



**Half Year results 2012**  
August 31<sup>th</sup>, 2012



## AGENDA

- ❑ Important events of the Half Year 2012 at a glance
- ❑ Portfolio description and valuation
- ❑ Financial management
- ❑ Forecasts and goals for 2012



## IMPORTANT EVENTS OF THE HALF YEAR 2012 AT A GLANCE

### ▪ Commercial management

- New lettings in Belgium: Prins B.5, Alma Court and Diamond for a total surface of 4,417 sqm
- Important lettings in France: les Corvettes, Marché Saint-Germain and les Jardins des Quais for a total surface of 6,501 sqm. Occupancy rate of les Jardins des Quais increases to 96%
- Important negotiations ongoing on buildings Arts 27, Alma Court and Diamond

### ▪ Portfolio evolution

- 3 acquisitions: Rocquencourt, Suresnes and a land bank of 1.47 ha in Brussels
- Built to suit developments :
  - Delivery of the building to VMM
  - New partnership for development of office building in Charleroi. Start of construction foreseen at the end of 2012
  - Signature of collaboration agreements for Fields 3 and 5 of The Loop (56,000 sqm)
  - Active pipeline to generate new transactions/projects – decisions on Q4
- Small disposal of 600 sqm in Orléans

### ▪ Half year results

- Decrease in net rental income to 5,592 K€ due to sales completed in 2011 and departure of Johnson & Johnson in building Alma Court in June 2011
- Absence of sales (exc. small asset). Demanding disposal objective maintained with 4 assets under negotiation
- Decrease of net current result due to lower net rental income and absence of capital gains

# INCOME STATEMENT

€ '000	H1 2012	H1 2011
Net rental income	5,592	7,774
Other income (commissions on JV)	978	1,207
Share in the result of companies accounted by the equity method	323	309
<b>Recurrent income</b>	<b>6,893</b>	<b>9,290</b>
SG&A	(4,198)	(3,948)
Other costs	(380)	(557)
<b>(Recurring current result) REBIT</b>	<b>2,316</b>	<b>4,785</b>
Net result of sale on real estate operations & companies accounted EM	(240)	3,028
<b>(Current result) EBIT</b>	<b>2,076</b>	<b>7,813</b>
Net financial costs	(3,835)	(3,782)
<b>EBT</b>	<b>(1,759)</b>	<b>4,031</b>
Taxes	347	(230)
<b>Net current result</b>	<b>(1,412)</b>	<b>3,801</b>
Deferred taxes	531	(1,263)
Variations of fair value on investment buildings (IAS 40)	414	(79)
Variations of fair value of companies accounted by the equity method	(528)	1,335
Value loss/gain on stocks (IAS 2)	2,250	0
Variations of fair value on hedging instruments (IAS39)	(1,221)	2,247
<b>Net Result</b>	<b>34</b>	<b>6,041</b>
<b>Net result (part of the group)</b>	<b>39</b>	<b>6,041</b>

