Banimmo

Initial Public Offering

June 2007

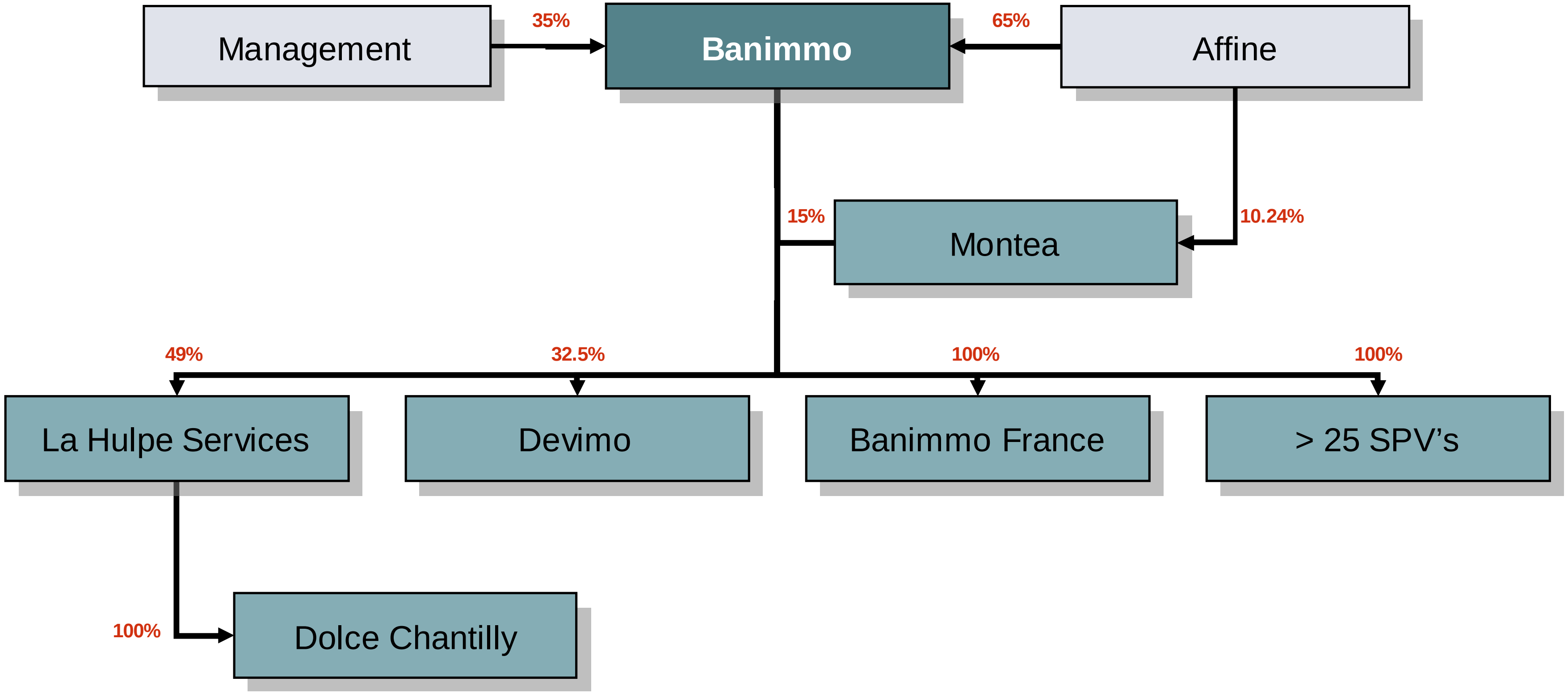
Agenda

- Banimmo in a nutshell
- Business model
- Real estate portfolio
- Management
- Banimmo vs. REITS
- Financials
- Outlook
- IPO

Banimmo in a nutshell

- **Property company generating both capital gains and recurrent income**
  - Capital gains from ‘asset redevelopment’
  - Rental income from diversified tenant base
  - Ownership / strategic management of conference centers
  - Financial income from stake in listed SICAFI Montea
  - Fee income
- **Strong track record since years**
  - More than 25 assets ‘restructured’ since spin-off in 2000 (3-5 assets/year)
  - Strong financial track record
  - Operation teams both in Brussels and France
- **Focus on B2B property in Belgium, France & Luxembourg**
  - Offices
  - Retail
  - Conference centers

