



JULY 28<sup>ND</sup> 2015

# Halfyear results 2015



RECYCLING OUR CITIES



1 / Evolution of the real estate portfolio in 2015

2 / Main projects

3 / Evolution of the equity stakes/joint ventures

4 / Financing

5 / Financial figures

6 / Forecasts

## Portfolio evolution

- 1 new investment: retail gallery (4,710 sqm) in Pantin (Paris)
- 1 new built-to-suit: Cauchy (for SPW-Walloon Public entity) realized in partnership (3,000 sqm)
- 1 disposal: sale of Tetris Offices (holding Deloitte building) (€ 22,6 M)
- Important evolutions on two existing assets:
  - Delivery of Halle Secrétan (4,200 sqm)
  - Start of renovation works in Marché Saint-Germain



## Consolidation of the portfolio

- Important improvement in the occupancy rate of some buildings
  - Belgium: continuing improvements
  - Marché Saint-Germain: fully prelet
  - Vaugirard: 80%
  - Suresnes: 96%
- Only 2 significant vacancies in the portfolio
  - North Plaza (13,600 sqm)
  - Diamond (4,000 sqm out of 14,300 sqm)





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## Building of 7,400 sqm

- 7,400 sqm offices
- 160 parking spots

## Lease contract and occupancy

- Fully let to Deloitte
- 15 years (fixed - indexed)

## Timing

- Permit obtained and works started this summer
- Delivery : End 2015
- Sale: H1 2015 with accounting of 3.0 million capital gain, according to work in progress. Remainder of capital gain will be accounted by year-end.

## Very good accessibility

- Located on the Tetris Business Park Ghent, a site located at the intersection of the E40 and E17 motorways
- The Gent-Sint-Pieters railway station is within easy reach through a convenient tram system



# BUILT-TO-SUIT CHARLEROI

- Built-to-suit in Charleroi for +/- 8,000 sqm – 75 parkings
- 15 years rental agreement (fixed - indexed) with BNPParibas Fortis
- In partnership with IRET group (50/50)
- Timing:
  - Permits obtained
  - Works started in June 2014
  - Delivery foreseen beginning 2016
  - Exit foreseen by year-end – ongoing discussions



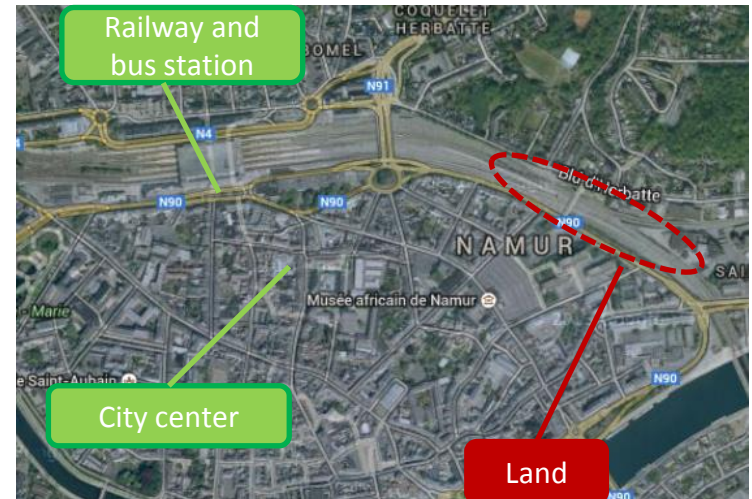
# LAND PLOT in NAMUR

## Description

- 52 acres land in the city center of Namur, capital of Walloon Region
- Located along the Boulevard Cauchy, close to railway and bus station
- In partnership with Thomas & Piron (50/50)

## Strategy

- Permits have been obtained
- Development of 15,000 sqm offices, spread over 3 buildings (A:7,000 B:5,000 and C:3,000 sqm)
- Common basement for 150 parking spots and 50 bicycle places
- **First building (3,000 sqm) let to Walloon public entity on the basis of 27 years leasehold. Delivery foreseen beginning 2016.**
- Initial negotiations for a long lease on other building