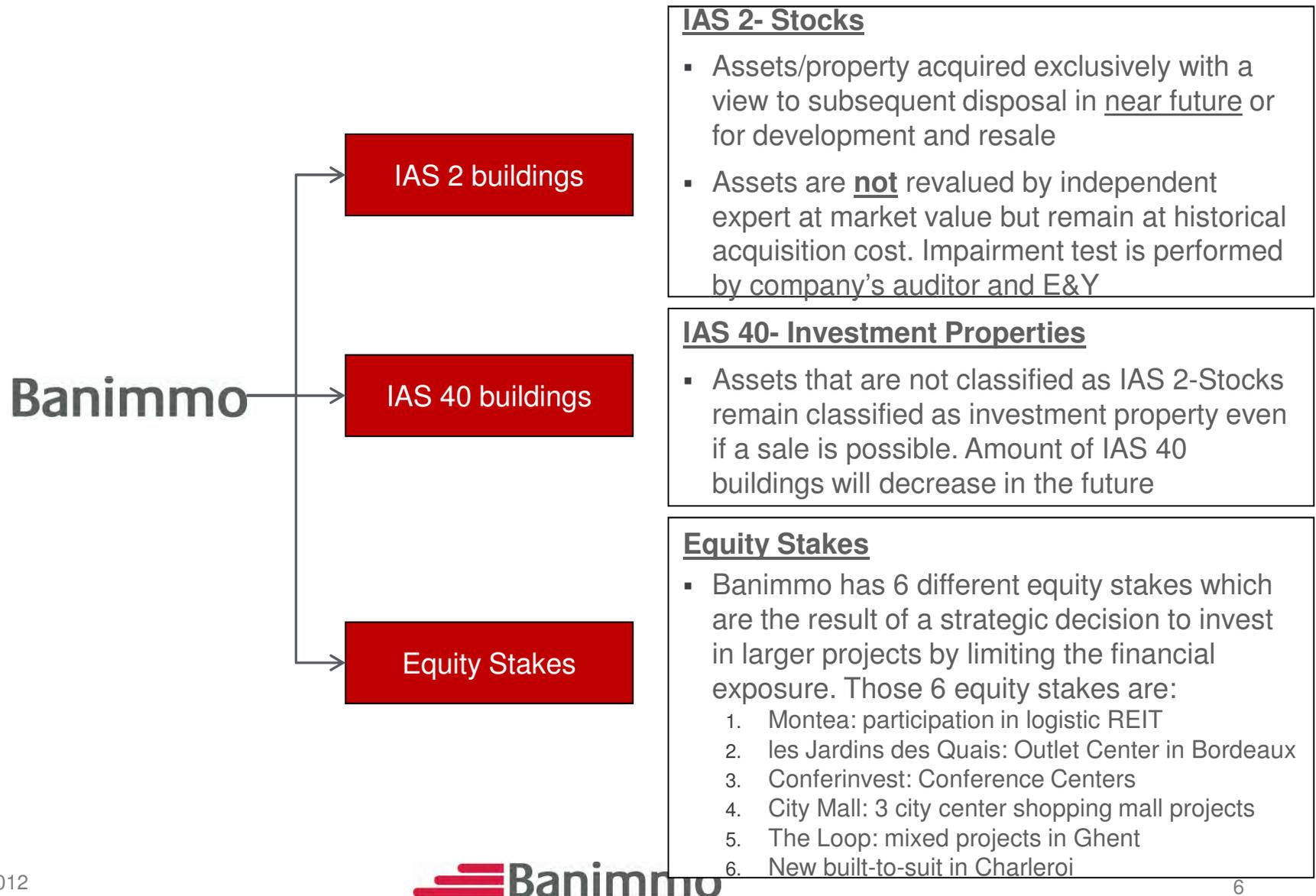
August 31<sup>st</sup>, 2012

## AGENDA

- ❑ Important events of the first Year 2012 at a glance
- ❑ **Portfolio description and valuation**
- ❑ Financial management
- ❑ Forecasts and goals for 2012