Banimmo in a nutshell



Banimmo in a nutshell

1995 **1999**

Workout for Anhyp

ANHYP

Spin-off leading to progressive focus in undervalued/obsolete assets

2000 **2006**

Shareholdings
Mgnt: 4→12%

DEXIA
PRICOA
Lend Lease

Belgium,
France, Luxembourg
3 asset classes
2 operations

2006 **onward**

Shareholdings
Affine: 65%
Mgnt: →35%

Affine

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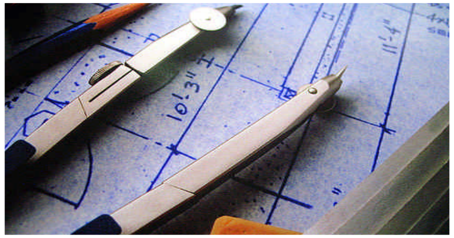
Business model

3 components

property repositioning

conference centers



other revenues

Business model

Property repositioning

ACQUIRE **6-12 months**	• Identification of inefficient asset • Extensive due diligence (including fiscal & financial)
TRANSFORM **3-5 years**	• Technical upgrading • Commercial repositioning – improved tenant situation • Financial & fiscal repositioning – ‘repackaging’ of asset • Improve occupancy and lease conditions
SELL **6-12 months**	• Exit timing according to portfolio approach and P&L • No hurry in order to optimize terms and conditions

Business model

Property repositioning

- **High profitability**
  - Traditionally high development margins in Belgium
  - High entry barriers vs. traditional property investment (technical, financial, legal, tax local expertise)
  - Lower competition among investors for 'complicated' assets
  - Upbeat investment market for upgraded asset
  - Long 'rotation' period allowing for disposal timing
  - Low actual taxation
- **Moderate risk**
  - Lower capex requirements vs. pure redevelopment
  - Recurring income from tenants
  - Lower market exposure vs. buy & hold strategy

Business model

Conference centers

- **Ownership & management of 2 conference centers**
  - acquisition of Dolce Chantilly
  and grand opening of Dolce La Hulpe Brussels in Jan 2007
  - ‘sales & manage back’: ownership + full business risk & return retained
  - day-to-day management incl. HR, IT and booking trusted to professional partner
  - ‘residential conference center’ concept : fully integrated hotel & catering facilities
  - ‘scenic’ out-of-town locations close to main cities and mass transportation

- **Management contract with Dolce International (established in 1981)**
  - 25+ residential conference centers in North America and Europe
  - base management fees + cumulative incentive fees based on financial targets (EBITDA)

- **Exposure syndicated**
  - both conference centers brought in La Hulpe Services (LHS)
  - 51% of LHS sold to private equity investors
  - Banimmo retains management control of LHS and collects management fees

Business model

Conference centers

key data	Dolce Chantilly	Dolce La Hulpe Brussels
Distance from city	45 km (Paris)	15 km (Brussels)
Distance from airport	25 km (Roissy)	15 km (Brussels Intl)
Rooms	200	264
Meeting rooms	32	25
Occupancy	67.6% (2006)	42.5% (2007 YTD)
Average daily rate	136.56 €	119.54 €
RevPar	92.38 €	50.88 €

Business model

Conference centers

- **High profitability**

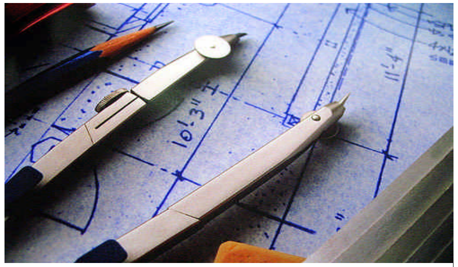
  - traditionally higher yield vs. offices
  - high profitability from 'all in' & 'no surprises' pricing
  - La Hulpe gaining momentum

- **Moderate risk**

  - less cyclical than traditional hotel : conference arrangements typically booked well in advance
    → 67% of Dolce budgeted rooms for 2006 already booked in Q1
    → 60-70% of mature Dolce centers is repeat business
  - flexible cost base → 20-30% of staff at La Hulpe is temporary
    → Dolce reckons profitability starts at 50% occupancy
  - prestigious corporate client base: McKinsey, Philips, Total, GE…
  - exposure shared with third party investors while retaining strategic & recurrent fee

