



AUGUST 29<sup>TH</sup>, 2014

# Half-year results 2014



RECYCLING OUR CITIES

 **Banimmo**  
www.banimmo.be



1/ Main events of the half-year

2/ Performance of the real estate portfolio (investments & stocks)

3/ Performance of the joint-ventures

4/ Financing

5/ Financial figures

6/ Forecasts

# KEY POINTS

## 1/ Main events of the half-year

### Portfolio evolution

- 1 new investment: land in Charleroi (previously held by City Mall )
- 1 new built-to-suit: Tirou (for BNPParibas Fortis) realized in partnership
- 1 new partnership: acquisition of land in Namur (Cauchy) allowing the development of 15,000 sqm offices
- 1 disposal: sale of Luso Invest, owner of the Veridis building

### Consolidation of the portfolio

- New lettings or contract renewals for total surface of nearly 2,000 sqm
- After closing, additional renting of 1,500 sqm in Alma Court and Arts 27
- Renovation of Suresnes completed (opening March 2014)
- Stabilization of global occupancy rate 78,6% (vs 78,8% end 2013)

**LTV of 60,3% and financing cost of 4,73%**

**NAV per share of 10,52 €**



# Investments

## LAND PLOT in CHARLEROI

1/ Main events of the half-year

### Description

- Nearly 7 hectares of land around the exposition hall
- Inside the ring road
- Excellent accessibility by public transport (railway, car, subway) and by car via the ring road
- Acquisition price of €7 Mio, of which €2 Mio to be paid when obtaining approval by city on PCA

### Strategy

- Creation of new city district
- Mixed offering with residential and economical destinations (offices, etc.)
- In cooperation with local authorities as this development fits into the redeployment of the City of Charleroi

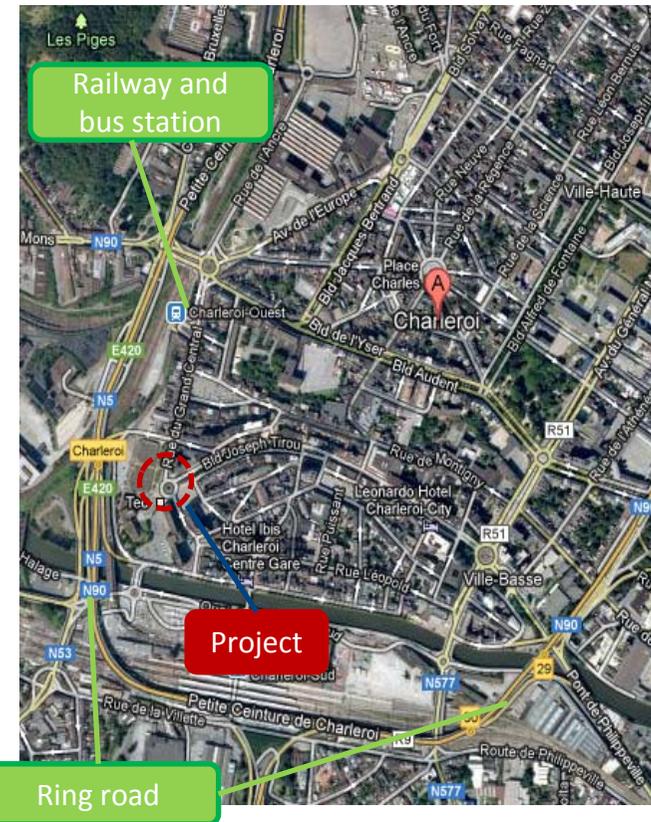


# Investments

## BUILT-TO-SUIT CHARLEROI

### 1/ Main events of the half-year

- Built-to-suit in Charleroi for +/- 8,000 sqm – 75 parkings
- 15 years rental agreement with BNPParibas Fortis
- In partnership with IRET group (50/50)
- Timing:
  - Permits obtained
  - Works started in June 2014
  - Delivery foreseen end 2015



# Investments

## LAND PLOT in NAMUR

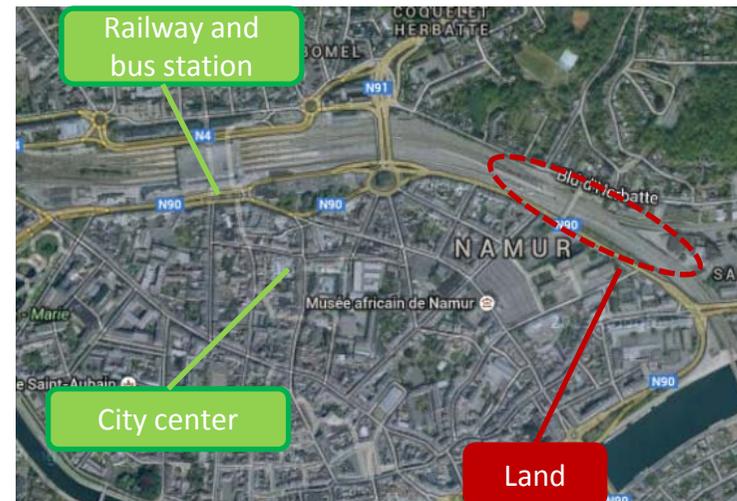
1/ Main events of the half-year

### Description

- 52 acres land in the city center of Namur, capital of Walloon Region
- Located along the Boulevard Cauchy, close to railway and bus station
- In partnership with Thomas & Piron (50/50)