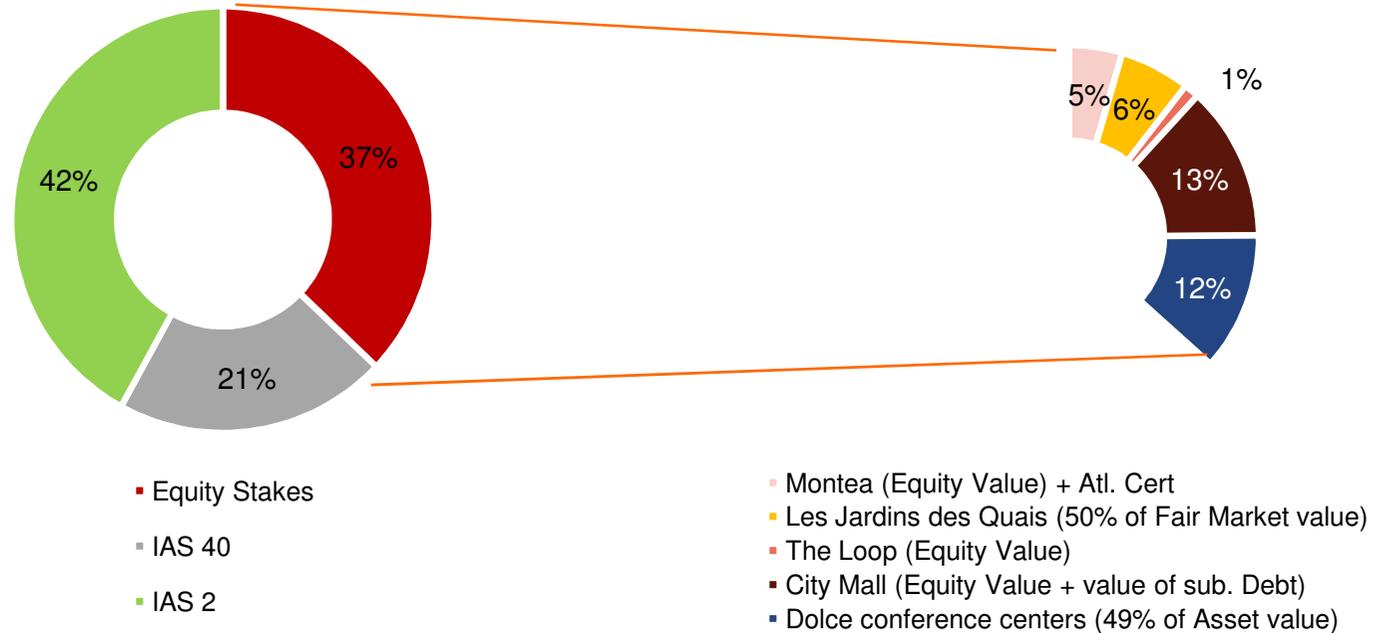


# COMPOSITION OF BANIMMO'S PORTFOLIO



# COMPOSITION OF BANIMMO'S PORTFOLIO (CONTINUED)

**By investment type**  
*(based on total portfolio value of €416 mio)*



# IAS 2 ASSETS - STOCKS

## List of buildings

Name	Surface	Country	Location	Segment	E-Level	Acquisition date
Prins B. 5	6,492 sqm	Belgium	Antwerp	Offices	E104	2007
North Plaza	13,630 sqm	Belgium	Brussels	Offices	E90	2008
Da Vinci H3	12,449 sqm	Belgium	Brussels	Offices/whs	<i>Not applicable</i>	2001
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
Vaugirard	2,083 sqm	France	Paris	Retail		2008
Marché-Saint-Germain	3,179 sqm	France	Paris	Retail		2009
Rouen	2,848 sqm	France	Rouen	Retail	<i>Not applicable for retail</i>	2010
Eragny	12,465 sqm	France	Eragny	Retail		2010
Secrétan (VEFA)	3,800 sqm	France	Paris	Retail		2011
Suresnes	3,525 sqm(1)	France	Suresnes	Retail		2012
Rocquencourt	27,060 sqm	France	Versailles	Offices to be reconverted		2012

## List of 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			

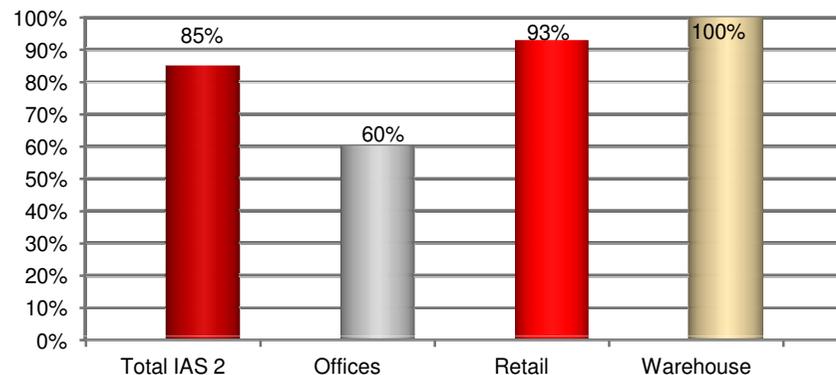
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(1) 4,660 m<sup>2</sup> after development



# IAS 2 ASSETS - STOCKS

## Occupancy

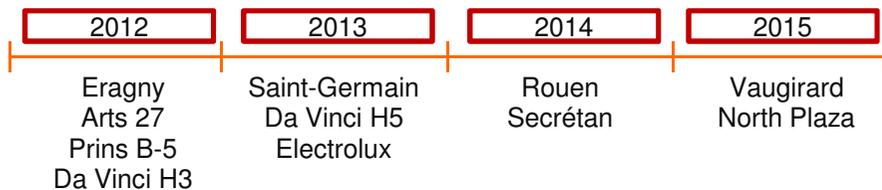


Gross rental yield	5.5%
Gross rental yield if fully occupied	8.1%

Total IAS 2 value in accounts	€174.7 mio
Of which retail	€76.4 mio
Of which offices	€98.3 mio

Total IAS 2 building surface	104,000 sqm
Total IAS 2 construction potential of land bank	156,000 sqm

## Anticipated rotation



# IAS 40 ASSETS

## List of 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

Gross rental yield 7.5%

Gross rental yield if fully occupied 9.3%

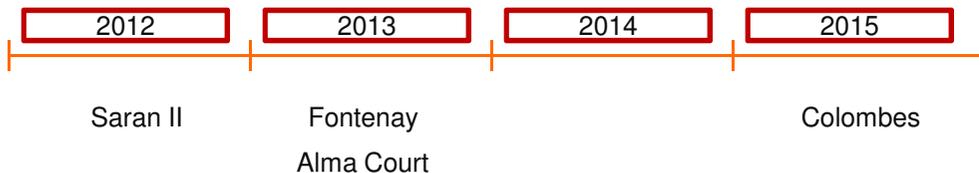
Total IAS 40 value in accounts €86.7 mio