Business model

Other revenues



- **Commissions for managing Joint Ventures (JV)**

  - La Hulpe Services (02. 2007)
  - JV with Pramerica (US Prudential Group) to develop retail assets portfolio (planned for 09.2007)

- **Recurrent income gaining momentum**

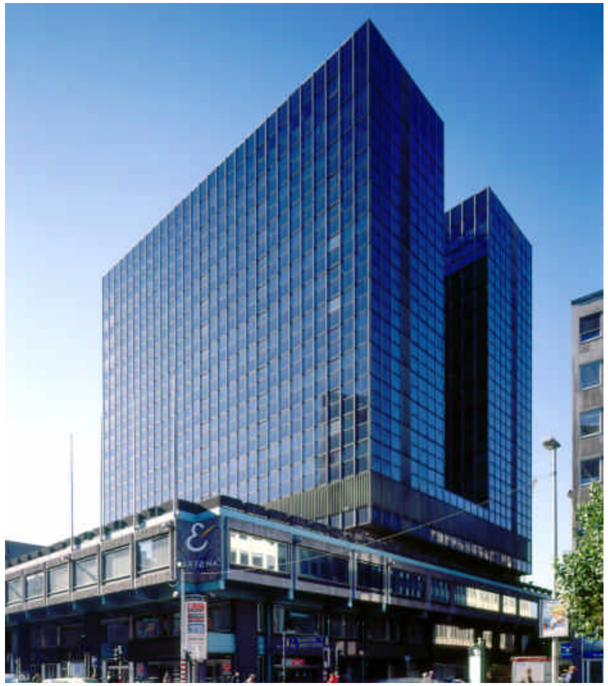
  - Additional JV's targeted in 2008-2009
  - Acquisition of an additional Dolce center under negotiations
  - Higher dividends from Montea
    → € 0.4 mio interim dividend paid in 2007
    → € 0.7 mio in 2008 (e)*
    → € 0.9 mio in 2009 (e)*
  - Higher dividends from Devimo

→ **expected higher share of dividend/fee income**

* source: ING Belgium

Real estate portfolio

Case : heavy technical refurbishment of Brouckère Tower



- Location
  - Brussels downtown
- Specifications
  - 32,700 m²
  - 18 floors
  - 520 parking places → long lease to parking operator
- Acquisition (1998)
  - Long lease (→ 2066)
  - Amount : € 27.3 Mio
- Refurbishment
  - Progressive renovation of all floors, entrance and techniques
  - Tenants removing according to work planning
    (min. net income stabilized at € 1.5 Mio)
  - Invested amount : € 17 Mio
- Results
  - Full occupancy by mid 2006
  - Sale of 60% of the SPV to Morgan Stanley in December 2006 with call option on remaining 40%
  - Project management contract for final work phase of € 12 Mio
  - **29% IRR**

Real estate portfolio

Case : securitization of assets to Montea

- Location
  - Grobbendonk - Herentals
- Operation
  - Acquisition (2003) through « built to suit » transaction of two logistics assets
  - Asset in kind contribution (2006) to Montea sca (newly incorporated company) : € 28 per share
  - Montea listing on Euronext Brussels as a SICAFI (2006)
  - Affine participation → future flotation on Euronext Paris as a SIIC
  - Banimmo/Affine strategic shareholding after listing (25% of the enlarged capital)
- Result : **47% IRR**