### Strategy

- Permits have been obtained
- Development of 15,000 sqm offices, spread over 3 buildings (3,000 -5,000 and 7,000 sqm)
- Common basement for 150 parking spots and 50 bicycle places
- Negotiation ongoing for long term letting of two buildings



# Disposals

## BRUSSELS - VERIDIS

1/ Main events of the half-year

### Building of 6,685 sqm

- 6,534 sqm offices
- 151 sqm archives
- 69 parking spots

### Lease contract and occupancy

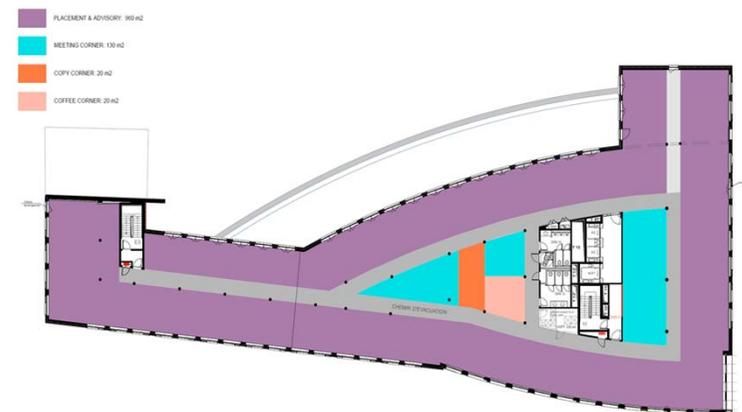
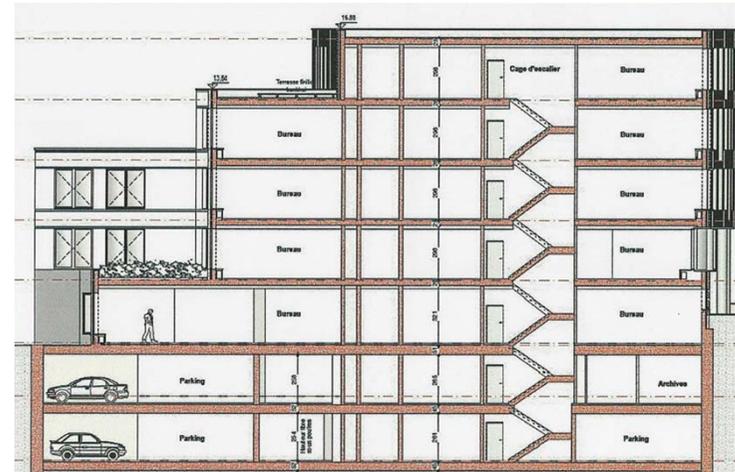
- Fully let to Marsh & McLennan
- 15 years (fixed-indexed)

### Delivery date

- End of 2014-beginning of 2015

### Exit

- Sale of the company holding the project (forward sale)
- Transaction value of € 23.2 Mio
- Margin of which part (€ 1.1 Mio) has been recognized on June 2014. Balance will be recognized according to project achievement





1/ Main events of the half-year

2/ Performance of the real estate portfolio (investments & stocks)

3/ Performance of the joint-ventures

4/ Financing

5/ Financial figures

6/ Forecasts

# COMPOSITION OF BANIMMO'S PORTFOLIO

2/ Performance of the real estate portfolio

## IAS 2 buildings

### 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
- 16 assets/plot of lands classified under IAS 2

## IAS 40 buildings

### IAS 40- Investment Properties

- Assets that are not classified as IAS 2-Stocks remain classified as investment property even if a sale is possible.
- Assets are valued semi-annually by independent expert
- 5 assets classified under IAS 40

## Equity Stakes

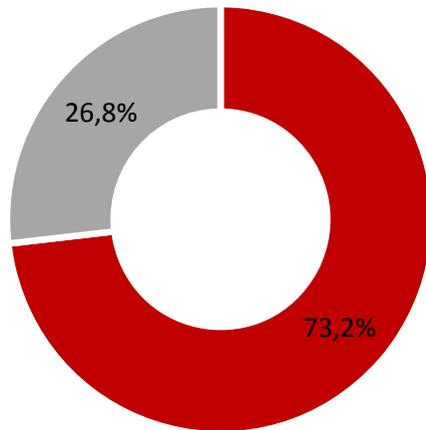
### Equity Stakes

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:

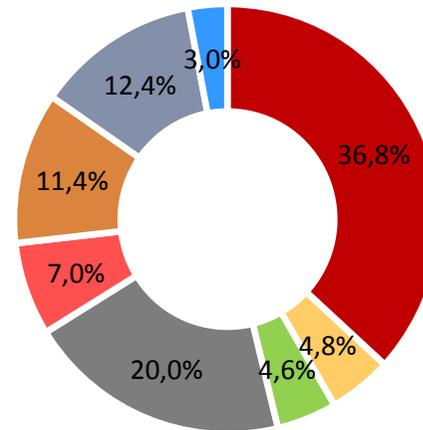
1. Montea: participation in logistic REIT
2. Conferinvest: Conference Centers
3. City Mall: 2 city center shopping mall projects
4. The Loop: mixed projects in Ghent
5. New built-to-suit in Charleroi (Tirou)
6. Land plot in Namur (Cauchy)