# GHENT – MAG Outlet Centre

## Scheme of 52,800 sqm

- 32,000 sqm McArthurGlen Outlet Centre
- 14,500 sqm leisure
- 6,300 sqm big box store

## Scheme

- Development and investment through a joint-venture (50/50) between Banimmo and McArthurGlen
- Right to acquire land (Field 12)

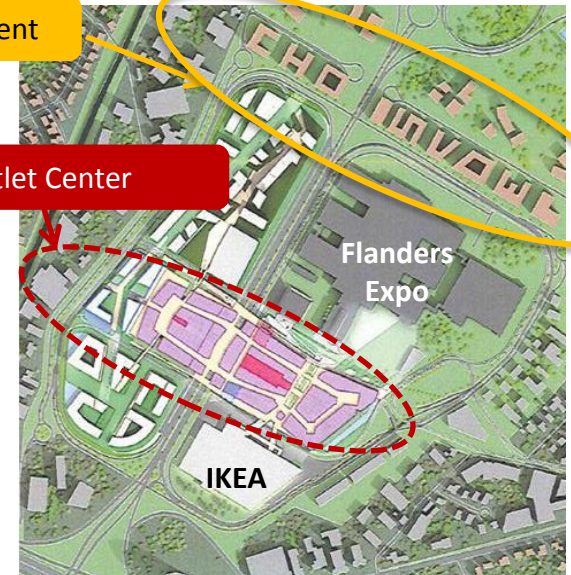
## Timing

- RUP obtained – Socio economic permit granted and activated
- Pre-development phase under way in order to fulfil conditions precedent and obtain final necessary permits
- Permit for parking granted in January 2015 with start of works mid February. Other permits to be filed. Delivery foreseen in 2017 -2018

## Investment

- Total investment of about € 170-180 Mio (together with McArthurGlen)

