

PRESS RELEASE

Regulated information
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Consolidated results on June 30, 2015

The first semester was marked by the following transactions and events:

- Delivery of the Halle Secrétan in Paris (96% prelet);
- Start of the renovation works and signing of new leases in the gallery Marché Saint-Germain (Paris) achieving a 100% preletting;
- Signing of a long-term lease with a Walloon regional entity for a new office building in Namur (3,000 sqm);
- Sale of the company Tetris Offices, owner of the Deloitte building in Ghent, for a price of € 22.6 million;
- Agreement with the cities of Namur and Verviers on the reorganization of the shopping centers;
- Bond issuance for a total amount of € 44 million, with a term of 5 years, and an annual gross return of 4.25%.

1. COMMERCIAL AND RENTAL ACTIVITIES

In terms of new leases, Banimmo enjoyed a particularly dynamic halfyear in France: the delivery of the Halle Secrétan in Paris (lettable area of 4,200 sqm) has been realized in April. Today, 96% of the total area is prelet. In the coming months, tenants will achieve their fit out works leading to a gallery opening in September.

In the Galerie Vaugirard (lettable area of 2,083 sqm), different areas were rented, bringing the occupancy rate to 80%.

The preletting of the Marché Saint-Germain is completed as new leasings were finalized with international brands for the remaining available spaces. Banimmo has finalized the renting of a total surface of 3,800 sqm, entailing a fully prelet gallery before the start of the works, reflecting the commercial attractiveness of the site.

In Belgium, the European Commission decided to reopen in June its call for tender for a building with a maximum surface area of 27,000 sq.m to candidates that were shortlisted at the end of 2014, i.e. the Banimmo/IVG consortium on the one hand and Immobel/Vivium on the other. Banimmo/IVG thus submitted a new bid on the North Plaza NP 7/9 property, at the beginning of July. The decision by the European Union is anticipated during the summer.

The portfolio's overall occupancy rate decreased from 82.1% on 31 December 2014 to 79.1% at the end of June 2015; the sale of the company owning the fully let Deloitte building explains this decrease. The only significant vacancies in the portfolio relate to North Plaza (14,000 sq.m) and Diamond (4,000 sq.m from a total of 14,300sq. m).

2. DEVELOPMENT ACTIVITIES, ACQUISITIONS AND DISPOSALS

a. Development activities

In Belgium, Banimmo and its partner, the IRET group, continue the construction of the new regional headquarters of BNP Paribas Fortis in Charleroi (7,900 sqm). Delivery is scheduled for beginning 2016. The tenant will occupy its new regional headquarters under a 15-year lease. A sale is foreseen before year end.

With regard to the construction of Deloitte's new headquarters in Ghent (7,300 sqm), works are in progress for a delivery late 2015, as originally scheduled (See also point 2.c. *Disposals*).

In France, the evictions of the different historical tenants of the Marché Saint-Germain site were completed in March, which enabled Banimmo to launch the renovation works early April. These large-scale works will take until the second half of 2016. As mentioned above, this gallery is now fully prelet.

Concerning the Rocquencourt site (close to Versailles) formerly occupied by Mercedes Benz France, Banimmo has obtained the permits required for the hotel redevelopment of the site. Banimmo has signed an agreement with a franchisee of one of the largest global hotel chains with a view to the reconversion of the site into a four or five-star hotel with 267 rooms. Said agreement is linked to a commitment of Banimmo to realize the hotel project as principal. This agreement is however subject to the condition precedent of the operator group financing its acquisition.

With regard to the joint-ventures, the evolution is as follows:

- In Namur, Banimmo and its partner Thomas & Piron Bâtiment started with the construction of a first office building (3,000 sq. m) on the plot located on boulevard Cauchy, close to the Namur railway station and bus station. They have signed a long-term lease for 27 years with a regional entity. Construction has begun and delivery is planned for early 2016.
- Shopping center Les Rives de Verviers (Verviers)

Earlier this year, Urbanove announced its intention to abandon the project that had an enforceable permit for 29,000 sqm GLA.

Urbanove has designed a smaller project covering 21,000 sqm GLA that better meets the commercial potential of the city of Verviers and that is faster to execute.

First, the city has carried out studies on the size of the new project. These studies have validated the approach of Urbanove.

Secondly, Urbanove, jointly with the majority of the government of the city (CDH-MR) and then the main opposition party (PS), negotiated a « roadmap » on various topics related to the creation of the shopping center. These negotiations led to the signing of an agreement reflecting a consensus of all present parties.