# PORTFOLIO DISTRIBUTION\*

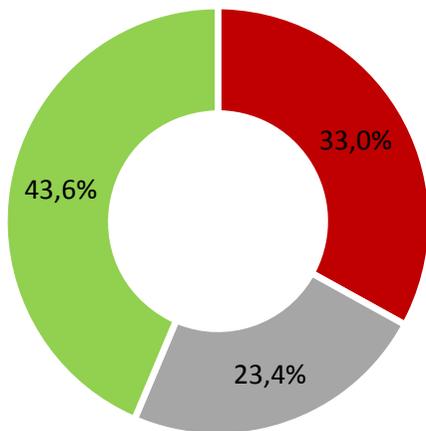
## 2/ Performance of the real estate portfolio



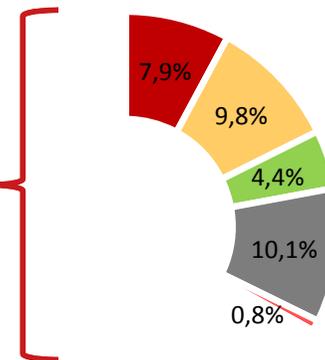
- Belgium
- France



- Brussels
- Ghent
- Antwerp
- Wallonia
- Other (Montea)
- Paris
- Ile de France
- Other French cities



- Equity Stakes
- Investments buildings (IAS 40)
- Stocks (IAS 2)

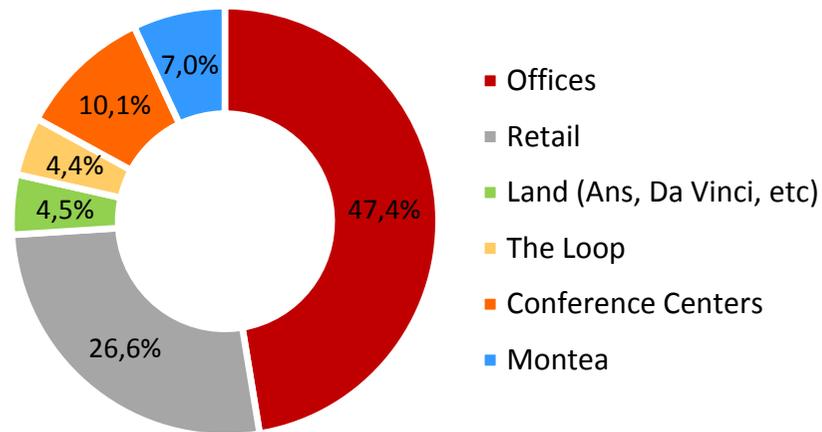


- Montea + Atl. Cert.
- City Mall
- The Loop
- Dolce Conference centers
- Other JV (Cauchy, Tirou)

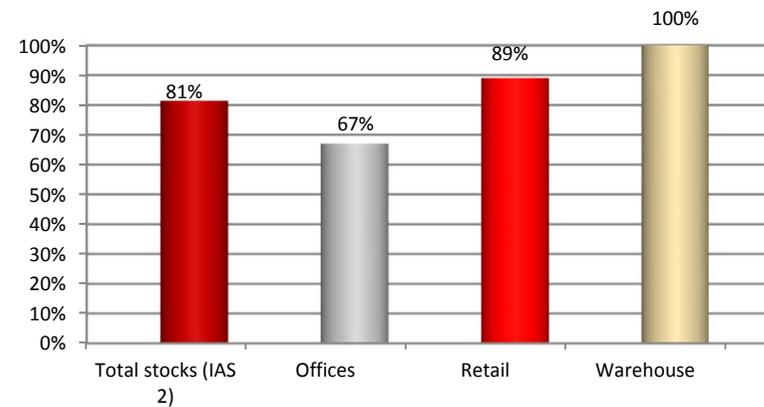
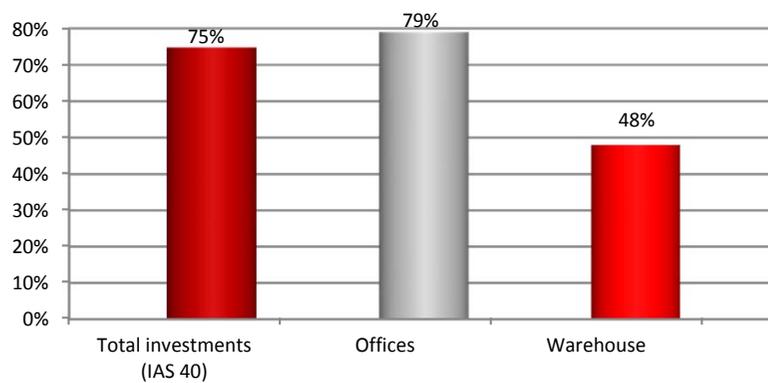
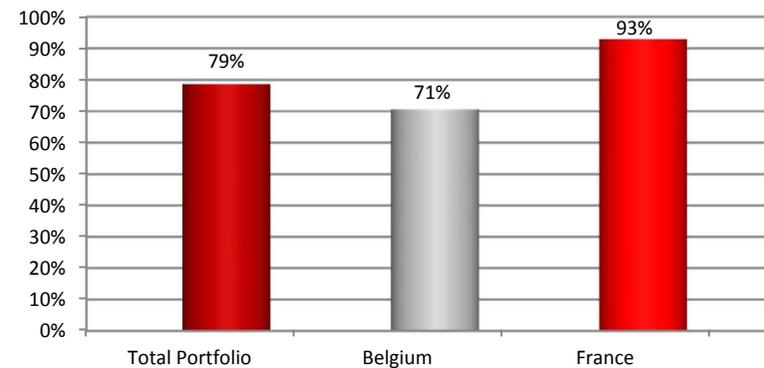
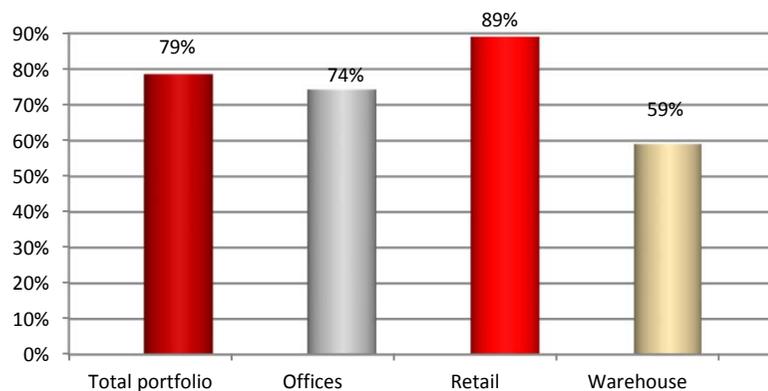
HALF YEAR RESULTS – AUGUST 29TH, 2014