Of which Retail €6.9 mio

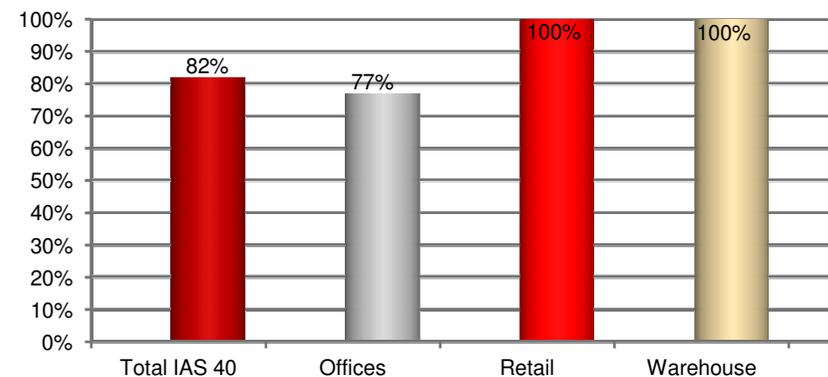
Of which Offices €79.8 mio

Total IAS 40 building surface 63,200 sqm

## Anticipated rotation



## Occupancy



\* 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  
August 31<sup>th</sup>, 2012

## LOW HOLDING DURATION & HIGH RETURN ON REPOSITIONED ASSETS

- Banimmo has a low holding duration and succeeds in generating high capital gains and post leverage IRR's on the assets it repositions

Name building	Type of building	Size	Disposal date	Number of years of detention	IRR** (post tax-leverage)	IRR (before leverage and tax)	Capital gain (margin)/ m <sup>2</sup> *	Repositioned
Lozana	Offices	7,000 sqm	Dec. 2011	11 years	16%	9%	352 €/sqm	Yes
Saran I Saran II	Retail	2,300 sqm 600 sqm	Dec. 2011 June 2012	4,5 years 4 years	7.6%	6%	-107 €/sqm	No
Antwerp Expo	Exhibition hall	22,635 sqm	Jul. 2011	4,25 years	13%	7%	-54 €/sqm	No
Clamart	Retail	8,000 sqm	May 2011	4 years	37%	15%	475 €/sqm	Yes
Kruger Park	Retail	12,700 sqm	Dec. 2009	10 years	34%	18%	468 €/sqm	Yes
Sirius (Mobistar)	Offices	29,500 sqm	Nov. 2009	8,5 years	45%	25%	528 €/sqm	Yes
Brouckère Tower	Offices	32,700 sqm	2006/2007	7 years	29%	12%	534 €/sqm	Yes

\* Rental income stream not included and excluding brokerage costs

\*\* Based on average leverage of 65%

# 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 : € 21.7 Mio
- Dividend: € 1.53 Mio
- No shareholder's agreement → quasi cash

### 2. **Les 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 96% at 30/06/2012.
- Commercial repositioning nearly completed → mature asset
- Fair value of € 49.7 Mio at 30/06/2012 (valuation done by Cushman).
- 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
    - Both with a 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 : 63%, 63.5%

In '000 €	La Hulpe 2010	La Hulpe 2011	La Hulpe 30/06/2012	Chantilly 2010	Chantilly 2011	Chantilly 30/06/2012
Turnover	21,021	21,422	11,237	14,755	15,710	8,041
EBITDA	3,915	4,490	1,701	2,515	3,525	1,591
Rents	850	850	850	None	None	none

- Net bank debt amounts: €43.1 Mio with an annual capital amortization of € 3,750 K  
 Financial charge: +/- € 2,000 K  
 DSCR (*Debt Service Coverage Ratio*) (hotel): 1,79
- Valuation between € 100 Mio and € 120 mio (*Source Banque Degroof and CBRE Hotels London*)  
*Assumptions Banque Degroof:*
  - 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 sqm GLA with 1,150 parking spaces
- Catchment area: 350,000 consumers & 53,000 inhabitants
- 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 sqm GLA with 1,000 parking spaces
- Catchment area: 350,000 consumers & 108,000 inhabitants
- 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
- In front of City House – Excellent public accesses
- Catchment area: 650,000 consumers & 200,000 inhabitants
- 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



# EQUITY STAKE INVESTMENTS: CITY MALL (CONTINUED)

## Financial Framework

- Equity stake: 42.5%      Economical stake in projects/sites: 38.25%
- Joint-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

<i>Base 100%</i>	<i>Verviers</i>	<i>Namur</i>	<i>Charleroi *</i>
	423 €/sqm	503 €/sqm	593 €/sqm
<i>Time Horizon</i>	2017	2017	<i>To be determined after municipal elections 10/2012</i>