Meanwhile, the application for the socio-economic permit filed late May has been delivered mid July.

A demand for a (modified) building permit will be filed after the summer and Urbanove expects to obtain said permit 6 months after the date of its filing request.

In addition to the future prelet parking the majority of the brands interested in the previous project confirmed their intention to adhere to the new project. These brands represent over 8,000 sqm or 38% of the future centre (excl. parking).

- Shopping center *Le Coté Verre* (Namur)

The consultative committee, set up by the city of Namur further to the public consultation of last February, has submitted its recommendations on June 19, after three months of continual work. The local government of the city of Namur, welcomed the constructive atmosphere that prevailed.

The main improvements of the projects are:

- A shopping center of around 21,000 m² GLA
- The modification of the entire 3rd floor (retail) leading to the reduction of the size of the shopping center and transforming it into a large urban garden, unique in Belgium. Those areas are compensated by the creation of retail areas in the basements.
- The maintaining of a beautiful public area with trees and the creation of new common spaces connected with the “*Rue de Fer*” in order to create a continuity between this commercial street and the shopping center.
- The confirmation of a large parking space of nearly 1,000 car spaces and 250 bicycle spaces. This parking will complete the overall parking supply of the city center.

Under these conditions, Urbanove will launch studies necessary for the filing of a building permit request after the summer and will complete the allotment program of the site. Like the project in Verviers, Urbanove expects the permit to be delivered within 6 months as of the date of its filing request.

b. Acquisitions

In January, Banimmo signed a purchase agreement for a shopping mall in Pantin (Seine Saint-Denis), a neighbouring town of Paris. This mall is part of a real estate complex located in the heart of the city centre of Pantin and is made up of around forty shops, with a total surface area of 9,500 sq. m. The acquisition pertains to 4,710 sq. m, which represents the entire mall apart from a Leclerc supermarket, single co-owner. The net annual rental income is €1.3 million.

c. Disposals

At the end of April, Banimmo (80%), Grondbank The Loop (10%) and Sogent (10%), jointly the shareholders of the company Tetris Offices The Loop Building One have signed a sales agreement with the Common insurance fund Integrale for the sale of 100% of their shares. The company Tetris Offices owns a building currently under development, located in the Tetris Business Park Ghent. The sale price of the shares is based on a transactional value of the building of € 22.6 million. The sale will generate a capital gain, part of which (€3.0 million) has been integrated in the accounts on June 30, 2015. The balance will be accounted for progressively in line with the completion of the works.

3. COMMENTS ON THE RESULTS

ANALYSIS OF THE CONSOLIDATED RESULTS	K€	
	30/06/2015	30/06/2014
Net rental income from investment buildings	3,917	4,886
<i>Gross rental income</i>	6,031	6,701
<i>Rental costs</i>	-2,114	-1,815
Management fees and commissions	558	447
Share in the result of companies accounted by the equity method	280	187
Recurrent income	4,755	5,520
Other operational costs on buildings	-288	-140
Operational and administrative costs	-4,054	-4,009
Other income	-	-
Recurring operating result (REBIT)	413	1,371
Net result of transfers on real estate operations	3,490	1,129
Net result of transfers on participations of companies accounted by the equity method	-	-
Operating result (EBIT)	3,903	2,500
Net financial costs	-4,266	-3,457
Dividends	67	1,643
Result of other financial assets	-	-82
Result before taxes	-296	604
Taxes	977	262
Net current result	681	866
Variations of fair value on investment buildings (IAS 40)	-3,210	-1,218
Variations of fair value on hedging instruments (IAS 39)	1,542	-953
Variations of fair value in the result of companies accounted by the equity method	76	-4,100
Profit/loss of value on asset held in stocks (IAS 2)	-	-
Value reduction on receivables on companies accounted by the equity method	-678	-3,238
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	-	-
Depreciation (allocation/write back) on the participations in companies accounted by the equity method	-	-
Deferred taxes	139	1,111
Result of the financial year - continued activities	-1,450	-7,532
Result of the financial year - activities abandoned	-	-
Result of the financial year	-1,450	-7,532
Minority interests	-7	0
Result of the financial year-group share	-1,443	-7,532
Attributable to:		
- Company shareholders	-1,443	-7,532
- Minority interests	-7	0
Weighted average number of shares	11,356,544	11,356,544

