

## PRESS RELEASE

Regulated information  
26 July 2013: 5.45 PM

---

### **Interim statement Evolution of the activity during 1<sup>st</sup> half-year of 2013**

The main events during the past half-year were:

- the completion of two sale transactions in France (Eragny) and Belgium (Kontich).
  - the renegotiation of a number of long term lease agreements with existing tenants in France (Corvettes – near Paris) and in Belgium (Diamond and Alma Court – Brussels) for a total surface of 11,600 sqm.
  - the signing of a new “built-to-suit” operation for 6,500 sqm in Brussels for the Group Marsh and McLennan Companies.
  - at City Mall the building permit for the shopping centre project in Verviers became enforceable. Nevertheless a write off of €8,24 Mio has been registered for the entire City Mall participation further to the revised program of the Charleroi project and the sale thereof at a later stage.
- 

Concerned about a better transparency Banimmoo publishes end July a “guidance” on its half-year result together with a brief comment on the activity of the year.

These figures have not been audited and will be submitted for approval to the board of directors that will be held on August 28<sup>th</sup>.

The complete financial report according to the IAS 34 norm and the usual half-year press release will be published on August 30<sup>th</sup>.

#### **Commercial activity**

The gross rental income of the first half year amounted to €5.59 Mio versus €7.43 Mio for the same period of last year.

In Belgium, in the context of a still difficult lease market, Banimmoo managed to negotiate the extension of lease agreements for long periods (9 years) with existing tenants (Alma Court 3,000 sqm – Diamond 4,800 sqm – Corvettes 3,800 sqm).

For Diamond and Corvettes the new financial conditions are less advantageous compared to those prevailing before and so entailing negative value adjustments impacting these assets. Two tenants have notified the end of their lease: Mobistar for the H5 building in Evere (1,240 sqm on a precarious basis) and Geodis (3,900 sqm) for the ABC building in Vilvoorde. Last mentioned asset will be completely reconverted in the long run.

For the Galerie St Germain an agreement has been reached with a major future tenant on the program of works allowing Banimmoo to negotiate the commercial lease, which shall still be subject to a number of conditions precedent. Subsequently Banimmoo will start the administrative (permits and authorizations) and execution phase.

The occupancy rate of the global portfolio amounts to 77%, compared to 84% as at December 31, 2012.

As every year, the negative difference is predominantly attributable to a change of the portfolio perimeter i.e.: the sale of 2 assets Prins B.5 in Kontich (6,800 sqm – rent € 493 K) and Eragny in Paris (12,000 sqm – rent € 1,491 K).

### **Development and investment activity**

In Belgium two transactions have impacted the first half year. In March Banimmo has sold an office building located in Kontich for €9.36 Mio based on a net yield of 7.75%. This sale generates an economical loss of €575K. Considering the impact of rent linearization, the accounting loss accounted for amounts to €1 Mio.

Banimmo has signed a built-to-suit agreement with Marsh and Mc Lennan for its new registered office of 6,500 sqm to be delivered in December 2014. The construction works have already started. The tenant has committed to lease for a fixed period of 15 years, as of delivery. In Ghent the negotiations with the City for field 12 of the The Loop project (100,000 sqm) have progressed.

In France Banimmo has sold a retail asset located in Eragny (near Paris) and leased to Castorama for €18.65 Mio based on a yield of 8.1%. This sale generates an added value of €3.24 Mio.

The redevelopment of the commercial gallery in Suresnes (near Paris) will be completed by the end of the year. Currently 85% of that asset has already been prelet.

The restructuring of the halle Secrétan (Paris) can finally start now that the risks related to appeal are remote.

In Rocquencourt (Versailles) three reputable hotel brands have confirmed their interest in the site and will submit binding lease offers by the end of the summer.

The sale operations of three assets: Rouen, Fontenay (Paris) and Bordeaux (Jardins des Quais jointly held with Affine) are currently being negotiated.

With regard to the joint-venture with City Mall Invest, the following events occurred:

- After several delays due to the appeals lodged with the State Council by individuals, the building permit became enforceable. This allows City Mall to relaunch the commercialization which had seriously slowed down. City Mall finalizes a “Bouwteam” agreement with a general constructor for the construction of this new shopping complex.
- The project in Namur evolves normally.
- City Mall Invest has abandoned its initial project for Charleroi. City Mall is now considering a sales transaction of this asset with a specific operator based on a different mixed program (retail – offices – residential – others). As mentioned above, this changed strategy entails a significant revision of the value of the project.

No specific significant events occurred with regard to the other joint-ventures of Banimmo.

## **Results**

All these commercial and investment transactions generate an operational result of € 2.93 Mio versus € 2.07 Mio in the first half year of 2012.

For 2013, Banimmo aims achieving a sales objective amounting to € 60 Mio. On June 30, 45% of said objective had been reached.

Without giving an opinion as to the positive outcome of the sales negotiations, the due diligence procedures for the sale of three French assets have progressed well.

The contribution of the companies accounted by the equity method for the year 2012 can not be compared to the year 2013.

Indeed, the main contributor to this line was the participation of 14.8% in Montea, a REIT specialized in logistics.

In 2013 Banimmo reduced its presence in the board of Montea aligning its position with the institutional financial investors that have recently participated in the capital of Montea. Banimmo did not participate in the recent capital increases of Montea. Therefore and further to the application of IFRS, the results of Montea will no longer be accounted by the equity method. In the future only the dividend of Montea will have an impact on the results of Banimmo.

This deconsolidation implies that Banimmo shall value this participation on the basis of the stock price.

Therefore, Banimmo registers in the first half-year of 2013 an exceptional accounting capital gain of € 10.50 Mio, before deferred taxes.

In City Mall Invest Banimmo registered resulting from the above mentioned strategy an exceptional loss of € 8.24 Mio. This loss results from a 100% value decrease of the part of the acquisition price of € 19 Mio attributed to the Charleroi project and on the not attributable goodwill of the initial acquisition price.

The net financial charge amounts to € 3.07 Mio versus € 5.05 Mio in 2012.

This column is impacted by a profit gain (non cash) of € 2.15 Mio on the financial hedging instruments (IAS 39) further to the increase of long term interest rates which occurred in June.

Other fair-value adjustments on the assets (IAS 40) have a negative impact of € 5.41 Mio on the results. These mainly concern the assets Corvettes and Diamond further to the renegotiations of the lease agreements with their major tenants, as mentioned above.

Consequently the net consolidated result (IFRS) of the first half year amounts to a loss of € 1.31 Mio versus a result in 2012 close to zero.

## **Post closing events**

With regard to its office building project in Charleroi, Banimmo is facing a refusal of its partner to carry out the partnership agreement to sell 50% of the shares of the company owning the land. Banimmo has started legal proceedings to enforce the execution of the signed partnership agreement.

Banimmo has signed a letter of intent with an international group for the construction of its future Ghent office covering 7,500 sqm. The long term lease shall be finalised in fall.

**Contact:**

Didrik van Caloen  
nv BANIMMO sa  
Tel. : +32 2 710 53 11  
e-mail : [didrik.vancaloen@banimmo.be](mailto:didrik.vancaloen@banimmo.be)

Christian Terlinden  
nv BANIMMO sa  
Tel. : +32 2 710 53 11  
e-mail : [christian.terlinden@banimmo.be](mailto:christian.terlinden@banimmo.be)

**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 24 real estate properties representing a total value of more than € 417 million. Belgium constitutes the predominant market, with 61% of the portfolio in terms of market value. France represents 39% 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 (49.51%) and the management (24.9%) that have signed a shareholder agreement. The remainder, that is 25.59%, is in the hands of the public.*