

## PRESS RELEASE

Regulated information  
Brussels, 13 February 2014 :7.45 AM

---

### **Consolidated accounts as of December 31th, 2013**

#### **Year result in line with the announced operational objectives:**

- Signing of new leases or renewals for a total surface of 20,200 sqm.
- Gradual rebalancing of the portfolio in favor of retail assets as well as « built to suit » office rented for a long term period.
- Sale of 5 assets in line with the objective announced generating a significant cash income (€ 75 Mio).
- Finalization of two new “built to suit” development projects with multinational corporations during the current bookyear, building on the established know how of Banimmo in this area.
- 8 % decrease of net rental income due to a large extent to the sale of assets.

**Significant negative accounting adjustment on certain assets, in particular, the City Mall participation (€ -14.5 Mio).**

**The operational result amounts to € 7.2 Mio versus € 10.2 Mio in 2012.**

**The net current result amounts to € -4.2 Mio versus € 2.2 Mio en 2012.**

**The intrinsic net value<sup>1</sup> decreases from € 15.08 per share to € 12.31. This decrease is attributable to non recurrent adjustments.**

---

### **1. ACTIVITIES ON THE PORTFOLIO**

#### **A. Leases**

As of 31 December 2013, net rental income reaches € 9.9 Mio versus € 10.7 Mio on 31 December 2012. The decrease of the net rental income is mainly attributable to the sale of the assets Prins B. and Eragny at the end of the first quarter of 2013. Those two assets generated in 2012 a net rental income of € 1,784 K.

The sale of others assets as well as the acquisition of an office building (Antwerp) had no impact on the consolidated accounts, these operations being concluded during the last days of 2013. The remaining of the decrease is attributable to the renewal of leases for the Diamond and Corvettes buildings but at lower financial terms and conditions (€ 325 K/year).

---

<sup>1</sup> Intrinsic value : not audited figure – see definition page 7

The total amount of new leases accounts for 5,164 sqm, mostly retail occupancy in France. Thus, the retail project located in Suresnes and Secrétan (Paris) are almost entirely rented before the delivery date of the premises.

In Belgium, the occupation rate for the Alma Court asset amounts to 77%, and the situation for the Diamond and Arts 27 building has improved.

Two significant departures have been recorded : one tenant for a total surface of 1,240 sqm in the H5 asset (Evere) and a second one for a total surface of 3,895 sqm in the Athena Business Center (Vilvoorde). This last asset will be reconverted in the future into a residential building. Moreover, existing tenants covering a total surface of 15,036 sqm have been granted a lease renewal and, therefore, the income resulting from this asset has been secured.

## **B. Sales and acquisitions**

Banimmo has finalized 5 sales operations, mainly on retail assets located in France. As a result, it has fulfilled the announced objective with a total sales amount of € 75 Mio.

The liquidity of Banimmo's assets has improved due to the gradual rebalancing of the portfolio towards retail assets, as well as « built to suit » projects rented for a long term to major companies. In this respect and in spite of a real estate and economic negative context, Banimmo has sold for € 114 Mio of assets during the last three years. Banimmo has managed to reach a rotation rate of 44 % of its average portfolio during the considered period (not including joint-ventures). As a result, the quality of the intrinsic value confines the negative context of the real estate market.

Banimmo has sold a completely rented office building in Antwerp for € 9.1 Mio, three retail assets located in Paris and Rouen for € 40.4 Mio and 50% of the joint venture "les Jardins des Quais" in Bordeaux for a total value of € 51 Mio.

The assets under development have experienced important improvements.

In Belgium and, in particular, in Ghent, Banimmo has concluded a "built-to-suit" operation on Field 5 of The Loop site for a total surface of 7,500 sqm where the regional office of Deloitte will be constructed.

Still in Ghent, Banimmo, in partnership with McArthurGlen group (the European leader in Outlet Center development and management) has reached an agreement with the City on the construction of a future center of 52,800 sqm. This agreement is subject to several conditions precedent of which some must have been achieved before the end of the first semester 2014.

In Brussels, the construction of the future headquarters of the multinational « Marsh & McLennan » continues. The delivery is expected at the end of 2014.

In France, the development in Suresnes and Secrétan evolve normally with an opening of the retail gallery in Suresnes in March 2014.

The "Marché Saint Germain" has experienced many positive developments. First of all, an agreement has been reached over a "program of works" with a leading company in its sector which will occupy two third of the surface.

The Authorities of the city of Paris and the City Hall have given their agreement in principle on the reconversion project of the current galleries. The "CDAC" has been granted.

In Rocquencourt (Versailles), Banimmo has shortlisted two hotel operators to run a hotel located on the future site on the basis of a long term lease contract. A decision will be taken early 2014.