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Real estate portfolio

24 assets

31-12-2006: € 241 mio*
30-04-2007: € 281 mio*







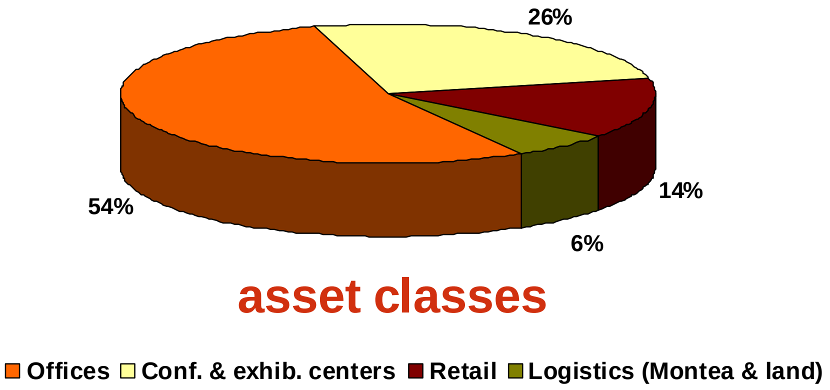


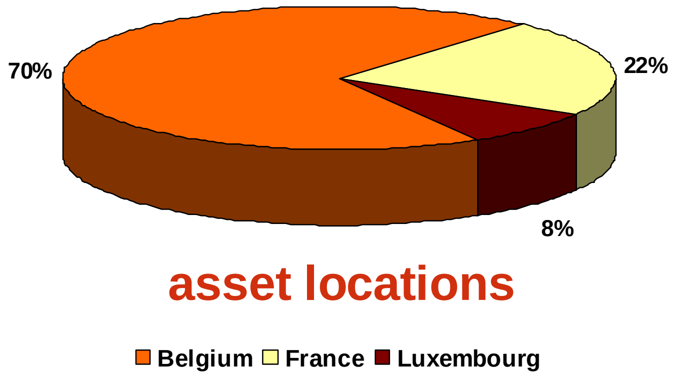
*** Asset value apraised by independent valuer :**

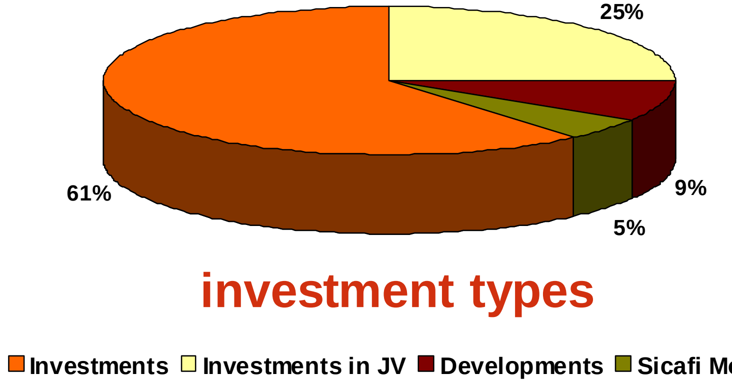
- Fair market value
- Market value of assets under renovation
- Acquisition costs

Real estate portfolio

Portfolio diversification







Investments include all assets generating revenue, still under construction
Developments include all assets not (temporarily) generating revenue (even if prelet)

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Management

Executive Committee

6 members

- Didrik van Caloen (CEO)
- Christian Terlinden (CFO)
- Patrick Henniquau (Managing Director France)
- André Bosmans (Secretary General)
- Thierry Kislanski (Development Manager)
- Amaury de Crombrugghe (Investment Manager)

- High level of **expertise** dedicated to profitable growth
- Proven **track record** of operations in Belgium, France and Luxembourg
- Complementary **skills**
  - Real estate
  - Finance
  - Legal & Tax
- Experienced and strongly **committed** (35 % shares before IPO)

Management

Board of Directors

- 3 representatives of Affine (65% shares before IPO)
  - Maryse Aulagnon (Chairman)
  - Alain Chaussard
  - Ariel Lahmi
- 3 representatives of Executive Committee (35% shares before IPO)
  - Didrik van Caloen (CEO)
  - Christian Terlinden (CFO)
  - Patrick Henniquau (Managing Director France)
- 2 independent directors as from IPO
  - Dominique de Ville de Goyet
  - Patrick Buffet

\+ 2 independent directors to be appointed before year end

Management

Corporate Governance

- Charter of Corporate Governance compliant with Lippens Code (available on website)
- Active Board of Directors
  (Shareholders agreement & By Laws)
  - Major investments
  - Major divestments
- Significant and stable participation held by
  Executive Committee members (35% before IPO) :
  A (ordinary) & B (preferred dividend – not listed) shares

