

PRESS RELEASE

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Consolidated earnings for 2015

Operating result stands at €4.5 million.

Adjustment of the accounting values resulting in a net loss of €33.2 million (in particular €22.4 million value reduction for a part of the mezzanine debt granted to Urbanove).

Important operational activity throughout the bookyear:

- Disposal of 4 buildings for a total value of €78 million.
- Signature of an undertaking to purchase a retail complex in Anglet (France, 5,100 sqm).
- Delivery of 2 office buildings in Belgium (Veridis: 6,500 sqm and Deloitte: 7,300 sqm) and of Halle Secrétan (4,200 sqm) in Paris.
- Extensive renovation works at Marché Saint-Germain (4,600 sqm) in Paris (6th) fully let and to be delivered in the first half of 2016.

Adjusted Net Asset Value¹ stands at 11.2 €per share.

1. COMMERCIAL AND RENTAL ACTIVITIES

In terms of leases, Banimmo entered into new lease agreements covering a total surface area of 8,255 sqm, in the office sector in Belgium and in retail in France.

- In **Belgium**, Banimmo signed a 27-year long lease right at the end of February with a Walloon regional body for the occupancy of a 3,000 sqm building on Boulevard Cauchy in Namur.
- In **France**, more than 4,000 sqm was leased in the Paris Marché Saint-Germain retail centre, now fully let.
At the Vaugirard site, several leases were also signed, taking the occupancy rate up to 92%.

The overall portfolio occupancy rate is 78.1%, comparable to the occupancy rate on 30 June 2015 (79.1%). Only the North Plaza (13,000 sqm), Diamond (4,000 sqm) and Rocquencourt (20,000 sqm) buildings still have significant vacancies.

¹ see definition page 8

2. DEVELOPMENT ACTIVITIES, ACQUISITIONS AND DISPOSALS

a. Development activities

i. In **Belgium**:

- In Brussels, the head office of international firm Marsh & McLennan (Veridis building - 6,500 sq. m) was delivered in March 2015. It should be recalled that this building had previously been sold to the Integrale group in a forward-funding operation.
- In Ghent, a building housing the regional head office of Deloitte was delivered in Tetris Business Park Ghent in December (also see 2.c *Disposals*).
- Construction of the new BNP Paribas Fortis regional head office continues at Charleroi. The building on Boulevard Tirou will have a surface area of 7,900 sq. m and is set to be delivered within the next few weeks. Banimmo sold its stake in the company owning this building to its partner in December (also see 2.c *Disposals*).

ii. In **France**

- Halle Secrétan (Paris 19th), now fully let after major restructuring work, was delivered to its users and inaugurated in early October.
- At the Marché Saint-Germain site, the eviction of the previous tenants was completed at the end of March, enabling the start of extensive renovation works. The various units will be delivered to the tenants during the second quarter of this year so that they can fit out the premises ready for opening at the end of 2016 or in early 2017.

iii. Concerning the **joint ventures**, Urbanove, in which Banimmo holds a 44% stake alongside public entities in the Walloon Region, Besix and Bank Degroof Petercam, continued with the appraisal of its two shopping centre projects in Wallonia.

- Namur: The “Le Côté Verre” shopping centre project, ideally located between Rue de Fer and the train and bus stations, was submitted to public consultation in February and was rejected by a narrow majority. However, following efforts by the conciliation board set up by the town council, the various stakeholders in the local community came to a consensus before the summer months and Urbanove resumed its study for a 21,000 sq. m project, incorporating a few modifications to the programme and to the rental conditions that do not affect financial viability. At the same time, the land acquisition programme was continued. Finally, MAPIC 2015, the specialist retail real estate show held in Cannes in November, confirmed the interest of the big global retailers; negotiations have begun with them with a view to the new project. The goal is to obtain reservations from the big retail chains and to complete the acquisition operations so that permit applications can be submitted before the end of the year.

- Verviers: Dialogue began with the town council in February on the need to resize the town centre project known as “Au Fil de l’Eau” in order to reduce the cost and duration of works, and to account for the impact of the opening of the Crescend’Eau shopping centre. Urbanove submitted an amended project, cut down to 21,000 sq. m, to the town council in spring and a socio-economic permit was applied for and obtained. The town council and Urbanove presented the project at MAPIC but the big retailers remained reserved towards an operation that is considered to be oversized and too costly given the town’s potential and the catchment area. As such, in December, a new, smaller project, better suited to local conditions, was studied by Urbanove and a group of independent specialists then submitted to the new town council, who are currently still appraising it. It would appear that:
 - on the one hand, the financial viability of the new project requires a stronger partnership between private stakeholders and Walloon public authorities, consistent with the principle of “urban revitalisation” under the auspices of which the town centre redevelopment scheme was undertaken;
 - on the other hand, a significant share of the spending already committed by Urbanove, most notably for land acquisitions and the studies and permits for previous projects, cannot be recovered, whatever happens; considerable provisions must be set aside by Urbanove on the advance granted to its subsidiary Les Rives de Verviers, the project company, and as such, it will not be able to meet the full amount of the €77 million subordinated loan granted by its associates and creditors.