(\*) Based on total portfolio value of € 355.7 Mio

# PORTFOLIO DISTRIBUTION\*



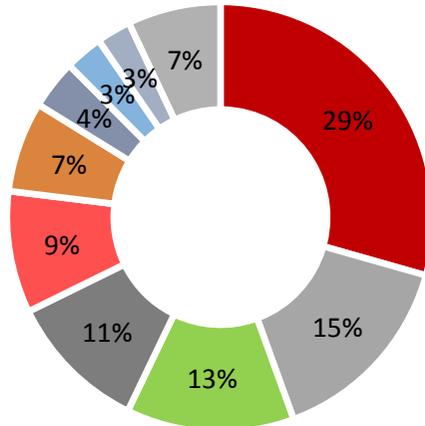
# OCCUPANCY RATE\*



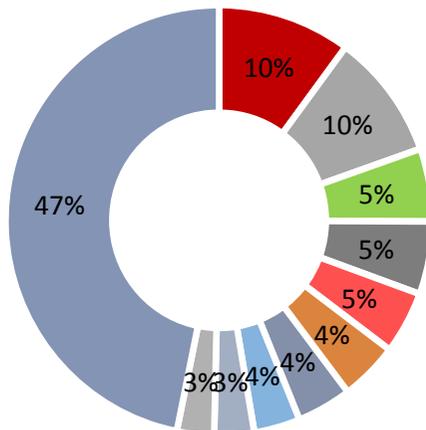
(\*) Based on total rented area divided by total available area

# WELL BALANCED TENANT MIX\*

2/ Performance of the real estate portfolio



- Industry
- Public sector
- Consumer goods
- Information - Technology - Telecom
- Other services
- Financial
- Retail-supermarket & food
- Retail-shoes & wear & accessoires
- Retail-other
- Others



- Raket
- Desguin
- Alma Court
- Marché Saint Germain
- Diamond
- North Plaza
- Suresnes
- Rocquencourt
- Athena Business Center
- Athena Business Center
- Others

**Top 10 tenants represent  
53% of Banimmo's rental  
income**

HALF YEAR RESULTS – AUGUST 29TH, 2014

(\*) Based on current rent of € 15.9 Mio at closing date

## RETURN BY TYPE OF ASSET

	Current yield*	Potential yield**
Belgium	6.3 %	8.8%
France	8.0 %	9.3%
<b>Total</b>	<b>6.9%</b>	<b>8.9%</b>
Investment buildings (IAS 40)	7.0 %	8.8%
Stocks (IAS 2)	6.9 %	9.0%
<b>Total</b>	<b>6.9 %</b>	<b>8.9%</b>
Offices	6.7%	9.1%
Retail	8.2 %	9.4%
Land	0.6%	1.0%
<b>Total</b>	<b>6.9 %</b>	<b>8.9%</b>

\* Current rent at closing date on accounting value of assets

\*\* Current rent at closing date plus estimated rental value (ERV) on vacant spaces on accounting value of assets



- 1/ Main events of the half-year
- 2/ Performance of the real estate portfolio (investments & stocks)
- 3/ Performance of the joint-ventures
- 4/ Financing
- 5/ Financial figures
- 6/ Forecasts

## Equity Stake Investments: MONTEA

- Equity participation in Belgian logistic oriented REIT Montea (9.2%)
- Equity value: € 25.0 Mio (based on stock price of 30/06/2014)
- Dividend 2013: € 1.6 Mio + sale of rights during capital increase of June 2014
- Improved liquidity of the stock thanks to capital increase of June 2014
- No shareholder's agreement → quasi cash