As far as the City Mall project is concerned, a regular monitoring of the progress of the retail shopping mall projects has been carried out. Banimmobility has also reinforced the control procedure and manages now some of the operational aspects of these projects.

The 2 retail gallery projects evolve as follows :

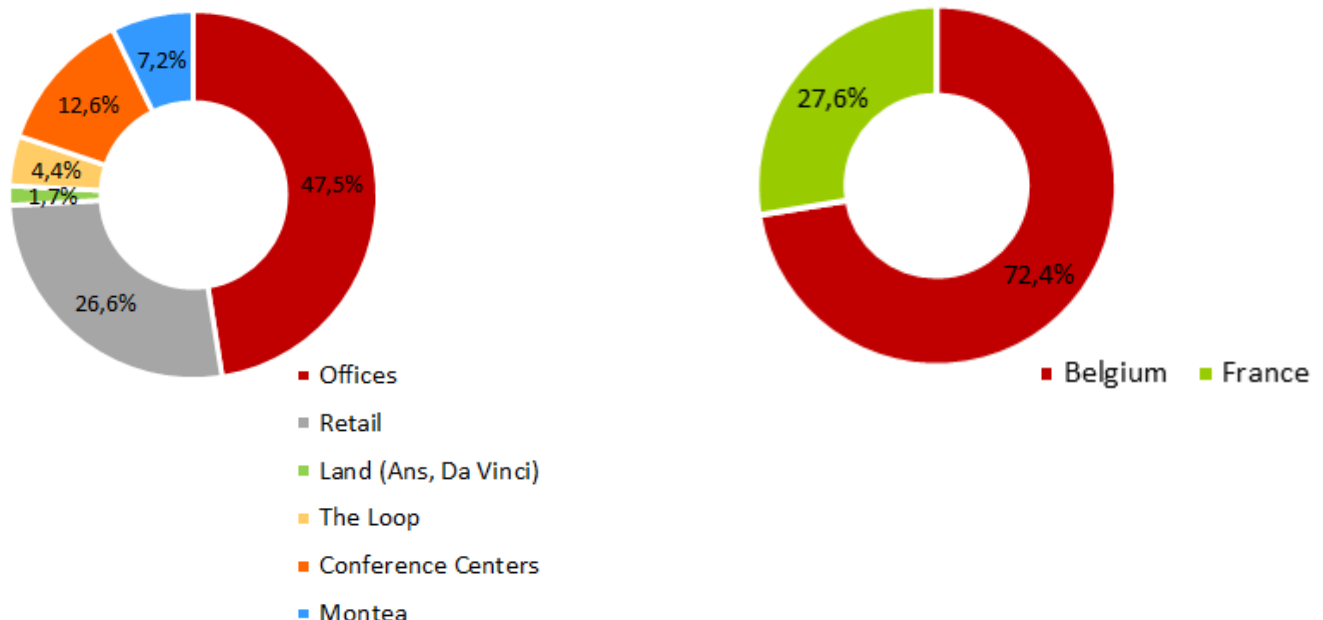
- In Verviers, a permit in force has been granted for the project « Rives de Verviers ». The budget for the construction cost ('Bouwteam') will be concluded within the next months. The commercialization has entered into an active phase. A procedure for the sale of the project on the basis of these three elements is under consideration.
- The administrative procedure for the project in Namur continues. The "PRU" procedure ("Périmètre de Remembrement Urbain") has been replaced by a more global procedure known as "PCA" ("Plan Communal d'Aménagement") initiated by the City Hall.

In Charleroi, a new mixed program is discussed with the local authorities. At the same time, City Mall is now negotiating a sales transaction of this site based on a different mixed program encompassing retail – offices – residential.

### C. Situation of the company's portfolio

During the last years, Banimmobility had decided to give priority to an investment policy based on both a geographical and typed building diversification.

The two charts below represent this diversification. The presence in France has significantly decreased at the end of 2013, as a result of the sale of 4 assets during the bookyear. However, the weight of assets located in France should increase again in the future.