Consequently, since Banimmo’s participation in the company was already fully depreciated for in 2013 and 2014, a value reduction of € 21 million on the subordinated loan of €45 million from Banimmo to Urbanove was recorded in the accounts for 2015, on the basis of the valuation of the two projects in their latest configuration.

b. Acquisition

At the end of 2015, Banimmo signed an undertaking to purchase a retail development in Anglet (southwest **France**). The development is part of a joint housing and retail project in which Banimmo will acquire the retail segment with a surface area of around 5,100 sq. m, to be delivered at the end of the first semester 2016. Pre-commercialisation is already underway with 44% of the surface areas pre-let (leases signed or pending signature).

c. Disposals

! In Belgium:

- In April, Banimmo signed an agreement with the Caisse Commune d’Assurance Integrale concerning the disposal of all the shares in Tetris Offices The Loop Building. This company owns the Deloitte building at Tetris Business Park Ghent, with a surface area of 7,300 sq. m over 7 storeys plus basement. The building was built-to-suit and is occupied on the basis of a 15-year lease agreement by Deloitte in Belgium.
- In July, Patrizia France acquired the Arts 27 building in the Léopold district, representing 3,700 sq. m of high environmental quality office space. The building houses some prestigious tenants such as Fly Emirates, Allianz and, in the retail space on the ground floor, a branch of Beobank.

- Banimmo sold its 50% stake in Charleroi Tirou Promotion to IRET Group, which already owned the other half of the company.

It should be recalled that this company owns a building currently under construction on Boulevard Tirou in Charleroi, with surface area of 7,900 sq. m over 8 storeys plus basement. The basement levels will include 76 parking spaces. The building will be occupied on the basis of a 15-year lease agreement by BNP Paribas Fortis who will set up their Belgian regional head office there. Delivery is scheduled for April 2016.

ii In France:

- In late September, Banimmo signed the sales deed with an institutional investor for an office building in Colombes (92nd department in the Paris suburbs). The building has a surface area of 14,250 sq. m and comes with over 350 parking spaces. It is divided into three buildings, with the ground floor serving as business premises and the upper floors as office space. The building also features a company restaurant.

These four disposals were carried out for a combined amount (100% asset value) of more than €78 million and generated total capital gains of €3.5 million. This figure incorporates the capital gain on the disposal of assets under inventories and orders in progress (€6.3 million), the capital loss on the disposal of the investment building Corvettes (–€3.9 million) and the capital gain on the disposal of our participation in the company Charleroi Tirou Promotion accounted by the equity method (€1.0 million).

3. EARNINGS²

| CONSOLIDATED RESULTS | | |
|--|----------------|----------------|
| | K € | K € |
| | 31/12/2014 | 31/12/2015 |
| Turnover | 58.057 | 51.922 |
| of which Net rental income from investment buildings | 8.998 | 8.119 |
| Gross rental income | 12.953 | 11.402 |
| Rental costs | -3.955 | -3.283 |
| of which Income from sales of inventories | 47.140 | 18.731 |
| of which Income from sales of orders in progress | 1.016 | 23.093 |
| of which Management fees and commissions | 978 | 1.092 |
| of which Share in the result of companies accounted by the equity method | -75 | 887 |
| Recurring costs | -39.104 | -35.490 |
| of which Costs from sold inventories | -38.186 | -17.988 |
| of which Costs from sold work in progress | -918 | -17.502 |
| Other operational costs on buildings | -58 | -16 |
| Operational and administrative costs | -8.352 | -9.077 |
| Recurring operating result (REBIT) | 10.543 | 7.339 |
| Net result of transfers on real estate operations | - | -3.925 |
| Net result of transfers on participations of companies accounted by the equity meth | - | 1.038 |
| Operating result (EBIT) | 10.543 | 4.452 |
| Net financial costs | -7.349 | -9.200 |
| Dividends | 2.533 | 67 |
| Result of other financial assets | -29 | -109 |
| Result before taxes | 5.698 | -4.790 |
| Taxes | -2.535 | 922 |
| Net current result | 3.163 | -3.868 |
| Variations of fair value on investment buildings (IAS 40) | -3.930 | -575 |
| Variations of fair value on hedging instruments (IAS 39) | -760 | 982 |
| Variations of fair value in the result of companies accounted by the equity method | 185 | -2.922 |
| Profit/loss of value on asset held in stocks (IAS 2) | -400 | -4.000 |
| Value reduction on receivables on companies accounted by the equity method | -325 | -22.382 |
| Profit/loss of value on companies accounted by the equity method | -7.980 | - |
| Deferred taxes | 725 | -469 |
| Result of the financial year | -9.322 | -33.234 |
| Minority interests | 0 | 0 |
| Result of the financial year-group share | -9.322 | -33.234 |
| Attributable to: | | |
| - Company shareholders | -9.320 | -33.227 |
| - Minority interests | -2 | -7 |