Tetris Business Park Ghent



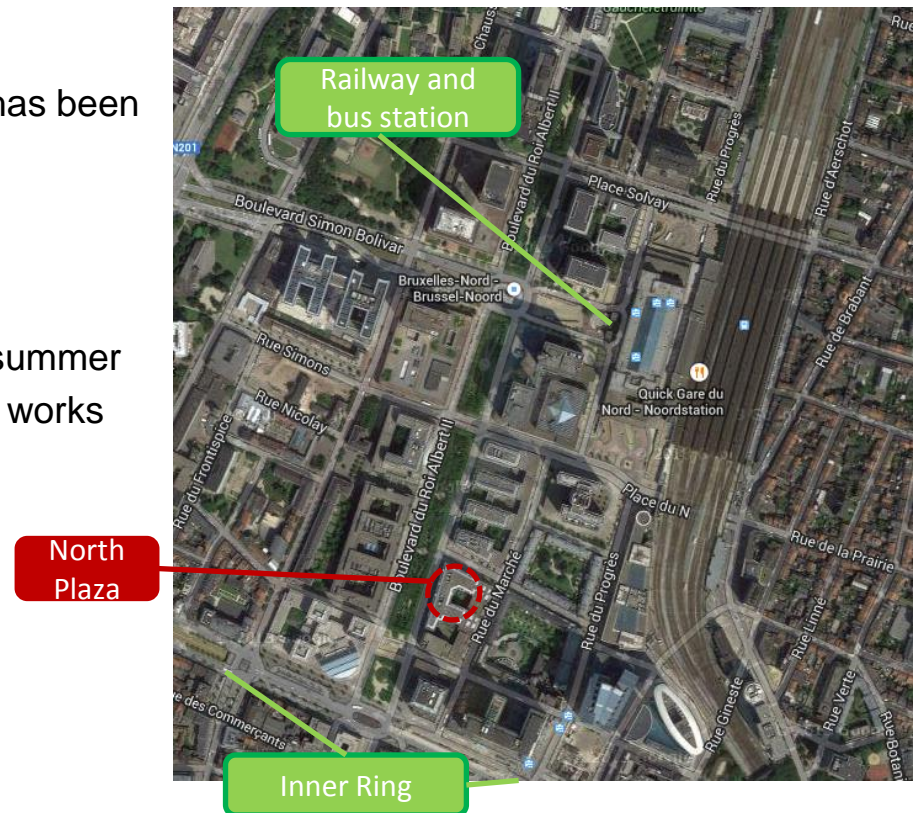
Outlet Center





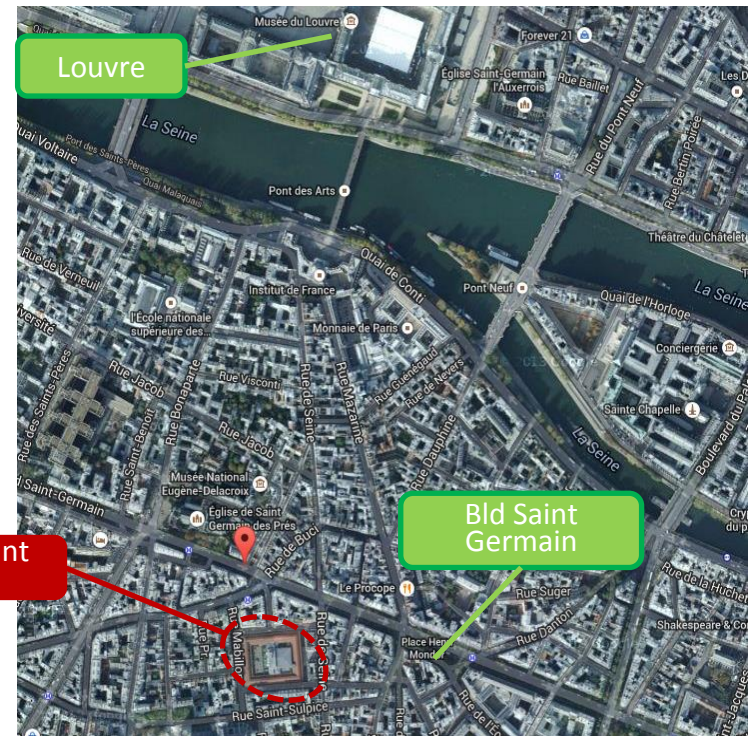
# BRUSSELS – NORTH PLAZA

- Office building of 13,600 sqm
- In the framework of a tender with European Commission (15 y rental agreement), building has been retained amongst list of two candidates.
- EU has reinitiated final selection process
  - 2 consortia: Banimmo/IVG and Immobel/Vivium
- Financial conditions will make the difference
- EU due to designate the Preferred Bidder this summer
- In the meantime, Banimmo stopped renovation works



# PARIS – MARCHE SAINT-GERMAIN

- Acquisition made in 2009 for an amount of +/- € 30 M
- Retail gallery of 3,200 sqm that will be extended in 4,400 sqm area – Lease income will double
- All necessary permits have been obtained (executable)
- Pre-letting finalized with major international anchors  
Marks & Spencer, Nespresso, Desnoyer, IT consumer goods brand, wellknown clothing brand
- Renovation process started in April 2015 – CPI € 16 Mio
- End (and expected sale) at the end of 2016
- Strong interest from Capital Market



# PARIS – HALLE SECRETAN

- Old retail gallery of 4,200 sqm that has been completely renovated
- Located in 19<sup>th</sup> district of Paris
- Delivery of building in April and opening underway until September
- Pre-letting already more than 96%
- Strong interest from Capital Market



# ROCQUENCOURT

- Acquisition made in 2012 of old Mercedes Benz France headquarters (27,000 sqm) located in Rocquencourt (Versailles)
- Built-to-suit (subject to financing) for large international upscale hotel operator - Wyndham
- Building permit obtained in July
- Agreement with a view to the reconversion of the site into a 4 or 5 –star hotel with more than 250 rooms. Agreement remains conditional to financing by hotel chain