→ **Banimmo managed independently from Affine**

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Banimmo vs. REITS

- **Banimmo is not a REIT-like Belgian SICAFI…**
  - fully liable to corporate tax (33.99% in Belgium)
  - actively involved in property redevelopment
  - no legal indebtedness ceiling
  - no minimum payout (80% of recurring cash flow)

- **… but still shows several similarities**
  - substantial and rising share of recurrent income
  - investment property (>< development property) marked-to-market & independently appraised (whilst development assets valued at cost)
  - low effective tax burden :
    - tax shield from depreciation & sale of SPV's
    - financial costs deductible
    - 'notional interests'
  - similar indebtedness at 65% LTV (Loan To Value)
  - good diversification of assets (<15%)
  - attractive dividend yield

- **… and offers attractive additional features**
  - similar yield but at a much lower payout
  - higher intrinsic growth on top of development capital gains
  - international diversification

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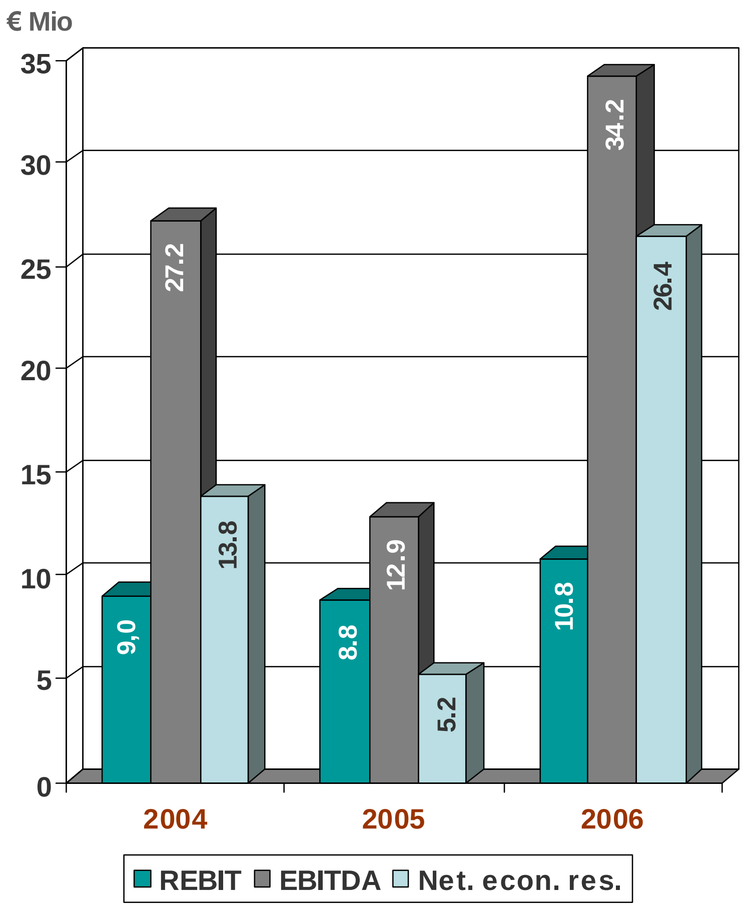
Financials

Income statements (IFRS)

€ '000	2004	2005	2006
Net lease revenues	14,741	15,220	16,675
Group's share in other operating revenues	344	764	1,325
Other revenues (fees for JV)	18	17	334
Recurring revenues	**15,103**	**16,001**	**18,334**
Operating costs	(6,120)	(7,244)	(8,118)
Other revenues	-	-	540
(Recurring operating results) REBIT	**8,983**	**8,757**	**10,756**
Net capital gains on disposal	18,189	4,049	23,348
EBIT	**27,172**	**12,806**	**34,104**
Net financial charges	(6,240)	(5,507)	(5,522)
EBT	**20,932**	**7,299**	**28,582**
Taxes	(7,170)	(2,089)	(2,195)
Net economical result	**13,762**	**5,210**	**26,387**
Non realized gains (losses) IFRS	(189)	(463)	(3,630)
Net result	**13,572**	**4,747**	**22,757**
Result from withdrawn activity	932	-	-
Final result	**14,505**	**4,747**	**22,757**