² For the first time, Banimmo is presenting a turnover that incorporates the income from the sale of assets under inventories and orders in progress. Turnover now incorporates the following elements:

- Net rental income
- Income from sales of assets under inventories and orders in progress
- Management fees and commissions as part of partnership agreements
- The share in the earnings of associated companies. The non-cash elements from these companies are deducted from their operating profit.

This change in presentation has no impact on the net result of the year. The 2014 accounts were reprocessed so that they could be compared with those for this financial year.

| FIGURES PER SHARE | 31/12/2014 | 31/12/2015 |
|---|------------|------------|
| Average number of shares | 11.356.544 | 11.356.544 |
| Basis result diluted per share (in € per share) | -0,82 | -2,93 |

| BALANCE SHEET | 31/12/2014 | 31/12/2015 |
|---|----------------|---------------|
| <u>Total Balance Sheet</u> | 339.744 | 350.589 |
| <u>Assets</u> | | |
| Investment buildings | 82.283 | 65.948 |
| Fixed assets | 1.892 | 493 |
| Investments in companies accounted by equity method | 10.179 | 7.520 |
| Long-term financial assets | 67.901 | 45.862 |
| <i>of which Urbanove</i> | 44.923 | 24.511 |
| <i>of which Conferinvest</i> | 17.881 | 17.885 |
| <i>of which Others</i> | 5.097 | 3.466 |
| Inventories | 148.009 | 192.387 |
| Work in progress | 964 | 2.281 |
| Cash | 4.631 | 3.551 |
| <u>Equity Capital (before allocation)</u> | 106.862 | 73.090 |
| <u>Liabilities</u> | | |
| Long-term financial debts | 179.014 | 159.570 |
| Short-term financial debts | 19.786 | 86.976 |

Net rental income stood at €8.1 million compared to €9.0 million on 31 December 2014. The negative variation in rental income of €1.4 million recorded between 2015 and 2014 for the Marché Saint-Germain site (mall entirely cleared in early 2015 so work could begin) mainly explains this fall.

Income from sales of assets under inventories and orders in progress stood at €41.8 million and corresponds to:

- Disposal of assets under inventories (Arts 27 office building, balance on the disposals of the Suresnes retail mall and the Veridis building sold in 2014): €18.7 million
- Disposal concerning orders in progress (Tirou and Deloitte office buildings): €23.1 million

Management fees and commissions remained relatively stable at €1.1 million versus €1.0 million at the end of 2014. This item essentially corresponds to management of the “Dolce” assets on behalf of Conferinvest.

The cash and non-cash contribution from **companies accounted by the equity method** recorded a loss of €2.0 million versus a loss of €8.2 million in 2014.

- Conferinvest, representing the two hotels Dolce La Hulpe and Dolce Chantilly, made a positive contribution of €1.3 million, versus €0.2 million in 2014. Growth came from both the Dolce Chantilly site, where operating profit (EBITDA) gained more than 20% to reach €2.3 million, and the Dolce La Hulpe site where operating profit (EBITDA) went up to €5.1 million, i.e. a 38% increase (highest performance since it opened).
- Grondbank The Loop made a negative (recurring) contribution of €0.2 million, representing structural costs.

The share in the operating results of equity-accounted companies recorded a profit of €0.9 million, compared to a loss of €0.1 million in 2014.

Taxes and charges on the disposal of assets under inventories and orders in progress came to €35.5 million, i.e. the purchase price of the buildings and orders sold during the year. On the total earnings from the disposal of these assets (*see above*), Banimmo made a profit of €6.3 million. This amount does not incorporate the capital loss on the disposal of investment property or capital gains on the sale of companies accounted by the equity interests (*see below*).

Operating costs (administrative and operational charges) stood at €9.1 million at the end of 2015 compared to €8.4 million at the end of 2014. This rise mainly comes from the departure indemnities.

The loss resulting from the **disposal of investment property** concerns the Corvettes building sold at the end of September 2015. The net sales price for the seller came to €15 million and, taking into account the sale and guarantee costs, led to a loss of €3.9 million when compared to the building's book value on 31 December 2014.

The net profit from **the disposal of companies accounted by the equity method** came to €1.0 million and represents the capital gain earned on the disposal of the 50% stake in the company Charleroi Tirou Promotion.

