book-value (historical acquisition cost of land bank of **+/-156.000 sqm**)

Equity Stakes/
Participations

€90.5 mio

Book-value (Fair Market Value by ind. expert) including fiscal latency

12,9 → Montea

€24.4 mio

Stock Market value at 30/06/2013 (€29.21 per share)

50% → Les Jardins des Quais

€23.8 mio

50% of Fair Market value less Financial Debt of €3.3 mio

49% → Conference Centers

€25.9 m

49% of Fair Market value less net financial debt of €41.0 mio

38.25% → City Mall

€45.2 mio

Total book value equity and shareholder loan (after value reduction)

25% → The Loop

€16 .1mio

Fair Market Value value by independent expert

50% → BtS in Charleroi

€0 mio

Total investment cost


15% → Participation in Atl. Certificates

€3.0 mio

Fair Market Value value by independent expert

Total

€379.5 mio

 Fair market value (by independent expert)

 Historical acquisition cost

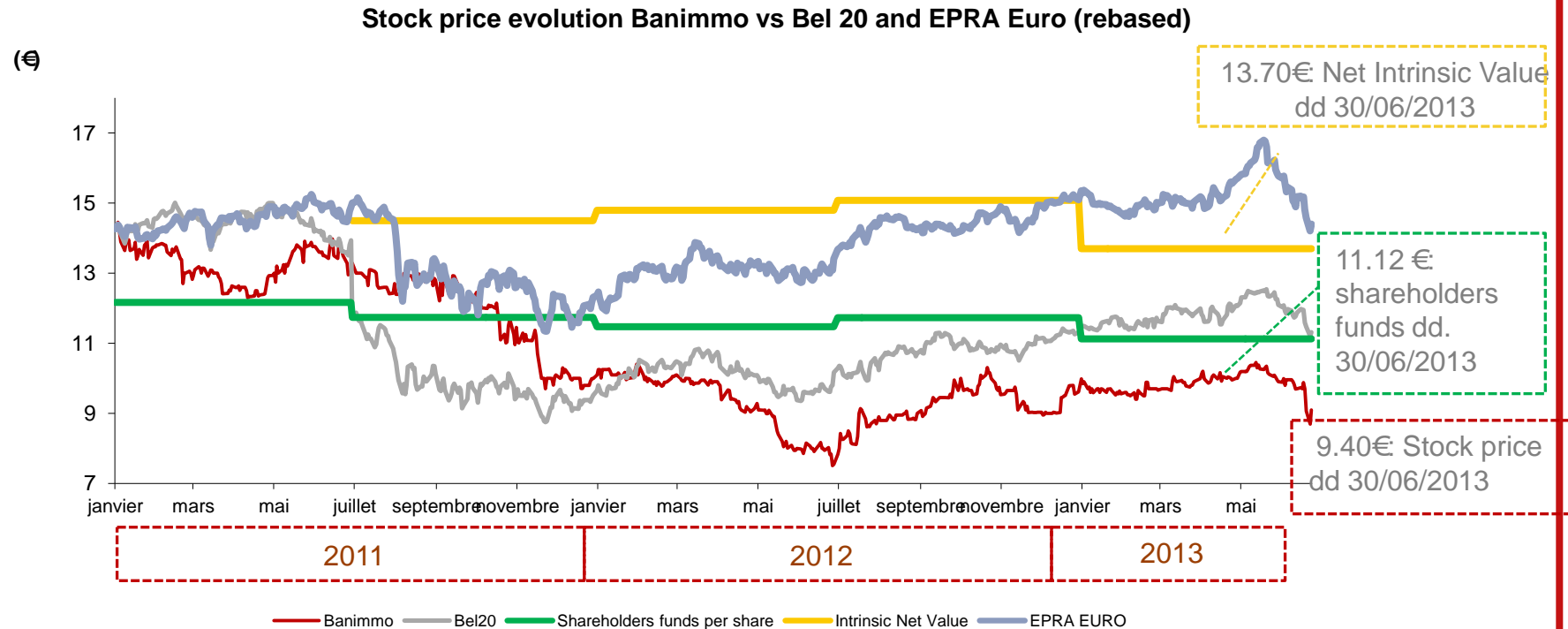
August 30th, 2013

SUM OF THE PARTS (CONTINUED)

	Value
Total Value	€ 379.5 mio
Net financial debt	€ 223.9 mio
Banimmo's equity value	€ 155.6 mio
→ Total number of shares	11.356.544
→ Equity value per share (Net Intrinsic Value)	€ 13.70

