

PRESS RELEASE

Regulated information
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Consolidated half year accounts on June 30th

Number of new leases signed in the first half year for a total surface of 10,918 sqm but without direct impact on the results of June 30th.

Decrease of net rental income nearly exclusively attributable to the sale of rented assets in the second half year of 2011.

Important investment activity with a new construction or renovation potential of 70,000 sqm which represents an increase of 39% of the future sellable surface.

The change of the impact of the temporary value changes is positive on the real estate portfolio for an amount of €2,743K, negative on the hedging instruments for an amount of €3,486K and negative on the result of the companies accounted by the equity method up to an amount of €1,863K.

The half year results that are breakeven are not very representative of the positive evolution of the portfolio's rental situation.

The intrinsic net value amounts to €14.80 per share.

1. ACTIVITIES ON THE PORTFOLIO

A. Leases

At 30 June 2012, net rental income reaches €5,592K versus €7,774K as at 30 June 2011.

In Belgium, Banimmo has finalized several new lettings in different office buildings, i.e. in Prins B.5 (Antwerp), in the Diamond building (Brussels) and in the Alma Court building (Brussels) for a total surface of 4,417 sqm and an annual nominal rental income of €583K.

In France, new lettings have been finalized in the buildings Jardins des Quais (Bordeaux), Les Corvettes (Paris) and Marché Saint-Germain (Paris) for a total surface of 6,501 sqm and an annual nominal rental income of €789K.

No significant departures have been recorded during this period.

Important letting negotiations for the buildings Arts 27, Diamond and Alma Court are nearly finalized ; the main letting characteristics have been fixed but rental contracts still need to be finalized.

Pre-letting commitments for the retail asset Halle Secrétan (Paris) are being converted into retail leases.

The global occupancy rate of the portfolio amounts to 84% versus 78% on December 31st 2011. The negative difference of the rental income is predominantly attributable to the sale of Clamart in the first semester of 2011 and to the sale of 3 assets, i.e. Antwerp Expo, Lozana and Saran I in the second semester of 2011. Those assets generated a net rental income of €1,837K.

The departure of the tenant Johnson & Johnson for almost 5,000 sqm in the Alma Court building represents a net rental decrease of €857K.

On the contrary, the start of the leasing contract on the Raket building in Evere (Brussels) leads to an increase of the building's net rental income of €426K.

The other variations are not significant.

The acquisitions that were realized in the first semester of 2012 do not generate a rental income.

The net rental income (without the impact of the linearization) for 2012 is estimated at €11,000K versus €14,500K in 2011. The buildings held in portfolio are mainly assets that are not yet mature and therefore not entirely relet. The net rental income is therefore often impacted by owner charges.

B. Sales and acquisitions

During the first semester, several acquisitions have been realized, so contributing to feed the pipeline of Banimmo:

- Acquisition in Versailles of an obsolete office building of 27,000 useful sqm at a price of €6.75 Mio. The building allows several types of reconversion, in particular, but not limited to, the development of a new hotel center operated by Dolce with which Banimmo runs the sites in Chantilly (Paris) and La Hulpe (Brussels).
- Acquisition in Suresnes, close to Paris of two companies that hold the administrative authorisations and the ownership for the redevelopment of a retail gallery of 4,660 sqm. Currently this gallery is in a neglected state. In this framework, Banimmo has signed a lease agreement with a leading brand of the food sector for 2,300 sqm. The acquisition price amounts to €11.5 Mio and the renovation cost is estimated at €7 Mio.
- Signing of the agreements related to the cooperation in view of the commercialization and development of fields 3 and 5 of The Loop site in Ghent (56,000 sqm).
- Launch of an office development in Charleroi for a total surface of 8,000 sqm, on the basis of a fixed 15 years lease contract with a first rank financial group. Subject to obtaining building permits, the operation could start at the end of 2012. This operation is shared 50/50 with the historical owner of the land.
- Acquisition in Evere (Parc Da Vinci – Brussels) of a land plot of 1ha 47a allowing the development of 30,000 sqm for a total price of €1,8 Mio.

Taking into account the operations that occurred in July, those operations represent a total development and renovation potential of 70,000 sqm in Belgium and France. Considering the current total portfolio under management of 174,600 sqm, the investment activity of the first half year represents an increase of 39% of the future sellable surface.

Banimmo, the delegated principal, has delivered the new building of almost 7,200 sqm let to the Vlaamse MilieuMaatschappij in Ghent to PMV. This operation generates a profit of €866,230 for this semester, in addition to the part already booked in 2011.

C. Development and renovation

The main evolution concerns the retail project Halle Secrétan in Paris (19th district). The authorisations free of all claims have been obtained. Pre-letting commitments are being converted into retail leases at the expected rental conditions. The heavy renovation should start as of this autumn. A specific project financing should be signed after the summer.