## 2. COMMENTS ON THE RESULTS

### Key figures

ANALYSIS OF THE CONSOLIDATED RESULTS	K €	K €
	12/31/2012	12/31/2013
<b>Recurrent income</b>	15,173	10,441
of which net rental income from investment buildings	10,717	9,884
Gross rental income	14,035	12,407
Rental costs	-3,318	-2,523
of which management fees and commissions	1,417	874
of which share in the result of companies accounted by the equity method	3,039	-317
	-	
Other operational costs on buildings	-326	-314
Operational and administrative costs	-7,871	-7,572
Other income	-	0
<b>Recurring operating result (REBIT)</b>	<b>6,977</b>	<b>2,556</b>
<b>Net result of transfers on real estate operations</b>	<b>3,226</b>	<b>4,379</b>
<b>Net result of transfers on participations of companies accounted by the equity method</b>	<b>-</b>	<b>249</b>
<b>Operating result (EBIT)</b>	<b>10,203</b>	<b>7,184</b>
Net financial costs	-7,727	-7,144
Dividends	30	1,725
Result of the other financial assets	-	-109
<b>Result before taxes</b>	<b>2,506</b>	<b>1,656</b>
Taxes	-284	-5,877
<b>Net current result</b>	<b>2,222</b>	<b>-4,221</b>
Variations of fair value on investment buildings (IAS 40)	4,128	-6,549
Variations of fair value on hedging instruments (IAS 39)	-2,011	2,807
Variations of fair value in the result of companies accounted by the equity method	-2,092	-172
Profit/loss of value on asset held in stocks (IAS 2)	368	-5,800
Profit/loss of value on companies accounted by the equity method	-	-11,293
Result of the reclassification of the participations in companies accounted by the equity method	-	10,503
Depreciation (allocation/write back) on the participations in companies accounted by the equity method	-	-3,157
Deferred taxes	59	3,954
<b>Result of the financial year</b>	<b>2,674</b>	<b>-13,928</b>
Minority interests	-4	0
<b>Result of the financial year-group share</b>	<b>2,678</b>	<b>-13,928</b>
Weighted average number of shares	11,356,544	11,356,544

KEY FIGURES		12/31/2012	12/31/2013
Coverage ratio of recurrent income to operational costs		1.85	1.32
BALANCE SHEET		12/31/2012	12/31/2013
<u>Total Balance Sheet</u>		403,685	356,784
investment buildings		93,954	83,168
fixed assets		1,560	1,825
investments in companies accounted by equity method		60,854	10,760
long-term financial assets		58,776	74,590
inventory		166,704	152,060
cash		3,998	4,066
Equity Capital (before allocation)		132,951	115,651
Long-term financial debts		231,095	193,028
Short-term financial debts		7,100	6,083

The **net rental income** amounts to € 9,884 K compared with € 10,717 K at 31 December 2012. This variation has been explained under the heading "Leases".

The **fees and commissions** amount to € 874 K compared with € 1,417 K. The year 2012 saw an important operation : the completion for PMV of a mission of delegated principal regarding the construction of the VMM headquarters in Ghent.

**The share in the profits/ losses of companies accounted by the equity method** amounts to a loss of € 4,436 K against a profit of € 947 K in 2012<sup>2</sup>. The contribution of the companies accounted by the equity method for the year 2012 can however not be compared to 2013.

Indeed, in 2013, Banimmo has decided to reduce its presence in the board of Montea to a positioning of institutional financial investor. Banimmo did not participate in the recent capital increases of Montea. Therefore and further to the application of the IFRS norms, the results of Montea are no longer accounted by the equity method.

Henceforth only the dividend of Montea has an impact on the results of Banimmo and is registered as a financial income and no longer as a result of a company accounted by the equity method. For the current bookyear, this dividend amounted to € 1,609 K.

This deconsolidation implies also that Banimmo shall value this participation on the basis of the stock price. On this basis, Banimmo registers an exceptional accounting capital gain of € 10.50 Mio, booked in accordance with the IFRS norms in the result of companies accounted by the equity method.

In City Mall, Banimmo registers a non recurrent value reduction of € 14.5 Mio.

<sup>2</sup> This loss corresponds to the aggregate of the following items: "share in the result of companies accounted by the equity method", "variation of fair value in the result of companies accounted by the equity method", "profit/loss of value on companies accounted by the equity method", "result of the reclassification of the participations in companies accounted by the equity method" and "depreciation (allocation/write back) on the participations in companies accounted by the equity method".

From an economic point of view, this charge results mainly from a value reduction of the initial acquisition price of € 19.58 Mio. This value reduction is attributed to the Charleroi site as a result of the less profitable new mixed program (retail – offices – residential) and from a value reduction on the non attributable goodwill of the initial acquisition price as well as the project in Verviers.

As of 30 June 2013, Banimmo had recorded a first decrease of value of € 8.44 Mio. On the basis of the known facts and taking into account the delays accumulated on the Verviers project, Banimmo has decided to attribute an additional value reduction.

Further to this revision, the value of this participation amounts now to € 4.0 Mio to which must be added the mezzanine financing of € 35 Mio.

Those value adjustments have been accounted according to the IFRS rules in the result of companies accounted by the equity method.

The results of the Grondbank The Loop operation represent a loss of € 116 K.

The company has concluded with Banimmo a predevelopment agreement for Fields 3, 5 and 12. The commercialization of Field 5 has started with the first two developments. The development of Field 12 is subject to different conditions precedent. As soon as those conditions precedent will be met, the development could start end 2014. Grondbank The Loop would then be able to start the sale of its site with capital gains.