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





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FINANCIAL MANAGEMENT

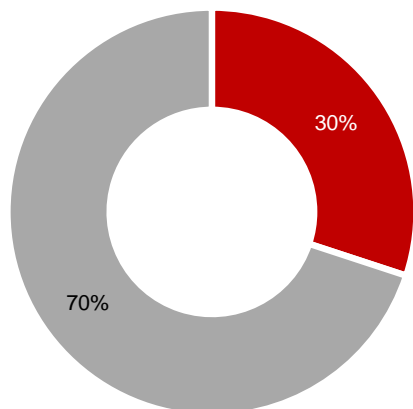
Key ratios	31/12/2010	31/12/2011	31/12/2012	30/06/2013
Net debt (€ mio)	242.5	211.0	234.2	223.9
Net debt/shareholders equity	1.77	1.58	1.76	1.77
Fin debt/Total assets	60.0%	57.5%	59.0%	59.1%

Stability of leverage

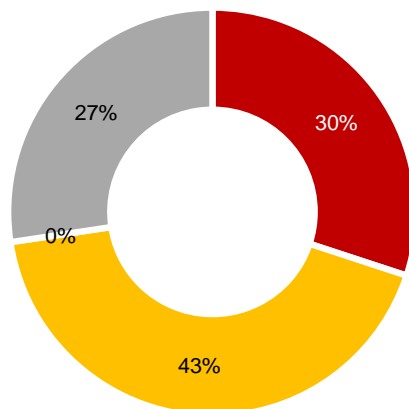
We wanted and obtained a well diversified and hedged funding structure

Financing base before hedging Financing base after hedging*

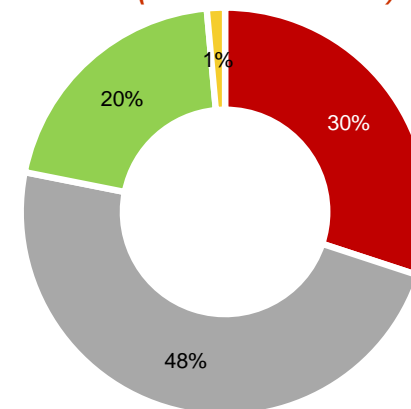
Funding source diversification
(Total of €249.6 mio)



■ Fixed (Bond) ■ Floating



■ Fixed ■ Hedging ■ Swaps ■ Floating



■ Bond
■ Syndicated loan
■ Bilateral credits (Asset based)
■ Finance lease

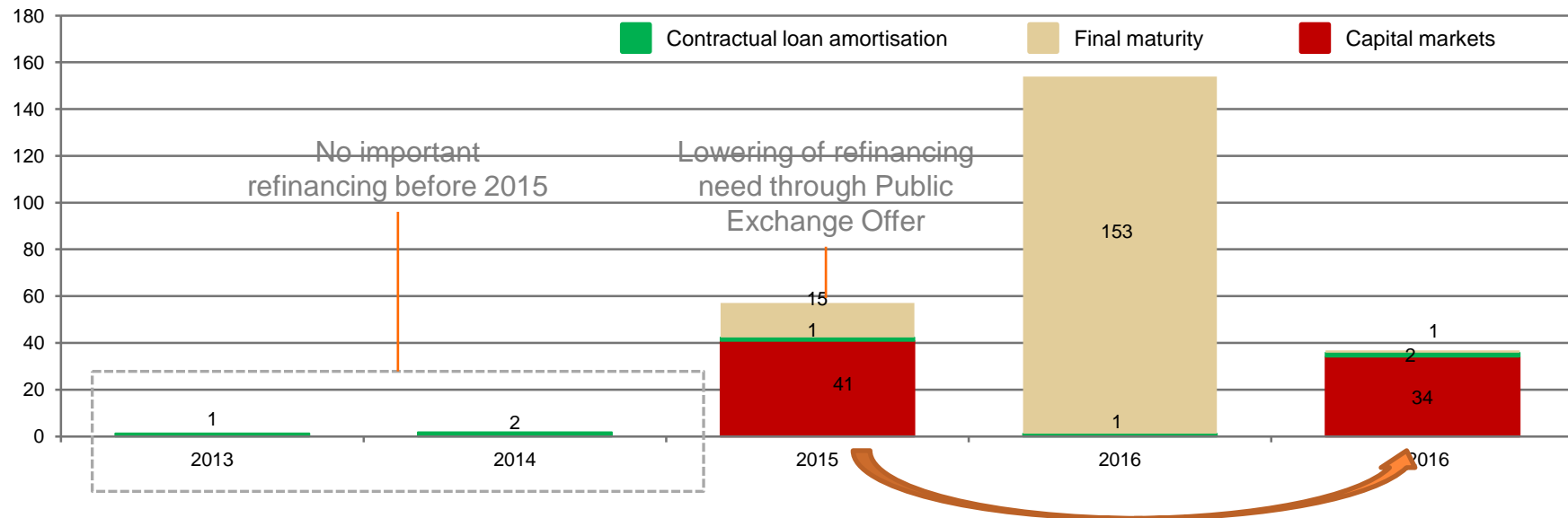
73% of debt is hedged on 30/06/2013.
Banimmco has contracted new hedgings for the period 2016-2018