2. COMMENTS ON THE RESULTS

Key figures

ANALYSIS OF THE CONSOLIDATED RESULTS		
	K €	K €
	30/06/2012	30/06/2011
Recurrent income	6.893	9.290
of which net rental income from investment buildings	5.592	7.774
Gross rental income	7.431	9.624
Rental costs	-1.839	-1.850
of which management fees and commissions	978	1.207
of which share in the result of companies accounted by the equity method	323	309
Other operational costs on buildings	-380	-557
Operational and administrative costs	-4.198	-3.948
Other income	0	0
Recurring operating result (REBIT)	2.316	4.785
Net result of transfers on real estate operations	-240	3.028
Net result of transfers on participations of companies accounted by the equity method	0	0
Operating result (EBIT)	2.076	7.813
Net financial costs	-3.865	-3.821
Dividends	30	39
Result before taxes	-1.759	4.031
Taxes	347	-230
Net current result	-1.412	3.801
Variations of fair value on investment buildings (IAS 40)	414	-79
Variations of fair value on hedging instruments (IAS 39)	-1.221	2.247
Variations of fair value in the result of companies accounted by the equity method	-528	1.335
Profit/loss of value on asset held in stocks (IAS 2)	2.250	0
Deferred taxes	531	-1.263
Result of the financial year - continued activities	34	6.041
Result of the financial year - activities abandoned	0	0
Result of the financial year	34	6.041
Minority interests	-5	0
Result of the financial year-group share	39	6.041
Attributable to:		
- Company shareholders	34	6.041
- Minority interests	-5	0
Weighted average number of shares	11.356.544	11.356.544

BALANCE SHEET		30/06/2012	31/12/2011
<u>Total Balance Sheet</u>		400.574	376.260
of which investment buildings		86.727	84.166
of which fixed assets		1.603	1.577
of which investments in companies accounted by equity method		59.704	60.779
of which long-term financial assets		55.728	54.969
of which inventory		174.665	151.544
of which cash		3.296	5.390
<u>Equity Capital (before allocation)</u>		130.291	133.322
Long-term financial debts		232.639	212.178
Short-term financial debts		5.498	4.165

NB: a conversion table of the consolidated income statement in IFRS is available on our website

Banimmo's recurrent revenue comes mainly from three sources:

- The net rental income
- The management fees and commissions within the framework of partnerships
- The share in the results of companies consolidated by the equity method. The non cash elements of those companies have been extracted from their economical result.

The **net rental income** on June 30th 2012 amounts to € 5,592K compared with € 7,774K on June 30th 2011. This variation has been explained in « Commercial Activities » above.

The **fees and commissions** amount to € 978K compared with € 1,207K. The main contribution to this result is attributable to the finalization of the delegated principal contract with regards to the delivery of the office building of 7,200 sqm to Participatie Maatschappij Vlaanderen.

The **share in the profits/losses of companies accounted by the equity method** amounts to an IFRS loss of € 204K against a profit of € 1,643K in June 2011.

The important variation is once again attributable to the non-cash fair value changes between two periods. This difference amounts to € 1,863K whereas if based on the economical result, the result would increase from € 309K to € 323K in 2012.

This result is broken down as following :

i. **SNC Les Jardins des Quais – retail complex in Bordeaux**

The contribution to the IFRS result goes from € 458K to € 53K due to the impact of an exceptional charge of € 900K (base 100%). At the end of the semester, the last building has been let. The building has now an occupancy rate of 96% and the renovation is finished. The turnover of the center is progressing well.

ii. **Montea**

The contribution of Montea is decreasing from € 1,262K to a loss of € 483K attributable to the negative fair value changes on the portfolio for € 4.3 Mio and on the hedging instruments for € 3.2 Mio.

The net current result increases with 13.4% to € 5.51 Mio.

Montea contemplates increasing its dividend for 2012.

iii. **Grondbank The Loop**

Regardless the agreements that have been signed with Banimmo for the fields 3 and 5, the company has sold the office building built by Banimmo to PMV, generating a capital gain for the company.

Therefore, the contribution changes from a loss of € 80K to a profit of € 274 K.

The company enters an active phase where it can add value to its serviced land area.

iv. Conferinvest (Dolce conference centers)

The contribution of the two Dolce conference centers amounts to €66K, compared to €152K.

The operational performance of the centers remains stable compared to last year despite a good start at the beginning of the year. This good start has not been confirmed at the end of the quarter.

In La Hulpe, the turnover reaches €11,237K against €10,907K in 2011 and Ebitda (before exceptional items) goes from €2,312K to €1,701K.

The first semester has been affected by an exceptional charge of €500K related to the final settlement of a commercial dispute.

In Chantilly, turnover increases from €8,041K to €8,346K and Ebitda increases from €1,484K to €1,591K.

Overall, the annual performance should be in line with 2011.

v. City Mall

Further to the development costs for the projects in Verviers and Namur than cannot be activated, the contribution of the participation is negative up to €124K compared to a loss of €149K in June 2011.

The mezzanine financing generates a financial income of €1,415K.

In January, the Council of State suspended the positive decision of the Region on the building permit for the project in Verviers. A regularization of this suspended permit will be filed soon, but these procedures will cause a delay of more than 12 months in the project timing.

The project in Namur is progressing normally with a building permit demand that should be introduced in the second semester of 2012.