Financials

Key P&L figures



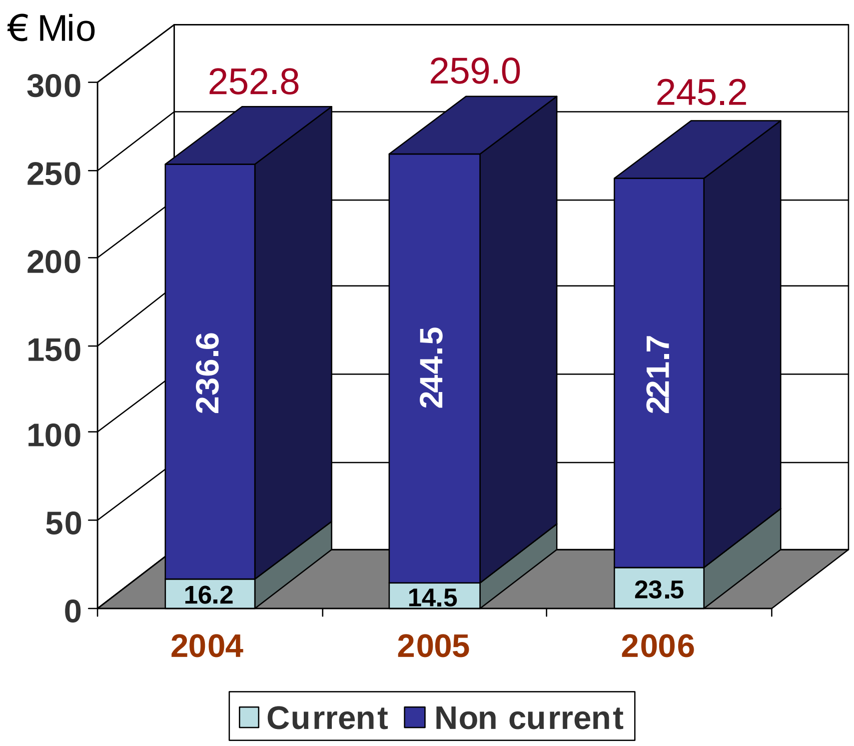
Key P&L ratios

	2004	2005	2006
Recurr. rev. / asset costs	2.46	2.21	2.26
Recurr. rev. / total costs	1.22	1.25	1.34
Margin on asset sales*	58%	51%	25%
Revenue mix (recurr. rev. vs. capital gains)	45/55	80/20	44/56
ROE	14%	6%	29%
Oper. costs / real estate assets	2.6%	2.9%	3.7%
EPS**	1.59	0.60	3.05

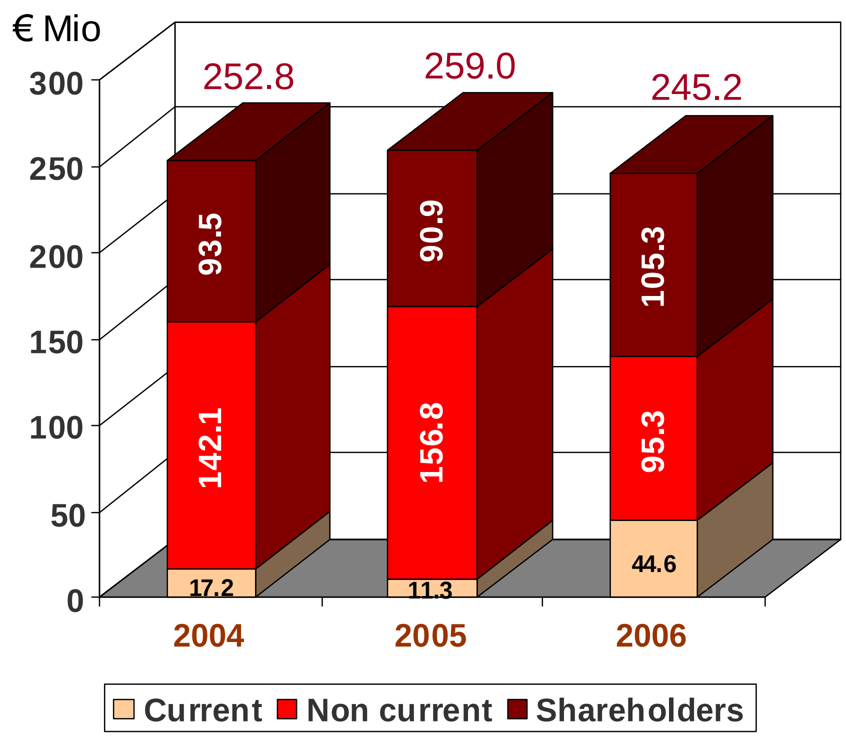
* net capital gains / asset costs
** based on economical result