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## DIFFERENT EQUITY STAKES

Banimmo has 5 different equity stakes which are the result of a strategic decision to invest in larger projects by limiting the financial exposure. Those 5 equity stakes are:

1. Conferinvest (49%): Conference Centers
2. Urbanove (49%): 2 city center shopping mall projects
3. The Loop (25%): mixed projects in Ghent
4. *New built-to-suit in Charleroi (Tirou) 50% (See slide 2/ main projects)*
5. *Land plot in Namur (Cauchy) 50% (See slide 2/ main projects)*

# Equity Stake Investments: CONFERENCE CENTRES

## Two Conference centres in Conferinvest (49%)

- Equity stake: 49% with 2 family offices
- Two assets:
  - Dolce La Hulpe (Brussels) : 35,977 sqm ; reconstruction in 2007; green label
  - Dolce Chantilly (Paris): 17,000 sqm; renovation in 2008
- Both with a 15 years management contract with US operator Dolce: 7 years remaining
- Dolce resorts (40 hotels worldwide) taken over by Wyndham hotels (7,400 hotels worldwide) → new sales force and marketing impulse
- Banimmo and investors underwrote the operating risk. Banimmo is asset manager for an annual fee of € 400K
- Trading performance:
  - Results for Dolce Chantilly in line in 2014 due to renovation works affecting hotel capacity (2 year program)
  - Much better performance of Dolce La Hulpe. Ebitda up by 20%
- Net bank debt: € 33.6 Mio (annual debt reimbursement of €2.8 M).
- Asset valuation of € 71.9 Mio *(Source CBRE Hotels London 2015)*
- Investors are back on this asset class



# Equity Stake Investments: URBANOVE

## 3/ Evolution of the equity stakes

**Two retail projects in Urbanove (45%) with Walloon public investment entities– Besix – Degroof. Major breakthru for those two projects**

### Verviers

- Shopping mall of 21,000 sqm GLA
- Complex project that has required discussions with local authorities during first semester
- Agreement obtained with authorities to resize project in shopping mall of 21,000 sqm that better suits with commercial potential of the city and that allows to half the building period
- Socio-economic permit has been obtained in July
- New building permit to be filed after the summer – Road map agreed with the City
- 38% prelet based on LOI



### Namur

- Shopping mall of 21,000 sqm GLA
- In the city center, next to the central railway station
- Location viewed as one of the remaining top location in Belgium
- **PCA-R (local use plan) approved by City and Region – executable since November 2014**
- Referendum in February 2015 leading to roundtable organized with different stakeholders
- Agreement in June on modified shopping center taking into account concerns of different parties – agreement with the City
- New building permit to be filed after the summer
- Pre-letting process will start with permit granting – good feedback from retailers