KEY FIGURES		30/06/2015	30/06/2014
Coverage ratio of recurring revenue to operational costs		1.10	1.33
<u>Figures per share</u>			
Average number of A shares	11,356,544	10,625,838	
Average number of B shares	0	730,706	
<u>Basis result diluted per share (in € per share)</u>			
Shares A	-0.13	-0.66	
Shares B	0.00	-0.66	
BALANCE SHEET		30/06/2015	31/12/2014
Total Balance Sheet	412,814	339,744	
Investment buildings (IAS 40)	79,591	82,283	
Fixed assets	1,827	1,892	
Investments in companies accounted by equity method	10,746	10,179	
Long-term financial assets	68,645	67,901	
of which Urbanove	44,923	44,923	
of which Conferinvest	18,620	17,881	
of which Others	5,102	5,097	
Inventory (IAS 2)	201,381	148,009	
Work and contracts in progress	13,232	964	
Cash	5,999	4,631	
Equity Capital (before allocation)	105,117	106,862	
Long-term financial debts	256,018	179,014	
Short-term financial debts	5,437	19,786	

As a reminder, Banimmo's recurring income comes from three main sources:

- Net rental income
- Management fees and commissions in the framework of partnerships
- Share of earnings from associated companies. These companies' non-cash items are extracted from their economic result.

Net rental income stands at € 3.9 million compared with €4.9 million at 30 June 2014. The decrease of the net rental income of € 0.9 million on the Marché Saint-Germain site (gallery fully empty in order to allow the renovation program) explains this variation.

Management fees and commissions increased to €0.6 million compared to €0.4 million for the same period in 2014. This item includes fees received with respect to the project companies Cauchy and Tirou, as well as those received for management of the "Dolce" assets.

Earnings from associated companies (cash and non cash) recorded a profit of €0.4 million compared with a loss of €3.9 million on 30 June 2014 period that was negatively impacted by the value reduction on the participation Urbanove. This amount is broken down as follows:

- Conferinvest, which covers the two hotels Dolce La Hulpe and Dolce Chantilly, for a positive contribution of €0.6 million. This contribution comes from the La Hulpe site, for which the agreement signed with Deloitte and a recovery in activity led to an increase in turnover.

- The companies Grondbank The Loop, Cauchy and Tirou posted a negative contribution (recurring) of €0.3 million, which is in line with previous years.

The share in the economic result of equity-accounted companies recorded a profit of €0.3 million compared with a profit of €0.2 million on 30 June 2014.

Operating costs (administrative and operational charges) remained stable at €4.1 million compared with €4.0 million on 30 June 2014.

Capital gains on disposals attained € 3.5 million, compared with €1.1 million over the same period the previous year. This represents capital gains from:

- the disposal of Tetris Offices Invest (owner of the Deloitte building) for € 3.0 million completed in accordance with the works; an additional capital gain will be posted in 2015 following completion of works.
- the sale of the parkings of the Galerie Bagatelle shopping centre in January 2015 for €0.1 million.
- The margin booked on the development contract between Banimmo and the company Charleroi Tirou Promotion (development of the office building in Charleroi) for an amount of € 0.3 million

Financial results amounted to € -3.3 million compared with -€6.0 million during the first semester of previous year. The company posted a profit (non-cash) of €1.5 million on hedging instruments due to the increase in long-term interest rates at the end of the first semester. During the first semester of last year, the company posted a loss (non-cash) of €0.95 million on these hedging instruments, i.e. a difference between the two bookyears of € 2.5 million.

The average cost of debt before the impact of hedging instruments was 3.39% compared with 3.45% on 30 June 2014. Considering the hedging instruments in place, this average cost stands at 4.50% compared with 4.73% on 30 June 2014.

The drop in interest rates can be explained by the drop in short-term rates posted during this half-year and by the maturity of some unfavourable hedging instruments. Some interest rate hedging instruments (at 2.57%) will expire in July 2016. Taking advantage of current market conditions, Banimmo has implemented new hedges until 2022 at an average rate of 0.91% for the period from July 2018 to July 2020 (nominal amount of €100 million) and at a rate of 1.18% for the period from July 2020 to July 2022 (nominal amount of €50 million).

In February 2015 Banimmo has closed a private placement of bonds for a total amount of € 44 million. The bonds, with a term of 5 years, will expire on February 19, 2020 and generate an annual gross return of 4.25%. The net proceeds of the issue has on the one hand been used to reimburse the outstanding bonds issued in 2010 and maturing in June 2015 (gross coupon of 5.15%) and on the other hand to finance current projects.

Additionally, a bilateral loan maturing in 2015 has been refinanced and a new construction loan for the redevelopment of Marché Saint-Germain has been finalized. All financings maturing in 2015 have already been refinanced.