Financials

Balance sheet (IFRS)



ASSETS



LIABILITIES

Financials

Balance Sheet

Key ratios	2004	2005	2006
Net debt (€ Mio)	136.6	150.2	100.0
Net debt / equity	1.45	1.65	0.95
Net debt / asset value (*)	65%	65%	54%

(*) value assessment 2/year by external valuer upon request of banks

Financials

Financing

- € 215 Mio syndicated bank credit
  - maturity : September 2011
  - max. loan to value : 70%
- € 25 Mio special credit facility (for financing equity participation in JV)
  - maturity : September 2011
- € 75 Mio euro commercial paper program
  - included in € 215 Mio (syndicated bank credit)
  - direct access to debt capital markets
- Debt hedging via Cap & Floor
- Average interest rate on financial debt
  - 2005 : 3.66%
  - 2006 : 4.22%

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Outlook

- Increase portfolio from € 300 Mio to € 500 Mio
  (keeping 60 to 70% leverage)
- Focus on existing markets – increase portfolio in France
- Yearly average acquisitions of € 70 Mio
  obsolete and undervalued assets
- Balanced contribution from recurring revenues and capital gains
- Joint ventures on large transactions

Outlook

Targets at asset level

- Increase Estimated Rental Value (ERV)
  → recurring yield of 7-8% on repositioned assets
- Decrease running and owner’s costs of the building
- Enhance real estate yields by technical and commercial upgrading → reduction of Real Estate risk premium
- Average IRR (post tax – post leverage) on individual investments close to 15%

Outlook

Targets at corporate level

- ROE target in line with historic ROE levels (20%)
- Enhance yield on assets through JV revenues
- Ratio $\dfrac{\text{recurring income}}{\text{operational costs + financial charges}} > 1$
- Leverage ratio : 60-70% loan to value
- Asset rotation : 5-7 years

→ **unlock value by exploiting real estate market inefficiencies**

Outlook

Trends 2007

Recurring revenues	€ 15-16 Mio (including € 2 Mio revenue from joint ventures)
Net capital gains	€ 18-20 Mio
Operating costs	In line with 2006
Net economic result	> € 20 Mio (excluding positive impact of capital increase)

Outlook

Key facts Q1 2007

- + 8,200 sqm rented out (€ 1.2 Mio rental revenues)
- € 81.7 mio completed transactions
  - Antwerp Expo (B – exhibition center)
  - Clamart (F – retail under construction)
  - Orléans (F – retail)
  - Dolce Chantilly (F – hotel & conference center)
  - → Compared with € 70 mio acquisition target for the year
- Syndication of Conference Centers pool of assets closed
  - Acquisition of Dolce Chantilly (asset value: € 45 mio)
  - Bank refinancing (w/o recourse on shareholders)
  - Sale of 51% of LHS - La Hulpe Services (asset value: € 51 mio)
  - → net cash : € 19 Mio
- Transactions being concluded
  - Corporate headquarters (29,000 sqm - +/- € 50 mio investment) to be built (deliv. in 2009)
  - Corporate building (sale & rent back transaction)

Outlook

Dividend policy

- 2007 target pay out ratio : 60% of economic result
- Gross 2007 dividend for ordinary shares (estimate) : **€ 13.1 Mio (e)**
- Gross yield according to price range

share price (e)	ordinary dividend	gross yield
€ 20	€ 1.11	5.55%
€ 21	€ 1.12	5.35%
€ 22	€ 1.14	5.17%
€ 23	€ 1.15	5.00%

- Future dividend policy
  → Offering above market standard yield
  → Regular dividend growth (most of value creation distributed to shareholders)

→ **New shares will be entitled to a full year dividend**

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- Real estate portfolio
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IPO