## Equity Stake Investments: CONFERENCE CENTRES

- 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: 8 years remaining
- Banimmo and investors underwrote the operating risk. Banimmo is asset manager for an annual fee of € 400K
- Trading performance:
  - Results for Dolce Chantilly still disappointing in H1 2014 due to weak economical climate and works affecting hotel capacity.
  - Satisfactory level for Dolce La Hulpe due to signature of major agreement with Deloitte EMEA for next five years, guaranteeing occupancy of 25% of available capacity.
- Net bank debt: € 35.9 Mio
- Asset valuation of € 73.3 Mio *(Source CBRE Hotels London and DTZ 2014)*

# Equity Stake Investments: CITY MALL

3/ Performance of the joint-ventures

## Two retail projects in City Mall (41.6%)

### Verviers

- 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 ("bouwteam" contracting finalized)
- Delay will result in higher costs and lower margin

### Namur

- 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 approved by City and Region**
- Building permit 2015 and construction – 25 months
- Support of local and regional authorities
- Pre-letting process will start

The exposure of Banimmo at 30/06/2014 is as follows:

Equity: € 0 Mio

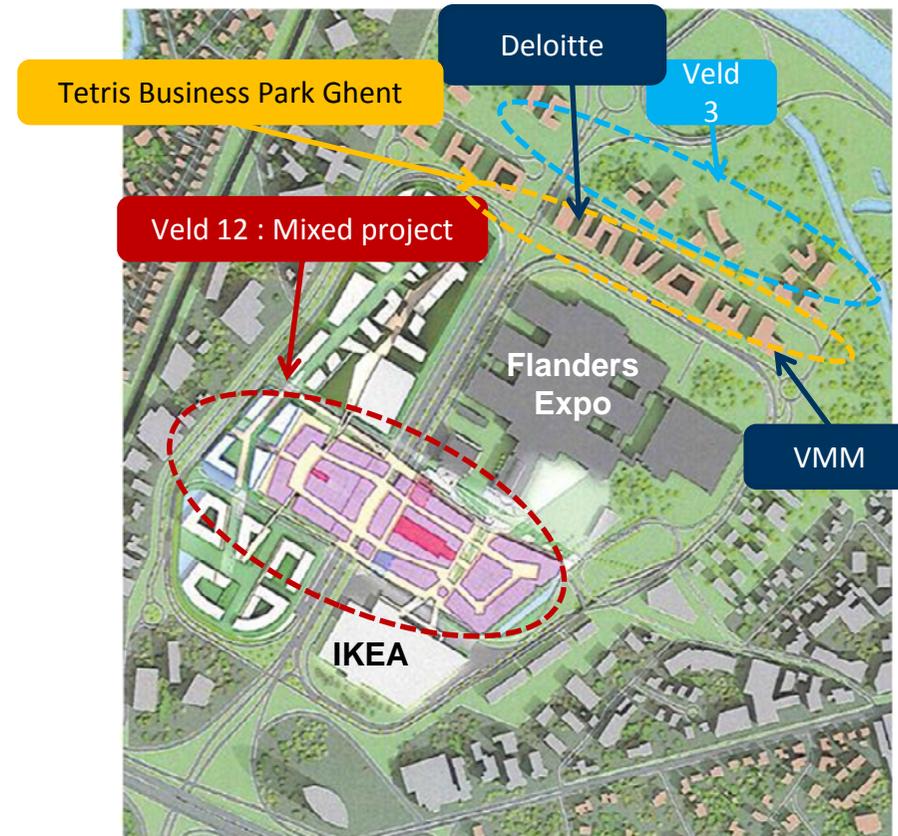
Mezzanine debt: € 35 Mio



# Equity Stake Investments: THE LOOP

## 3/ Performance of the joint-ventures

- Banimmo has a participation of 25% in Grondbank The Loop (GBTL), owner of the land
- Launch of Tetris Business Park Ghent (former Veld 5 and Veld 3)
  - After VMM-building, second built-to-suit signed with Deloitte
  - Still about 50,000 sqm offices to be developed
- Development of a mixed project on Veld 12 anchored by a McArthurGlenn outlet center
  - Retail (32,000 sqm)
  - Big boxes (6,300 sqm)
  - Leisure (+/-14,500 sqm)
  - Offices (+/-20,000 sqm)
  - Pre-development phase under way in order to fulfil conditions precedent and obtain necessary permits
  - First permits expected by beginning of 2015 and start of works at same time. Delivery foreseen in 2017.



# Equity Stake Investments: BUILT-TO-SUIT CHARLEROI and LAND in NAMUR

## 3/ Performance of the joint-ventures

### Built to suit in Charleroi

- Built-to-suit in Charleroi for +/- 8,000 sqm – 75 parkings
- 15 years rental agreement with BNPParibas Fortis
- In partnership with IRET group
- Timing:
  - Permits obtained
  - Works started in June 2014
  - Delivery foreseen end 2015



### Land in Namur

- 52 acres land in the city center of Namur, capital of Walloon Region
- Located on the Boulevard Cauchy, close to railway and bus station
- Partnership with the group Thomas & Piron (50/50)
- Permits have been obtained for the development of 15,000 sqm offices, spread over 3 buildings (3,000 -5,000 and 7,000 sqm) with common basement for 150 parking spots
- Negotiation ongoing for long term letting of two buildings