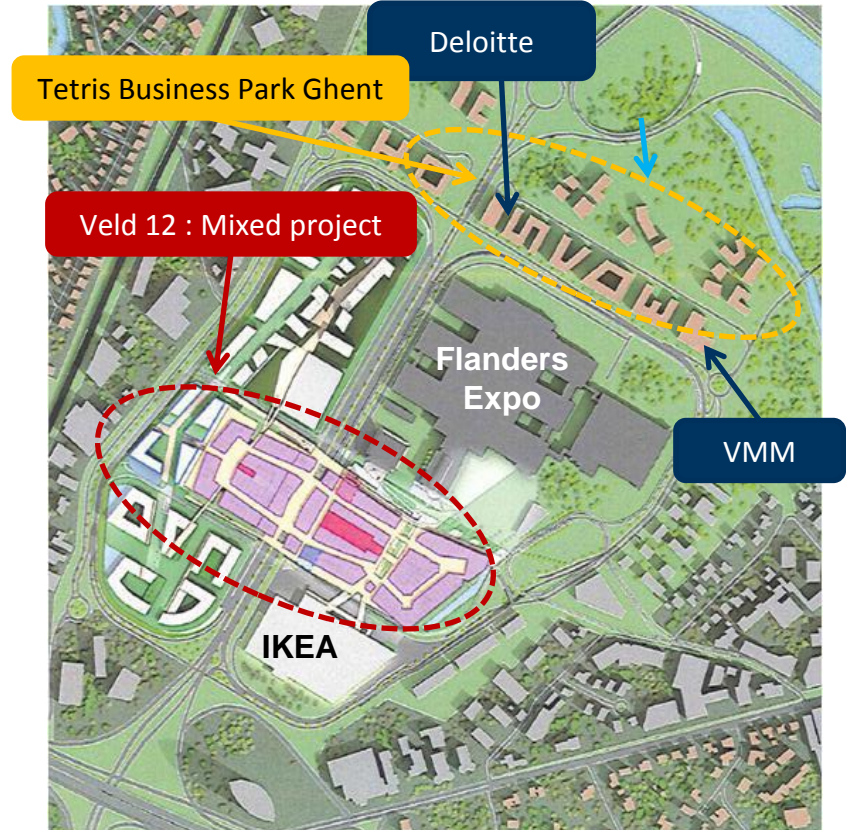


# Equity Stake Investments: THE LOOP

## 3/ Evolution of the equity stakes

### Important landbank (25%)

- Banimmo has an historical participation of 25% in Grondbank The Loop (GBTL), owner of the land
- Landbank enables development of more than 350,000 sqm in different phases over 10 years
- Land divided in several fields to be sold to developers. Banimmo is active on Tetris Business Park (Field 3 & 5) and Field 12
- Banimmo is currently involved in the development of Veld 12 (with MCArthurGlen) and Deloitte built-to-suit
- Additionally, Banimmo has launched Tetris Business Park Ghent (former Veld 5 and Veld 3)
  - After VMM-building, second built-to-suit signed with Deloitte
  - Still about 50,000 sqm offices to be developed
- Appraisal value of € 16 Mio





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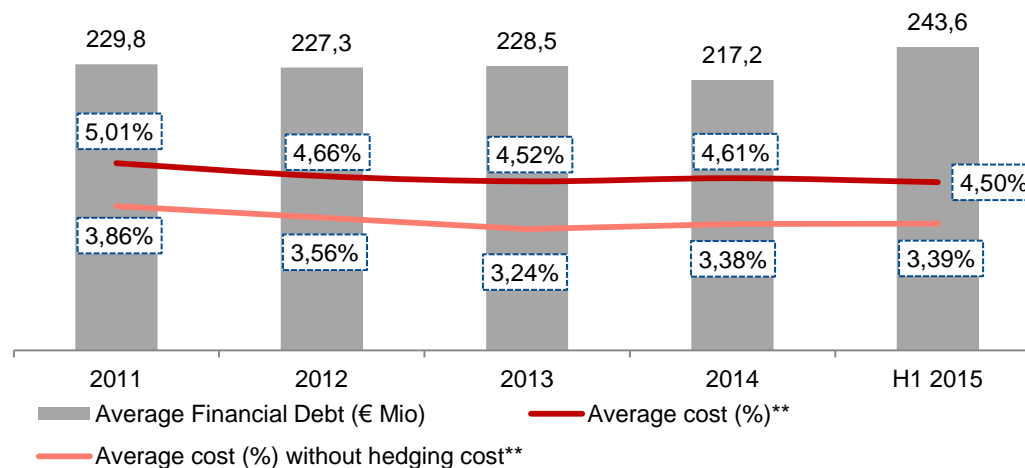
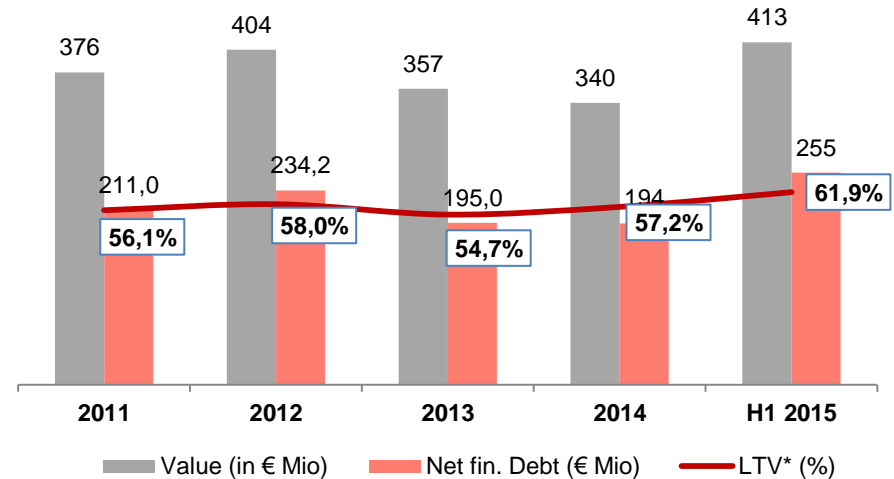
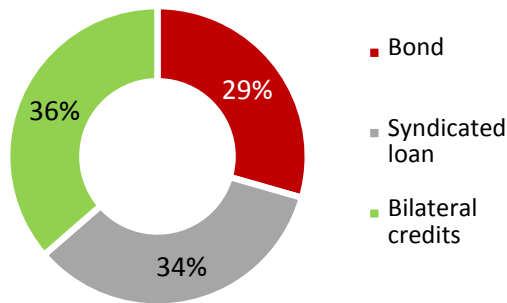
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# FUNDING SOURCES -LTV EVOLUTION-FINANCING COST