\* Retail area only

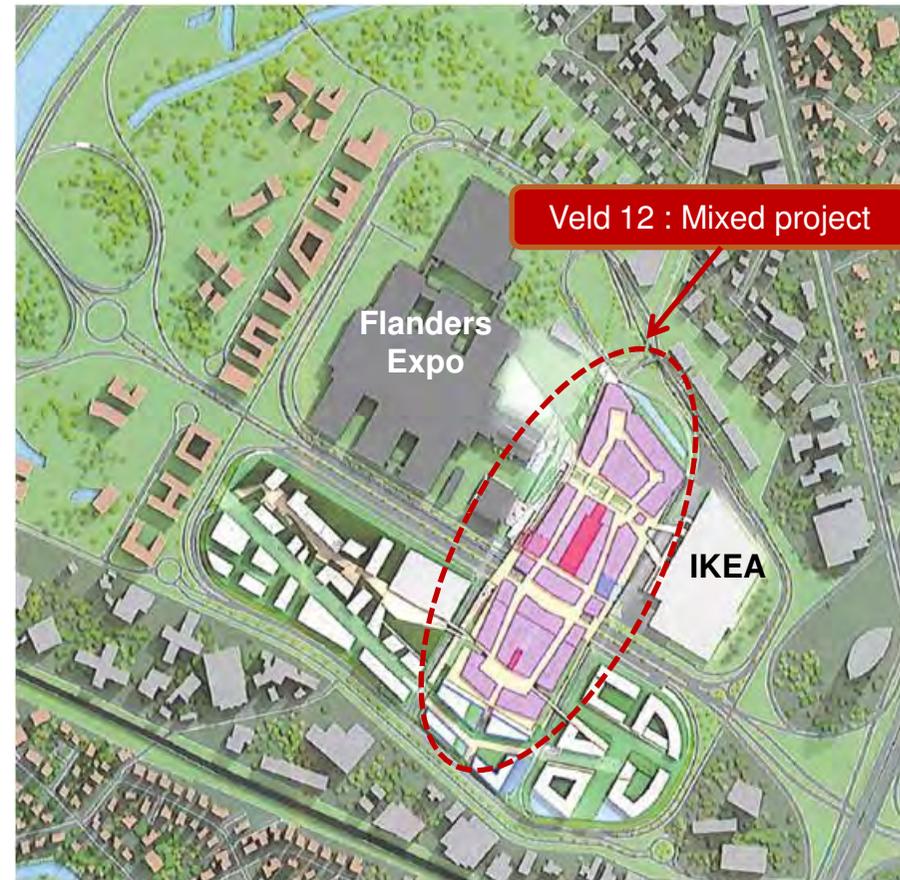
- Targeted average rent/sqm parkings included : € 450 - € 500/sqm
- Market cap yields on shopping centers: <6%
- Estimated fully loaded cost (costs linked to acquisition, construction, financial,... ) per retail sqm until completion

<i>Base 100%</i>	<i>Verviers</i>	<i>Namur</i>	<i>Charleroi</i>
	5,900 €/sqm	5,900 €/sqm	<i>not definable yet</i>

# EQUITY STAKE INVESTMENTS: THE LOOP

## 5. The Loop

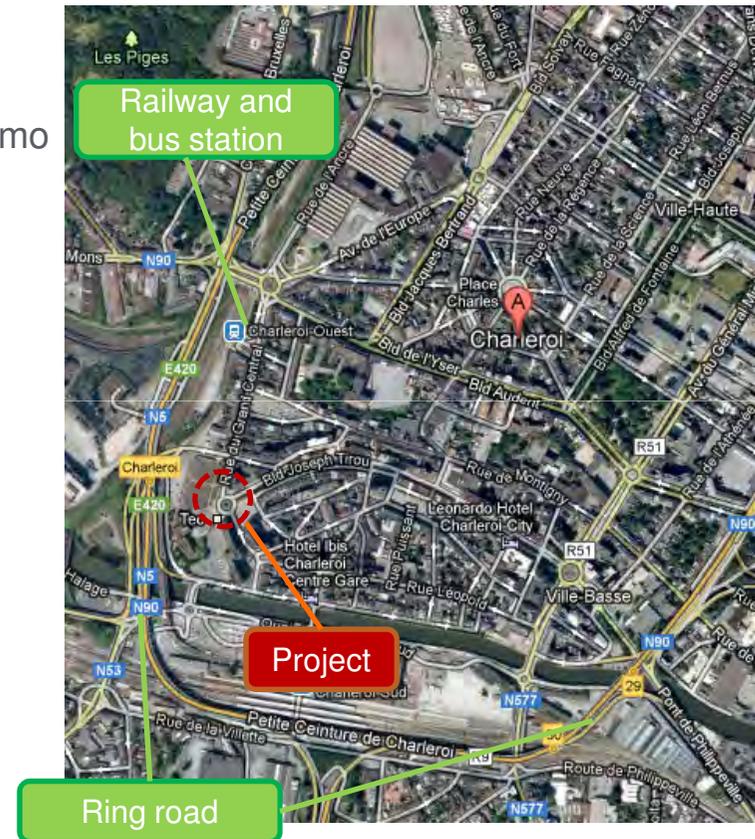
- Banimmo has a participation of 25% in Grondbank **The Loop (GBTL)**, owner of the land
- With first realization (VMM-PMV), GBTL enters into an active development phase / sales of land plots
- Development of a mixed project on Veld 12 anchored by a retail complex (Design Outlet Factory)
  - Constructible area of +/- 100,000 sqm made of a.o.
    - Retail (+/-35,000 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 in order to acquire the land
- 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)