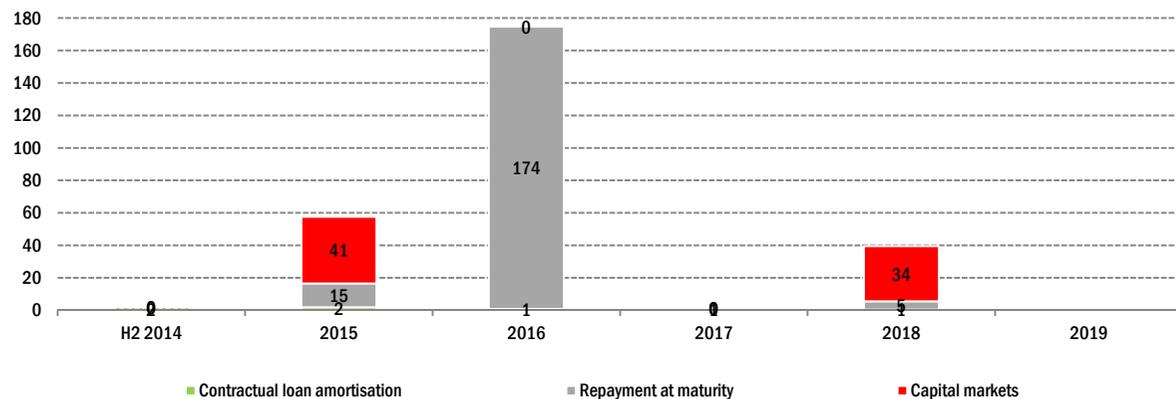




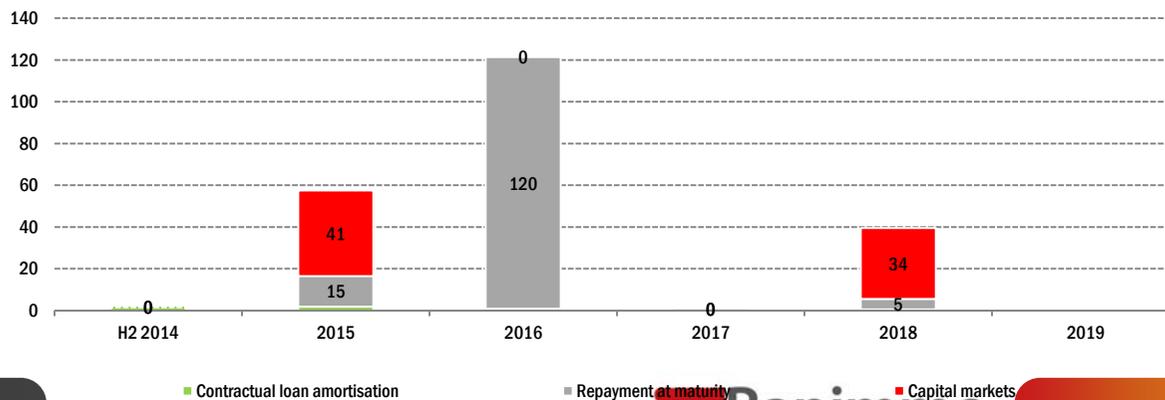
- 1/ Main events of the half-year
- 2/ Performance of the real estate portfolio (investments & stocks)
- 3/ Performance of the joint-ventures
- 4/ Financing
- 5/ Financial figures
- 6/ Forecasts

# DEBT MATURITY

**Debt maturity based on nominal amount of funding sources (€ 274,2 Mio)**

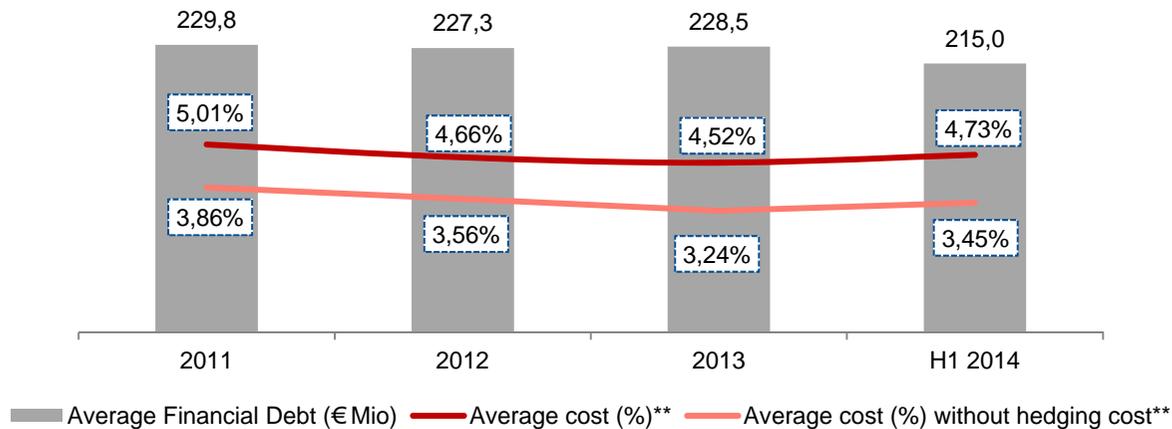
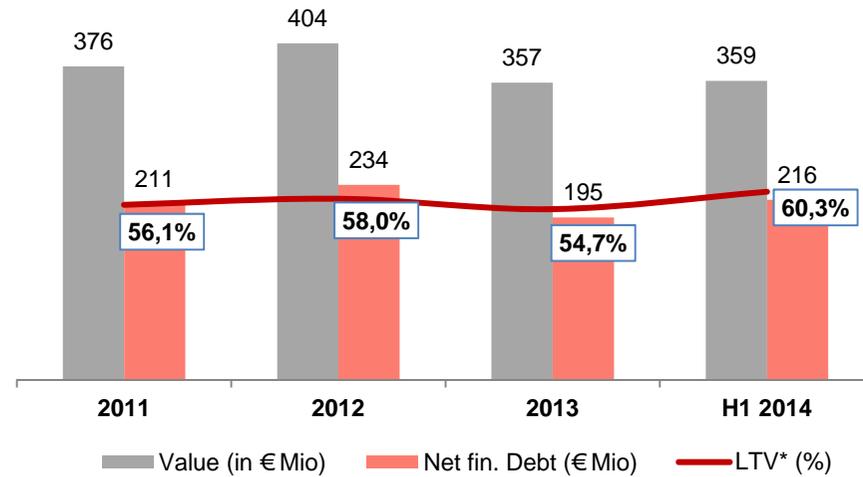
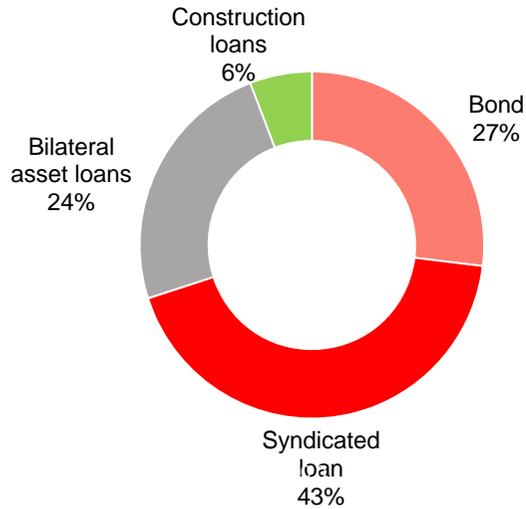