Key dates

June 13, 2007	Press conference
June 14, 2007	Publication of the price range Opening of the offering
(June 21, 2007)	(Possible early closing)
June 27, 2007*	Closing of the offering
June 29, 2007*	Publication of the final price Publication of the allotment of the new shares First listing
July 4, 2007*	Payment, settlement and delivery
July 27, 2007*	End of stabilization period

* to be anticipated, in case of early closing

IPO

Price range

Price per share	**€ 20**	**€ 23**
Pre-money value	**€ 173 mio**	**€ 199 mio**
Gross dividend yield 2007 (e) *fully diluted after capital increase*	**5.55 %**	**5.00 %**

IPO

Key information

Primary offering	€ 55 Mio new shares with VVPR Full year dividend right for 2007
Overallotment option	15% of offered shares
Lock-up period	6 months for current shareholders towards the banks
Standstill	Agreement with Affine till 2011 Extended lock up between shareholders Management is authorized to sell less than 7.5% till 2011
Listing	Eurolist by Euronext Brussels
Proposed structure (indicative)	30% public offering to Belgian retail 70% private offering to institutionals Possible clawback (min. 20% Belgian retail)
Syndicate	Joint-Lead Managers : Bank Degroof and ING Belgium Selling agent: Kempen & Co

IPO

Shareholders Structure

pre-IPO	Affine	65 %
	Management	35 %
post-IPO pre overallotment according to price range	Affine	49.9 % to 51.8 %
	Management	26.9 % to 27.9 %
	Public	20.3 % to 23.2 %
post-IPO post overallotment according to price range	Affine	48.2 % to 50.3 %
	Management	26.0 % to 27.1 %
	Public	22.6 % to 25.8 %

IPO

Comparison with peers (2007 base)

- business model rather unique : no real peers
- comparison with Belgian REITS (value at mid range of 21.5 €)

	Banimmo	Cofinimmo*	Befimmo *	Leasinvest *	Average
EV/EBITDA	11.7	21.5	19.3	18.3	19.7
P/E	9.3	18.0	17.5	17.1	17.5

* source ING Belgium and Kempen & Co, June 2007

- comparison with similar companies (value at mid range)

	Banimmo	Unibail * (F)	Renta Corp. * (SP)	Risanamento * (I)	Faberge* (SW)	Average
EV/EBITDA	11.7	31.3	12.5	23.6	17.9	21.3
P/E	9.3	23.8	12.1	42.0	15.4	17.1**

* source ING Belgium and Kempen & Co, June 2007
** Risanamento P/E excluded

Key investment considerations

- **Unique business concept : highly profitable & without undue risk**
  - High development margins (20-25% after tax)
  - Entry barriers
  - Lower competition from investors for ‘complicated’ assets
  - Upbeat investment market for suitable properties
  - Long ‘rotation’ period allowing to optimize exit price & timing
  - Lower capital requirements
  - Recurring income to cover recurring operating costs & financial expenses
- **Risk further reduced by**
  - Substantial recurrent income from rents
  - EBITDA from Dolce assets
  - Rising fees from management of joint ventures
  - Dividends from 15% stake in listed SICAFI Montea
  - Active hedging of interest rates risk
  - Portfolio diversification
- **Attractive medium-term prospects**
  - Additional conference centers
  - New JV such as with Pramerica
  - New growth opportunities from planned capital increase
- **Experienced & committed management**
  - Key managers active for many years in corporate real estate
  - Management owns 35% of Banimmo and does not sell at the IPO (ca. 27% after IPO) neither afterwards

Prospectus

Prospectus available, free of charge, as from June 14, 2007

• Banimmo	adress :	Hippokrateslaan 16, B-1932 Zaventem
	tel :	+32 2 710 53 11
	fax :	+32 2 710 53 12
	e-mail :	info@banimmo.be
	website :	www.banimmo.be (downloadable)
• Bank Degroof	tel :	+32 2 287 95 52
	e-mail :	christine.david@degroof.be
	website :	www.degroof.be (downloadable)
• ING Belgium	tel :	+32 2 464 60 02 (French version)
		+32 2 464 60 01 (Dutch version)
	website :	www.ing.be (downloadable)
• Euronext	website :	www.euronext.com

Banimmo

turning obsolescence to state-of-the-art real estate