# EQUITY STAKE INVESTMENTS: BUILT-TO-SUIT CHARLEROI

## 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

Value

Banimmo

<div style="border: 1px solid black; background-color: #800000; color: white; padding: 5px; text-align: center;">IAS 2 assets</div> <div style="border: 1px solid black; background-color: #800000; color: white; padding: 5px; text-align: center;">IAS 40 buildings</div> <div style="border: 1px solid black; background-color: #800000; color: white; padding: 5px; text-align: center;">Equity Stakes</div>		€169.7 mio	Book-value (historical acquisition cost (not revalued at Fair Market Value by independent expert) (+/- 104,000 sqm)
		€4.9 mio	Book-value (historical acquisition cost of land bank of +/-156.000 sqm
		€86.7 mio	Book-value (Fair Market Value by independent expert)
	14.8%	€21.7 mio	Stock Market value
	50%	€18.8 mio	50% of Fair Market value of €49.7 less Financial Debt of €12.0 mio
	49%	€27.8- 37.7 m	49% of Asset Value range between €100 and €120 mio less financial debt of €43.1 mio
	38.25%	€54 mio	Total investment cost
	25%	€16 mio	Fair Market Value value by independent expert
50%	€0 mio	Total investment cost	
15%	€3.1 mio	Fair Market Value value by independent expert	

Fair market value (by independent expert)  
 Historical acquisition cost

Total  
€402.9 - €412.7 mio

August 31<sup>th</sup>, 2012

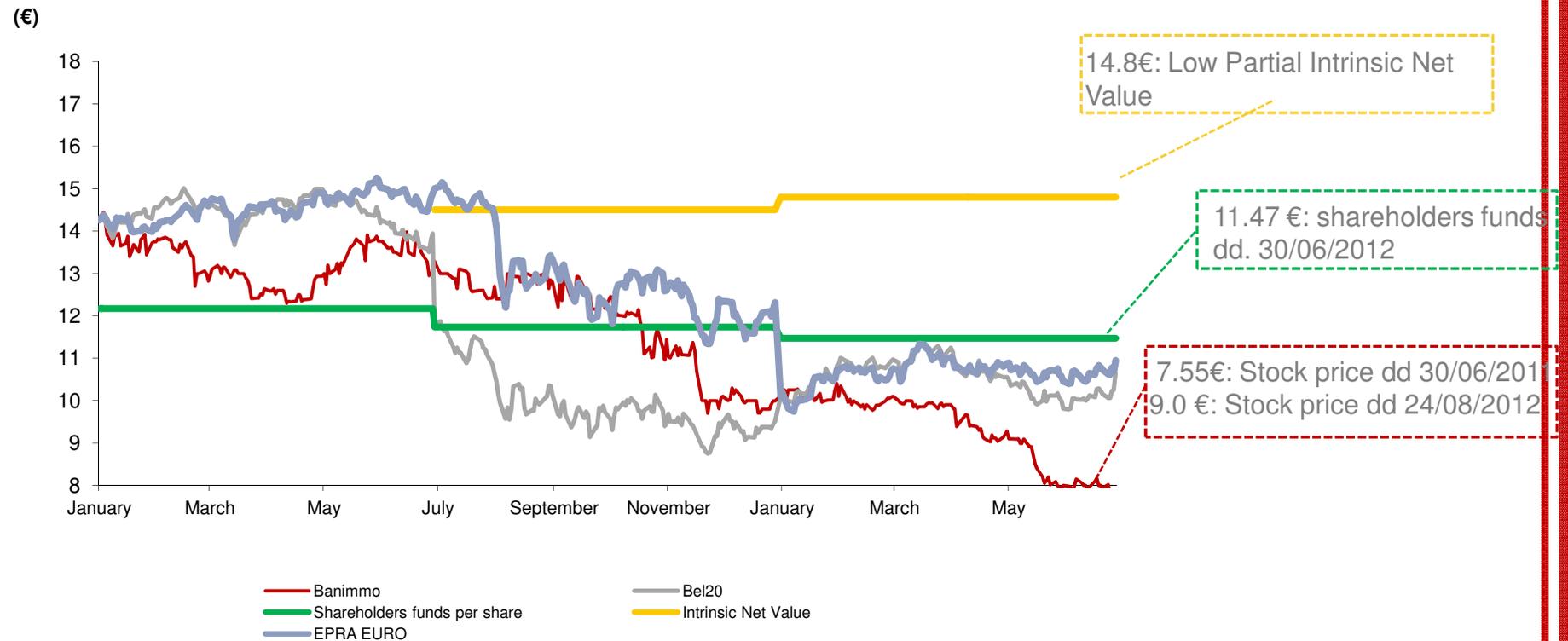
## SUM OF THE PARTS (CONTINUED)