## 4/ Financing

Funding sources (based on financial debt on 30/06/2015)



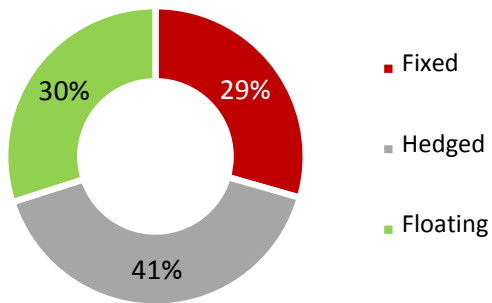
Based on 30/06/2015 figures

(\*) Expressed as net financial debt on total assets (\*\*) Without taking into account non-cash items

# LOW FINANCING COST SECURED UNTIL 2022

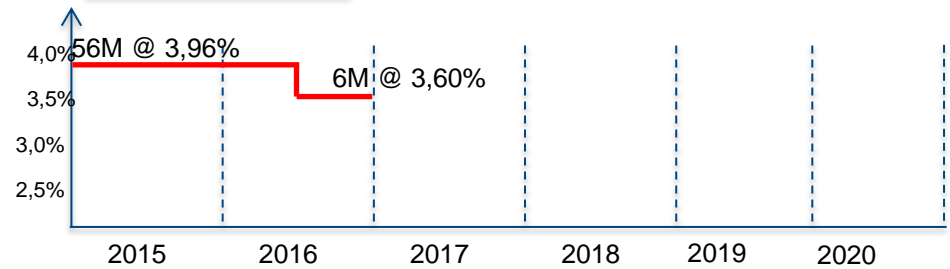
## 4/ Financing

Hedging and fixed-variable mix (based on hedging instruments on 30/06/2015)