**Debt maturity based on outstanding amount of funding sources (€ 220,9 Mio)**



# FUNDING SOURCES -LTV EVOLUTION-FINANCING COST

## 4/ Financing

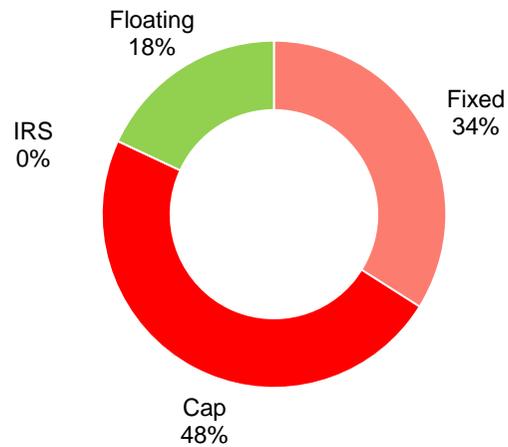


HALF YEAR RESULTS – AUGUST 29TH, 2014

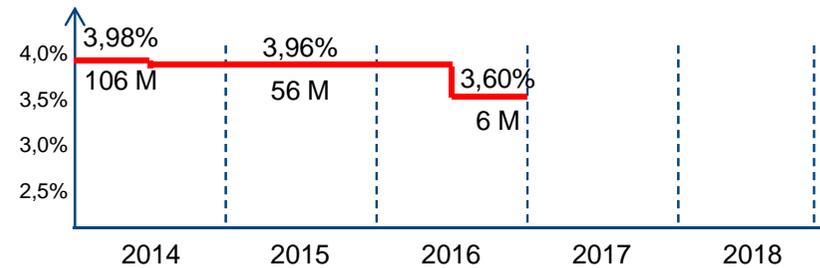
(\*) Expressed as net financial debt on total assets  
 (\*\*) Without taking into account non-cash items

# HEDGING

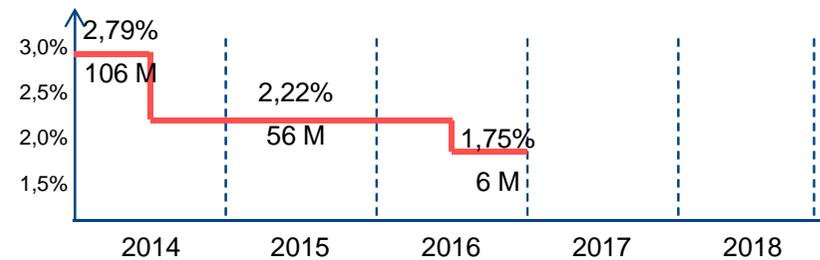
**Hedging and fixed-variable mix (based on hedging instruments on 30/06/2014)**



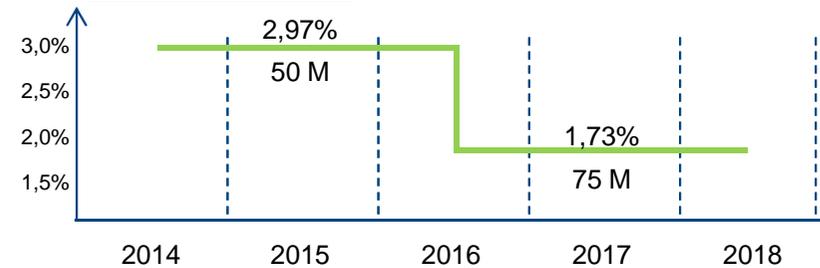
**Cap evolution**



**Floor evolution**



**Swap evolution**





- 1/ Main events of the half-year
- 2/ performance of the real estate portfolio (investments & stocks)
- 3/ Performance of the joint-ventures
- 4/ Financing
- 5/ Financial figures
- 6/ Forecasts