	Value
Total Value	€402.9 - €412.7 mio
Net financial debt	€234.8 mio
Banimmo's equity value	€168.1-177.9 mio
→ Total number of shares	11.356.544
→ Equity value per share	Low : €14.8 High: €15.7 Average: €15.2

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

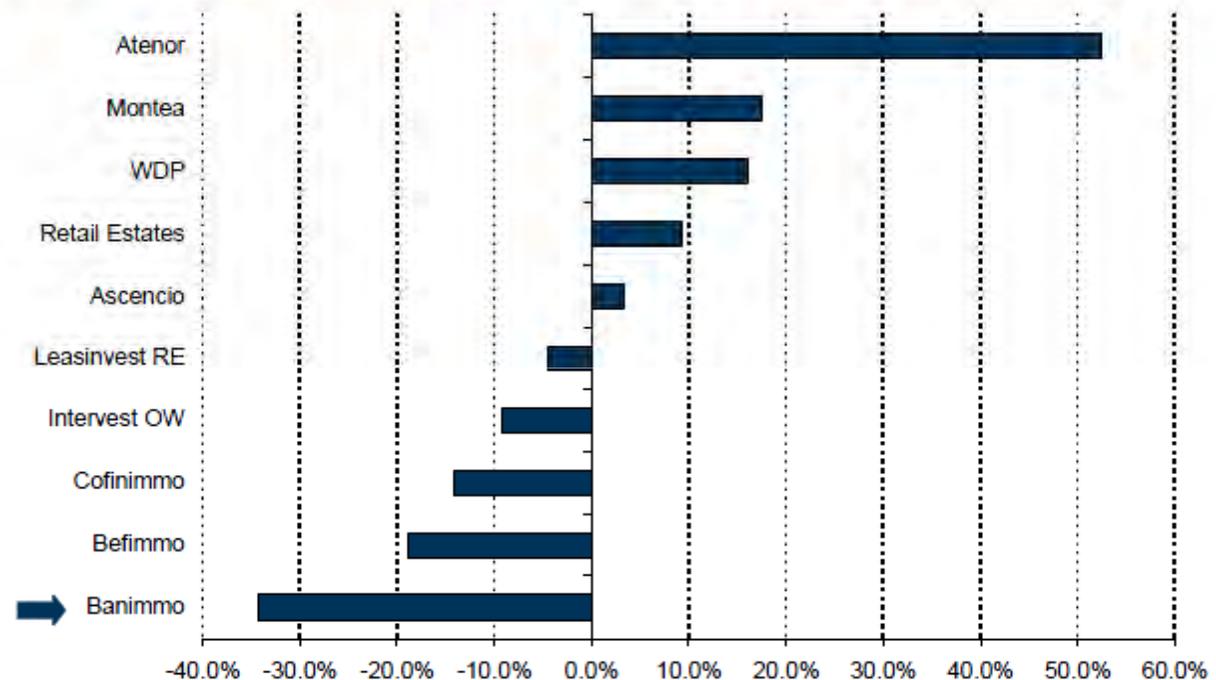
# BANIMMO'S STOCK PRICE STANDS WELL BELOW NIV

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



# BANIMMO'S STOCK PRICE STANDS WELL BELOW NIV

## NAV PREMIUM (DISCOUNT)



Source: KBC Securities 17/07/2012

Current stock price (29/08/2012) trades at discount of about 40% compared to Low Partial Intrinsic Value of 14.8 €/s.

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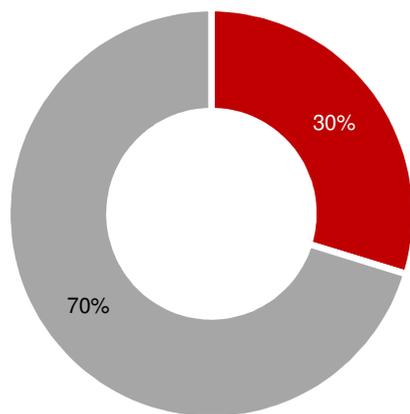


# FINANCIAL MANAGEMENT

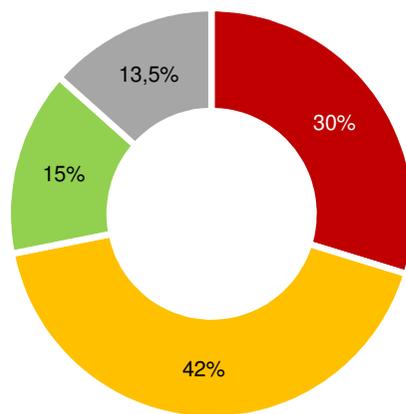
Key ratios	31/12/2010	31/12/2011	30/06/2012
Net debt (€ mio)	242.5	211.0	234.8
Net debt/shareholders equity	1.77	1.58	1.80
Fin debt/Total assets	60.0%	57.5%	59.4%