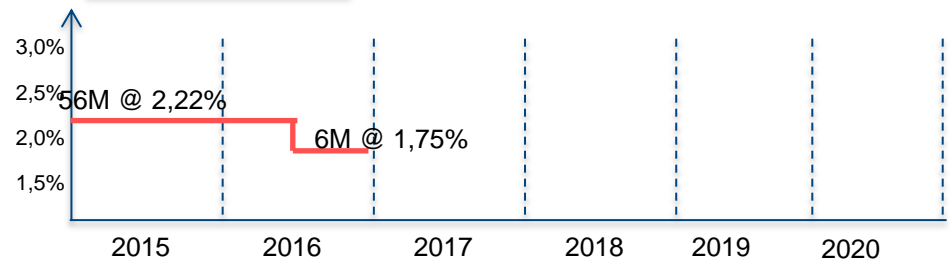


- 70% of outstanding debt (bond included) is fixed or capped, 30% is floating
- Oldest (expensive) hedges nearly at the end (2016)
- Cost reduction of +/- € 1.2 Mio linked to end of hedging products as of 06/2016

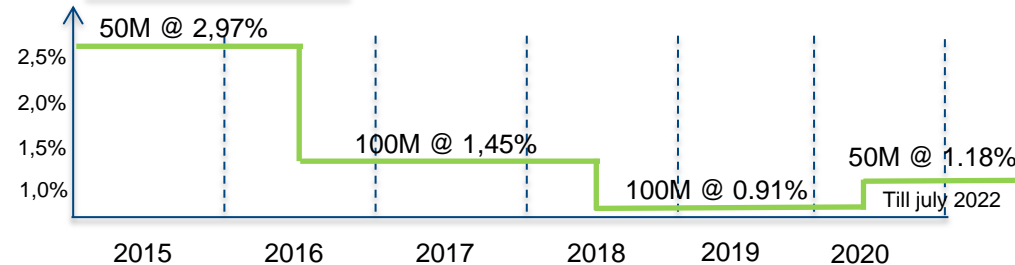
Cap evolution



Floor evolution

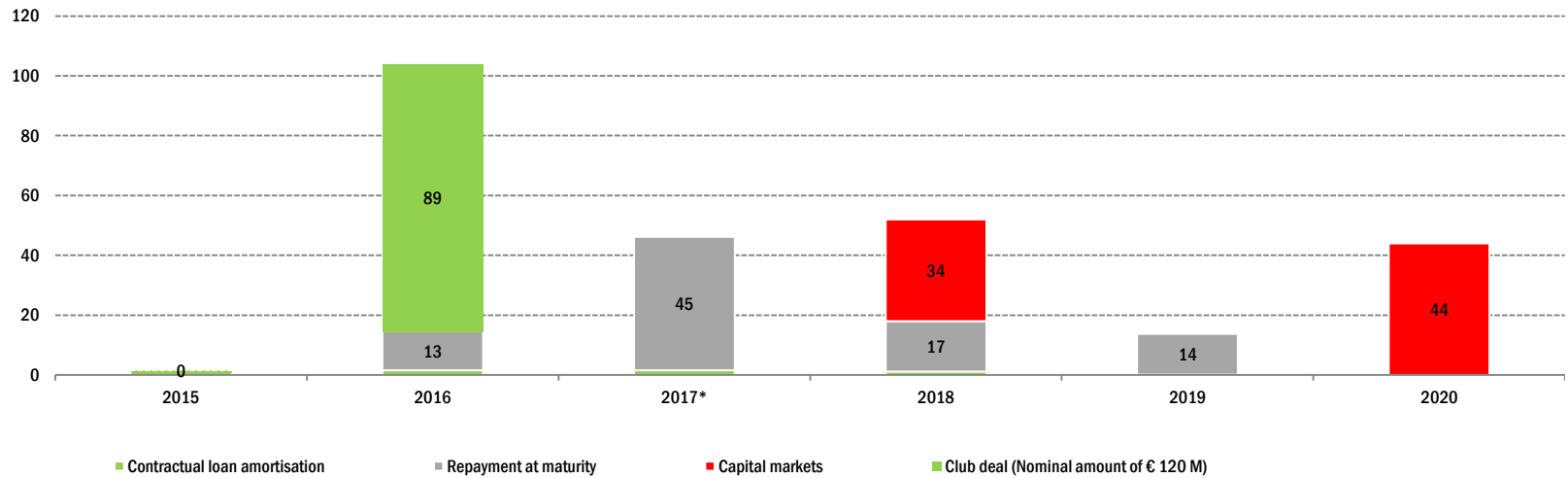


Swap evolution



# IMPACT OF BOND OFFERING ON DEBT MATURITY

***Debt maturity based on outstanding amount of funding sources (€ 261 M € @ 30/06/2015)***



The issuance of a private placement bond in February 2015 (€ 44 million @ 4.25%) has strengthened the capital structure by:

- Enabling the refinancing of the bond maturing in June 2015 (€ 41 million)
- Lengthening the average maturity
- Continue to diversify the funding sources and lowering financing cost

As of June 2015, all debts maturing in 2015 are refinanced. Next major maturity is the club deal maturing in September 2016



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# Consolidated Accounts

## CONSOLIDATED RESULTS

### 5/ Financial figures

(Mio €)	30/06/2014	30/06/15
Gross rental income	6.7	6.0
<b>Net rental income</b>	<b>4.9</b>	<b>3.9</b>
Other income (commissions on JV)	0.4	0.6
Share in the result of companies accounted by the equity method (cash)	0.2	0.3
<b>Recurrent income</b>	<b>5.5</b>	<b>4.8</b>
General and administrative costs	(4.1)	(4.3)
<b>Recurring current result (REBIT)</b>	<b>1.4</b>	<b>0.4</b>
Net result on sale of real estate assets (& JV)	1.1	3.5
<b>Current result (EBIT)</b>	<b>2.5</b>	<b>3.9</b>
Net financial costs	(1.9)	(4.2)
<b>Earnings before taxes</b>	<b>0.6</b>	<b>(0.3)</b>
Taxes	(0.3)	1.0
<b>Net Current result</b>	<b>(0.9)</b>	<b>0.7</b>
Variations of fair value on investment buildings (IAS 40) and stocks (IAS 2)	(1.2)	(3.2)
Value reduction on companies accounted by the EM	(4.1)	0.1