There will be no significant evolution on the project in Charleroi until the next municipal elections in October.

The **structure costs** (administrative and operational costs) amount to €3,948K compared to €4,198K (+6.3%).

There is no particular progress in the recurrent cost structure of the group; the variation is due to the specific costs mainly related to the pre-study on The Loop (Ghent) and on the delegated principal mission on the delivery of the building to PMV.

The ratio “recurrent income on structure costs” amounts to 1.51 compared to 2.06 in 2011.

The **net financial charges and dividends** reach €5,056K versus €1,534K in June 2011.

The financial charges on the bank debt and the bond remain globally stable with a net debt level of €235 Mio compared to €216 Mio on June 2011. This financial charge is heavily dependent upon the realization of the acquisition and disposal operations.

The net average financing cost (before the impact of the hedging instruments) remains stable at 3.84% versus 3.86% in 2011. Taking into account the existing hedging instruments, this average cost amounts to 4.96% versus 5.01% in 2011.

The important variation between €5,055K and €1,534K is entirely due to the change in value of the hedging instruments (IAS 39) following the sharp decline in interest rates since September 2011.

This non cash fluctuating difference between the first semester of 2011 and 2012 amounts to €3,467K.

All real estate companies, which in their majority cover their interest rate risk with hedgings imposed by banks, have to cope with this phenomenon.

Taking into account hedges in place, 86.5% of Banimmo's financing sources are at fixed rate.

The ratio « Financial indebtedness on total balance sheet » amounts to 59.4% compared to 56.7% in 2011. With the disposals that are under negotiation, this ratio should decrease in the second semester.

The **net current result** before restatement of fair market values (IAS 39 and IAS 40) amounts to € -1,142K compared to € 3,801K as at 30 June 2011.

The different variations due to the IAS 39, IAS 40 and the profit/losses of value on assets held in stocks, including those on the companies accounted by the equity method, amount € 915K compared to € 3,503K in 2011.

The **net consolidated result (IFRS)** of the first semester of 2012 amounts to € 39K compared to a profit of € 6,041K on the same period of 2011.

3. INTRINSIC NET VALUE PER SHARE

The intrinsic net value per share amounts to € 14.80 compared to a share price of € 8.87 (average of last 30 days). This value is determined by taking on the asset side the investment properties (IAS 40) at fair market value, the joint ventures Montea, the conference centers, Jardins des Quais and Grondbank The Loop at the expert's value but with retaining the land, City mall and the assets accounted under inventories (IAS 2) at the lower of either their historical acquisition or net realizable value if this is lower than the acquisition cost.

The landbank and assets accounted under inventories have a book-value of € 175 million and represents a total built surface of 104,000 sqm.

The financial debt at its nominal value is deducted from these assets.

4. POST CLOSING EVENTS

Since the end of June, Banimmo has completed the notarial sales deed for the remaining retail area (Saran II) in Orléans for a net amount of € 900K. As the preliminary sales agreement had been signed in June under particular conditions, the operation has been integrated in the accounts of the first half year. The first retail unit has been sold at the end of 2011. The Internal Rate of Return (IRR) on those two assets amounted to 7.6%.

5. FORECASTS

During the first half year, Banimmo was active on the acquisition side given the interesting opportunities that the company wanted to grasp. These acquisitions allow us to build up our landbank at low-cost for new built-to-suit projects.

In a difficult environment, several new leases have been concluded. As several advanced discussions are ongoing, we hope finalizing new leases that will significantly improve the rental situation of the office segment of our portfolio.

In the second half year, we will focus on the completion of the sale of 4 assets, including 3 in Belgium and one in France. These files are in varying degrees of completion. Those sales should represent a total amount of more than € 50 million.

Finally, Banimmo is analysing several opportunities in redeveloping assets and this in the residential and nursing home segments, leveraging so its expertise in redeveloping assets.

6. FINANCIAL REPORT ACCORDING TO IAS 34 STANDARD

As of the publication date of this press release the financial report issued in accordance with the IAS 34 standard including the intermediate management report as well as the auditor's report is available on the web site www.banimmo.be.

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About Banimmo

Banimmo, a real estate company for repositioning and redevelopment, acquires buildings that have a high potential for redevelopment in order to re-sell them after transformation. The company is also specialized in the development of built to suit buildings meeting the highest sustainability and energy-efficiency norms. The company, which is active in Belgium, in France and in Luxembourg in the office, retail and semi-industrial sectors, as well as in conference and exhibition centres, is established in Brussels. Its subsidiary, Banimmo France, covers the French market from its headquarters in Paris.

The company has thirty employees. Until now, the Banimmo group has invested in around 27 real estate properties representing a total value of more than € 416 million. Belgium constitutes the predominant market, with 62% of the portfolio in terms of market value. France represents 38% of Banimmo's portfolio. The portfolio is continually evolving thanks to the ongoing repositioning and to the high rotation of the assets. Banimmo is listed on Euronext Brussels. Currently the company is held by the SIIC Affine (49.8%) and the management (25.05%) that have signed a shareholder agreement. The remainder, that is 25.15%, is in the hands of the public.