# Consolidated Accounts

## CONSOLIDATED RESULTS

### 5/ Financial figures

(Mio €)	30/06/13	30/06/14
Gross rental income	6.5	6.7
<b>Net rental income</b>	<b>4.7</b>	<b>4.9</b>
Other income (commissions on JV)	0.4	0.4
Share in the result of companies accounted by the equity method (cash)	0.0	0.2
<b>Recurrent income</b>	<b>5.2</b>	<b>5.5</b>
General and administrative costs	(3.9)	(4.0)
Other costs	(0.4)	(0.1)
<b>Recurring current result (REBIT)</b>	<b>0.9</b>	<b>1.4</b>
Net result on sale of real estate assets (& JV)	2.2	1.1
<b>Current result (EBIT)</b>	<b>3.1</b>	<b>2.5</b>
Net financial costs	(2.0)	(1.9)
<b>Earnings before taxes</b>	<b>1.1</b>	<b>0.6</b>
Taxes	(1.5)	0.3
<b>Net Current result</b>	<b>(0.4)</b>	<b>0.9</b>
Variations of fair value on investment buildings (IAS 40)	(5.4)	(1.2)
Variations of fair value, value reduction on companies accounted by the EM	(8.3)	(4.1)
Result of reclassification of companies accounted by the EM	10.5	-
Value reduction on receivable on companies accounted by the EM	-	(3.2)
Variations of fair value on hedging instruments (IAS 39)	2.3	(1.0)
Deferred taxes	(0.6)	1.1
<b>Net result</b>	<b>(1.9)</b>	<b>(7.5)</b>

# INTRINSIC NET VALUE PER SHARE

5/ Financial figures

Banimmo	IAS 2 assets		€140.5 Mio	Book-value (historical acquisition cost (not revalued at Fair Market Value by independent expert) <b>(+/- 80,000 sqm)</b> )
	IAS 40 buildings		€14.6 Mio	Book-value (historical acquisition cost of land bank of <b>+/-156.000 sqm</b> )
	Equity Stakes	9.2% → Montea	€ 25.0 Mio	Stock Market value at 30/06/2014 (€31.07 per share)
		49% → Conference Centers	€ 35.9 Mio	49% of Fair Market value
		41.6% → City Mall	€ 35.0 Mio	Total book value equity and shareholder loan (after value reduction)
		25% → The Loop	€15.7 Mio	Fair Market Value value by independent expert
		50% → BtS in Charleroi and Namur	€ 2.9 Mio	Total investment cost
		15% → Participation in Atl. Certificates	€ 3.0 Mio	Fair Market Value value by independent expert
	<b>Total</b>	<b>€355.7 Mio</b>		

Fair market value (by independent expert)  
 Historical acquisition cost

# INTRINSIC NET VALUE PER SHARE

	Value
Total Value	€ 355.7 Mio
Net financial debt Banimmo	€(218.1) Mio
Net financial debt The Loop & Conference centers	€(18.2) Mio
Banimmo's equity value	€119.4 Mio
→ Total number of shares	11.356.544
→ Equity value per share (Net Intrinsic Value)	€10.52



- 1/ Main events of the half-year
- 2/ Performance of the real estate portfolio (investments & stocks)
- 3/ Performance of the joint-ventures
- 4/ Financing
- 5/ Financial figures
- 6/ Forecasts

## FORECASTS & GOALS FOR 2014

- Continue letting efforts in order to improve global occupancy rate of offices: Alma Court has occupancy >90% - North Plaza important tender ongoing – Raket subleased – H5 negotiations with single tenant
- Objective to sell for € 80 million this year: With Veridis done and sale agreement on Suresnes, 60% of this objective has been realized
- Objective to sign a new built-to-suit on Tetris Business Park Ghent (former Loop V5), in Brussels or in Namur
- Progress on built-to-suits in Belgium:
  - Continue built-to-suit for March with delivery foreseen end 2014-beginning 2015
  - Continue built-to-suit for Deloitte with delivery foreseen at the end of 2015
  - Continue built-to-suit for BNPParibas Fortis with delivery foreseen at the end of 2015

## FORECASTS & GOALS FOR 2014

- Focus on retail will persist with:
  - Completion of Secrétan repositioning with completion in H1 2015
  - Completion of repositioning on Saint-Germain with a sale objective in 2016
  - Obtaining necessary permits for the McArthurGlen Design Outlet Center and finalization of structuring of this development
  - City Mall: Improve preletting levels on Verviers, move forward on permit for Namur (expected mid 2015) and sell 1 shopping center in period 2014-2016 with partial reimbursement of Mezzanine
- Finalize agreement with hotel operator at Rocquencourt (lease agreement).
- Acquisitions:
  - For Belgium, during first half year, focus on land bank for built-to-suits (Cauchy, Tirou, land in Charleroi)
  - In France, repositioning of retail income generating asset: Exclusivity signed for gallery in Paris. Acquisition foreseen at year end