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

(*) Percentage as of Q2 2013 till Q2 2016
August 30th, 2013

THROUGH PUBLIC EXCHANGE OFFER, WELL BALANCED FINANCING

Maturity profile of financial debt after Public Exchange Offer on bonds



- Existing club deal with two banks (ING-KBC):
 - Duration of 5 years (till 09/2016)
 - Nominal amount of € 120 mio – extended to € 130 mio
 - Revolving type with LTV ratio of 65%
- Bond maturing in June 2015 (coupon of 5.15%) has partially been “refinanced” through OPE in May 2013. Nominal amount of € 75 million split over two maturities: 06/2015 € 41 Mio and 06/2018 € 34 Mio (@5.20%)
- Average cost of debt H1 2013: 4.61% (hedging instruments included) versus 4.96% in 2012.

Through public exchange offer of May 2013, split of nominal amount of bond over two maturities



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FORECASTS AND GOALS FOR 2013

- **Continue 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 more than €60 mio with 2 sales realized, representing almost 50% of objective. Grouped exit of 3 other retail assets under negotiation
- Beside BtS of Marsh McLennan and BtS on the Loop, opportunity to finalize third new built-to-suit and one acquisition (FR/BE) at year-end or beginning of 2014
- Continue letting efforts to improve existing occupancy for Alma Court, Arts 27 and North Plaza office buildings, despite difficult letting market. Commercialization most advanced for Alma Court
- Focus on retail will persist with:
 - Completion of repositioning on Marché Saint-Germain with a sale objective in 2016
 - Launch of Secrétan repositioning (capex) with completion in H1 2015
 - Completion of repositioning on Suresnes (Paris) with expected exit in 2014
 - Closing agreement on Veld 12 (The Loop) with City of Ghent
 - City Mall: improve preletting levels, move forward on permit for Namur and progress on sale of Charleroi Expo
 - Search for an hotel operator at Rocquencourt ongoing (lease agreement). Final decision in coming months



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- ❑ **Appendix: list of assets**

IAS 2 ASSETS - STOCKS

Buildings

Name	Surface	Country	Location	Segment	E-Level	Acquisition date
North Plaza	13,630 sqm	Belgium	Brussels	Offices	E90	2008
Da Vinci H5	3,785 sqm	Belgium	Brussels	Offices	E91	2001
Electrolux	8,242 sqm	Belgium	Brussels	Offices	E60	2004
Arts 27	3,734 sqm	Belgium	Brussels	Offices	E79	2006
Veridis	6,500 sqm	Belgium	Brussels	Offices	TBD	2013
Vaugirard	2,083 sqm	France	Paris	Retail		2008
Marché-Saint-Germain	3,179 sqm	France	Paris	Retail	<i>Not applicable for retail</i>	2009
Rouen	2,848 sqm	France	Rouen	Retail		2010
Secrétan (VEFA)	3,800 sqm	France	Paris	Retail		2011
Suresnes	4,660 sqm(1)	France	Suresnes	Retail		2012
Rocquencourt	27,060 sqm	France	Versailles	Offices to be reconverted into hotel		2012

Land bank

Name	Construction potential	Country	Location	Segment
Ans	Min. 12,000 sqm	Belgium	Ans (Liege)	Offices/retail
Da Vinci H2	20,000 sqm	Belgium	Brussels	Offices
Da Vinci Bourget	+/- 30,000 sqm	Belgium	Brussels	Offices
Land Diamond	+/- 10,000 sqm	Belgium	Brussels	Offices
The Loop V5 East	36,000 sqm	Belgium	Ghent	Offices
The Loop V3	20,000 sqm	Belgium	Ghent	Offices
+ 50% on The Loop V12	28,000 sqm (agreements to be finalized in 2013)	Belgium	Ghent	Offices/retail/Leisure

IAS 40 ASSETS

Buildings

Name	Surface	Country	Location	Segment	E-Level*	Acquisition date
Diamond	12,771 sqm	Belgium	Brussels	Offices	E139 to E195	2008
ABC	18,180 sqm	Belgium	Brussels	Offices/ whs	E302	2002
Alma Court	16,042 sqm	Belgium	Brussels	Offices	E135	1997
Colombes	14,215 sqm	France	Corvettes (Paris)	Offices	E161	2004
Fontenay	1,970 sqm	France	Fontenay	Retail	Not applicable for retail	2008
Da Vinci H3	12,449 sqm	Belgium	Brussels	Offices/whs	Not applicable	2001

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

For Diamond and Alma Court there is an asset plan to improve energy efficiency. Objective for Alma Court is to obtain a E-level of E80

Athena Business Center will be converted into a residential development



Turning obsolescence into sustainable excellence
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