The joint-venture Conferinvest gathering the two Dolce Hotels registers a negative result of € 115 K compared to the year 2012 where an almost balanced result was reached.

The result of Dolce La Hulpe has improved mainly as a result of the signing of a major agreement with Deloitte EMEA, during 2013, to accommodate the training programs of Deloitte University. This agreement will generate an important and growing income for the years to come.

In Chantilly (France), the results have registered an important decrease due to the negative context and more importantly, the carrying out of an important renovation program for the surfaces in order to comply with the new legal standards. These programs have temporarily limited the hotel capacity in Chantilly.

The operational contribution of the companies accounted by the equity method, without taking into account the value variations, amounts to -317 K.

The structure costs (administrative and operational costs) continue to slightly decrease.

The ratio « recurrent income on operational costs » amounts to 1.32 compared to 1.85 in 2012.

The net financial charge amounts to € 2,721 K versus € 9,708 K in 2012.

The net average financing cost (before the impact of the hedging instruments) amounts to 3.24% versus 3.56% in 2012. Taking into account the existing hedging instruments, this average cost amounts to 4.52 % versus 4.66% in 2012.

The decrease of the financial charges is the result of a value increase (non cash) of € 2.8 Mio of the financial hedging instruments (IAS39) further to the increase of long term interest rates.

The dividend of Montea was, for the first time, recorded in this account. As a result of this recent recording, the financial income increased to € 5,266K.

The net financial debts on the total balance sheet represent 54.7 %, compared to 58 % in 2012.

The **net current result** amounts to € -4,221 K versus € 2,222 K in 2012.

The fair-value adjustments on the assets (IAS 40) and the assets under inventories (IAS2) have experienced a negative value adjustment of € 12,349 K.

The tax pressure has increased from € 284 K to € 5,877 K. This increase is a result of the tax charges imposed on the profits made for the sales of the assets in France. Indeed, taxes were directly calculated on the assets instead of the shares sale of the real estate company carrying the project.

The deferred taxes of € 3,954 K include a taking back of passive deferred taxes of € 4,387 K on the capital gain tax latency of the asset « Jardins des Quais » which was transferred in 2013. This amount of passive deferred taxes formed a provision on the amount of effective taxes of € 5,877 K of the bookyear.

The **consolidated net result (IFRS)** of the year amounts to a loss of € 13,928 K compared to a profit of € 2,678 K in 2012.

### **3. INTRINSIC NET VALUE PER SHARE**

The intrinsic net value per share amounts to € 12.31 compared to a share price of € 9.00 on December 31. This value is determined by taking on the asset side the investment properties (IAS 40) at fair value, the shares in Montea at stock market value, the conference centres and Grondbank The Loop at the expert's value, City Mall and the assets accounted under inventories (IAS 2) at the lower of either their historical acquisition value or net realizable value if this is lower than the acquisition cost.

The landbank and assets accounted under inventories have a book-value of € 152 Mio.

The financial debt at its nominal value is deducted from these assets. Subsequently, this result is divided by the number of shares in order to obtain the intrinsic net value per share.

### **4. FORECAST AND POST CLOSING EVENTS**

Since the last press release of 19 December 2013, no significant element has taken place.

Considering the intrinsic quality of the joint offer of Banimmo and Immo Jacqmain (IVG Group) related to the buildings North Plaza A and B in the framework of a tender procedure launched by Actiris (*"Agence Bruxelloise pour l'emploi"*), included the renting of a performing building for a total net surface of 27,000 sqm, their bid was shortlisted. Actiris has not notified its final decision yet but seems to have chosen another candidate as "Preferred bidder" for the finalization of the lease agreement.

Banimmo remains confident on its ability to ensure a rotation of its asset portfolio during the bookyear 2014 as well as finding new investment projects.

### **5. DIVIDEND**

Considering the negative result of the bookyear, the Board will recommend to the Shareholder's meeting not to distribute a dividend.



## **6. AUDITOR'S CERTIFICATION**

The statutory auditor confirmed that his audit of the draft consolidated balance sheet and income statement is substantially completed and has to date not revealed any significant misstatements. The statutory auditors also confirmed that the financial accounting information included in this press release is in all material aspects in accordance with the draft financial statements from which the information is derived.

**For more information, please contact:**

**Banimmo**

Lenneke Marelaan 8  
1932 Zaventem  
[www.banimmo.be](http://www.banimmo.be)

**Christian Terlinden**

CEO  
Tel. : +32 2 710 53 11  
[christian.terlinden@banimmo.be](mailto:christian.terlinden@banimmo.be)

**Cedric De Laet**

CFO  
Tel. : +32 2 710 53 11  
[cedric.delaet@banimmo.be](mailto:cedric.delaet@banimmo.be)