Gain/Loss and Value reduction on receivable on companies accounted by the EM	(3.2)	(0.7)
Variations of fair value on hedging instruments (IAS 39)	1.0	1.5
Deferred taxes	1.1	0.1
<b>Net result</b>	<b>(7.5)</b>	<b>(1.5)</b>



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- Streamlining of Banimmo's activities on non speculative developments  
→ rental income not representative any more of real turnover of the company
- Continue sales efforts on buildings from previous/older strategy:
  - Sales agreement signed for office building on Colombes (France) (post closing event)
  - Sales agreement signed for office building Arts 27 (post closing event)
  - Realization of announced sales objective of € 100 to 120 million depending on realization of sale of H5, Alma Court and North Plaza
  - Remaining "previous strategy" assets: Raket – Diamond  
Assets recorded under IAS 40 will progressively disappear
- Progress on built-to-suit in Belgium:
  - Continue built-to-suit for Deloitte with delivery at the end of 2015
  - Continue built-to-suit for BNPParibas Fortis with delivery at the end of 2015
  - Continue built-to-suit for Public Authority in Namur (Cauchy) with delivery at the beginning of 2016 and ongoing discussion for the rest of Cauchy Development

- Banimmo France performs outstandingly well:
  - Finalize repositioning works on Saint-Germain with delivery foreseen end 2016. Strong appetite from Investors with declared interests below 4% cap yield
  - Vaugirard and Secretan on track
  - Beginning of repositioning of income generating retail gallery in Pantin (Paris)
- Permit application received for hotel redevelopment in Rocquencourt.
- Acquisitions:
  - Focus on completion of ongoing projects and Urbanove shopping projects
  - New residential project in negotiation (Brussels)
  - 2 new retail operations in Paris and South West of France. Negotiation ongoing with closing of master agreement in 2015.