Tax income amounts to €1.1 million and essentially includes current tax income of €1.0 million: the tax provision calculated for last year on sales realized in France was revised downwards based on the *horizontal tax integration*.

Consolidated net result for the half year posted a loss of € 1.5 million compared with a loss of €7.5 million in June 2014. Without taking into account non-cash elements, i.e. changes in fair value on investment buildings and derivatives and the deferred taxes, the net result would be close to balance.

4. INTRINSIC VALUE PER SHARE

The intrinsic value¹ per share stands at €10.08 compared with stock market price of €7.80 at 30 June 2015. This value was €10.66 at 31 December 2014. The difference between the two financial years is mainly attributable to the reduction in the value of investment buildings (€0.30 per share). This intrinsic value does not incorporate the projected profits on assets under inventories.

5. POST-CLOSING ITEMS

On 17 July 2015, Banimmo signed an agreement with an institutional investor relating to the disposal of 100% of the shares in the company Rhône Arts, owner of an office property of 3,700 sq. m located on avenue des Arts in Brussels.

As a reminder, this office property was acquired in 2006 in line with the former strategy of buying obsolete buildings for renovation, rental and resale.

Taking into account the different rental security deposits that are common for this type of transaction, Banimmo will post a slight gain on this disposal. This sale will free up resources for reinvestment in projects under market conditions that are considered as attractive and that will create margins for the future.

In France, Banimmo finalised negotiations for the sale of an office building of 14,000 sq. m in Colombes, in the second ring of the Paris suburbs, with an investment fund that obtained its bank financing. The conclusion of this sale is planned for the end of September after the expiry of the deadline for legal preemption in favour of the Public Authority.

6. OUTLOOK

In its press release relating to its annual results for 2014, Banimmo announced the following objectives for 2015:

- 1) Operations representing more than 100,000 sq. m distributed among seven files;
- 2) A sales target of more than €100 million;
- 3) Managing files representing a higher degree of risk, i.e. the shopping centres planned by its subsidiary Urbanove and the file on the North Plaza building.

The first objective have almost been achieved. Six of the seven files in question have been realized.

With regard to the second objective, Banimmo believes that it will meet 60% to 70% of this target.

The realisation of this objective will depend on the progress made on the sale of the Alma Court building and the rental rate of the North Plaza building.

Finally, with regard to the shopping centres, there has been a considerable development over the last six months, in close cooperation with all actors.

¹ This value is determined by counting on the asset side:

- investment buildings (IAS 40) at fair value
- assets in inventories (IAS 2) at the lower of either their historic acquisition value or their realisable value
- Financial assets and equity-accounted shareholdings, depending on their type, either at the appraisal value or the lower of i) their historic acquisition value or ii) their realisable value if this is less than the historic acquisition cost.

From these assets is then deducted the net financial debt at its nominal value. Finally, this result is divided by the number of shares to obtain the intrinsic value per share.

Said evolution contributes to a reduction of the uncertainties related to the two shopping centre projects. The progress of the files Verviers and Namur combined with a reduction of the risks have significantly improved these projects.

7. FINANCIAL CALENDAR

Interim declaration for the third quarter of 2015:

16 November 2015

8. FINANCIAL REPORT ACCORDING TO IAS 34 STANDARD

The financial report issued in accordance with the IAS 34 standard including the intermediate management report as well as the auditor's report will be available on the web site www.banimmo.be before the end of August.

For more information, please contact:

Banimmo

Lenneke Marelaan 8
1932 Zaventem
www.banimmo.be

Christian Terlinden

CEO
Tel. : +32 2 710 53 11
christian.terlinden@banimmo.be

Cedric De Laet

CFO
Tel. : +32 2 710 53 11
cedric.delaet@banimmo.be

About Banimmo

Banimmo stands out as a specialized player capable of producing or transforming a real asset meeting the requirements and the highest standards of institutional investors, as well as developing built-to-suit projects meeting the occupants' needs.

This competence is applicable to both the office building sector (in which Banimmo is an historic player) and the retail segment or niche segments (hotels, nursing homes and so on).

The company has around 30 employees. The total value of the real-estate portfolio was €384.2 million as of the end of June 2015. Belgium constitutes the predominant market, with 66% of the portfolio in terms of market value. France represents a little more than 34% of Banimmo's portfolio. The portfolio is continually evolving as a result of ongoing repositioning and the high rotation of the assets. Currently this company is owned by Affine (49.51%) and the management (23.28%) which have concluded a shareholders' agreement. The remaining 27.21% is owned by the public.