We wanted and obtained a well diversified and hedged funding structure

Financing base before hedging    Financing base after hedging\*



■ Fixed (Bond)   ■ Floating

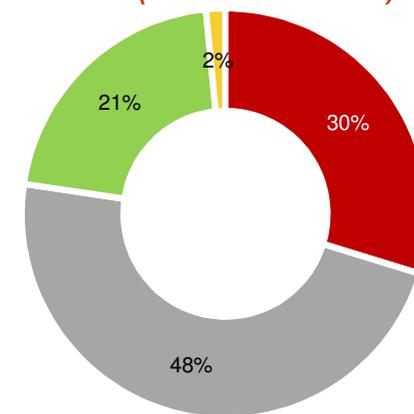


■ Fixed   ■ Hedging   ■ Swaps   ■ Floating

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

Funding source diversification

(Total of €252.2 mio)



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

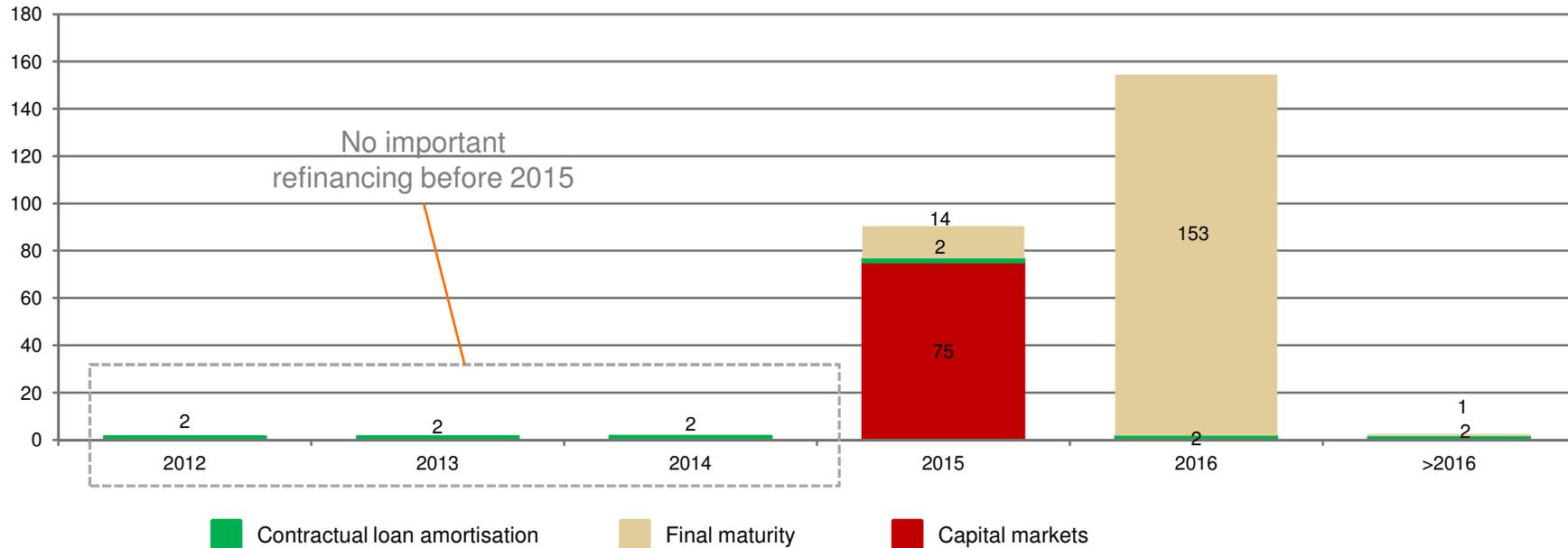
Well-diversified financing sources: Dependence from syndicated credit has progressively been decreased through signing of bilateral loans and bond issuance

(\* ) Percentage as of Q2 2012 till Q3 2014

August 31<sup>th</sup>, 2012

# NEW CLUB DEAL AVOIDS REFINANCING RISK BEFORE 2015

## Maturity profile of financial debt after refinancing syndicated loan



- 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:
  - 4.96% (hedging instruments included) versus 5.01% in 2011. For 2012, similar level for the average cost of debt. For 2013 and 2014, average cost of debt should decrease by about 20 bps

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## 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 more than € 50 mio with 4 assets under negotiation
- Finalize a new built to suit and increase landbank at low cost
- Positive outlook for improvement of existing vacancy for Alma Court, Arts 27 and Diamond buildings
- Focus on retail will persist with:
  - Effective launch of repositioning on Saint-Germain
  - Effective launch of repositioning on Secrétan (Paris)
  - Effective launch of repositioning on Suresnes (Paris)
  - Closing agreement on Veld 12 (The Loop)



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