The **financial results** recorded a loss of –€9.2 million compared to –€7.3 million in 2014.

The average cost of debt before the impact of hedging instruments stood at 3.44% compared to 3.38% on 31 December 2014. Considering the hedging instruments in place, this average cost stands at 4.55% versus 4.61%. This fall can be explained by the maturity of certain hedging instruments during the year.

It should be recalled that, in February 2015, Banimmo closed a private bond placement totalling €44 million. The bonds have a term of 5 years and will mature on 19 February 2020, generating a fixed gross rate of return of 4.25% per year.

In addition, a bilateral credit line maturing in 2015 was refinanced and a new loan to finance the programme of work on Marché Saint-Germain was also taken out.

The financial results also impacted by a gain in value (non-cash) of €1.0 million on hedging instruments.

The ratio of net financial debt on total assets is 69.3% as at December 31, 2015 compared to 57.2% as at December 31, 2014. This rise can mainly be explained by the company's write-down on the mezzanine debt granted to Urbanove (*see below*). This situation was discussed with the banks participating in the syndicated credit facility and they agreed to authorise said exceeding of the ratio. The completion of the sales program (*see section 7 Outlook*) will lead to a restauration of the LTV to a level of around 50% during the year.

The **net operating result** posted a loss of €3.9 million, compared to profit of €3.2 million in 2014.

Investment property (IAS40) experienced a downward adjustment in value of €0.6 million. Assets under inventories also underwent a value reduction of €4 million. This reduction applied only to the North Plaza building, following its failure to be selected by the European Union.

As mentioned above, Banimmo also applied a write-down on the mezzanine debt granted to Urbanove for a total amount of €22.4 million, corresponding to €21 million on the principal amount and €1.4 million on the interest capitalised over the year.

Tax income amounts to €0.5 million, compared to a charge of €1.8 million in 2014, and essentially includes current tax income of €0.9 million: the tax provision calculated for last year on sales realised in France was revised downwards based on horizontal tax consolidation.

Consolidated net result (IFRS) for the year records a loss of € 33.2 million compared to a loss of €9.3 million in 2014.

4. ADJUSTED NET ASSET VALUE PER SHARE

In accordance with a market practice, the company decided to have its entire portfolio assessed by real estate valuers to calculate the Adjusted Net Asset Value³ henceforth. This figure therefore also takes into account the market value of the assets under inventories and assets held through shareholdings (Dolce and Grondbank The Loop). On 31 December 2015, the Adjusted Net Asset Value was €127 million, i.e. an Adjusted Net Asset Value per share of € 11.2.

5. STATUTORY AUDITOR'S STATEMENT

The verification procedures are being finalised.

6. POST-CLOSING ITEMS

The corporate bodies of Urbanove and its affiliates are analysing a number of measures which should allow them to face the financial difficulties that might result from the delay incurred in the development of the projects.

7. OUTLOOK

Restore a healthy financial situation through an intensive sales program:

- In France, the completion of the renovation and letting of the Marché Saint-Germain shopping centre in Paris will enable the installation of 4 international brands with a rental value exceeding €4 million; this exceptional asset will be put on sale in a very promising investment market.
- In Belgium, a programme for the sale of certain mature, stabilised assets (Alma Court, H5, Diamond and Raket) representing a total surface of 37,000 sqm is underway.

Pursue of the ongoing projects and development of new projects:

³ This value is determined using consolidated shareholders' equity on 31 December 2015, and adding:

- for assets under inventories (IAS 2), the difference between the appraisal value and the balance sheet value, net of tax
- for financial assets and equity interests, the difference between the appraisal value and the balance sheet value, taking into account tax impact

- In France, Anglet (cfr point 2b. *Acquisitions*), La Défense (4,700 sqm horeca area) and in an important city in the south-east of France (6,300 sqm retail area)
- In Belgium, in particular through the exploitation of the plots of land owned by the group.

8. DIVIDEND

Given the negative result for the financial year, the Board will recommend to the General Meeting that no dividend is distributed.

9. FINANCIAL CALENDAR

- | | |
|---|--------------|
| - Annual shareholders meeting | May 10, 2016 |
| - First quarter 2016 intermediary statement | Mid May 2016 |

For more information, please contact:

Banimmo
Lenneke Marelaan 8
1932 Zaventem
www.banimmo.be

Alain Chaussard
CEO
Tel. : +33 1 44 90 43 10
alain.chaussard@banimmo.be

Cedric De Laet
CFO
Tel. : +32 2 710 53 70
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 €350 million as of the end of December 2015. Belgium constitutes the predominant market, with 64% of the portfolio in terms of market value. France represents a little more than 36% 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 (21.53%). The remaining 28.96% is owned by the public.