

## PRESS RELEASE

Regulated information  
September 1<sup>st</sup>, 2010, 5.45 PM

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### **Consolidated half year accounts on June 30<sup>th</sup>**

**Decrease of the net rental income in Belgium, due to the sale of several assets during the second half of 2009 and to the contractual departure of tenants in two buildings that have entered in an active redevelopment phase. The rental income in France has increased significantly.**

**Important improvement of the result of companies accounted by the equity method. Recurrent income has increased significantly.**

**Activity focussing on the completion of current renovation programs and on the search and finalization of investment opportunities in the retail segment.  
No sale on the portfolio occurred as at 30 June.**

**Net current profit of 1,092 K€ compared with a loss of 1,019 K€ as at 30 June 2009.**

**The net loss of 6,531 K€ is exclusively attributable to temporary fair value adjustments (IFRS) on real estate and interest rate hedging instruments.**

**Major investment in the segment of shopping malls in Belgium, through the acquisition, in partnership, of the activities of City Mall (ex Foruminvest Belgium)**

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

#### **A. Commercial activity**

The net rental income reached 6,526 K€ compared to 8,343 K€ as at 30 June 2009.

This decrease is concentrated on the Belgian assets for which net rental income reached 3,781 K€ versus 6,594 K€ as at 30 June 2009.

There are mainly 2 reasons for this decrease:

- The sales, during the second half of 2009, of 3 assets generating a rental income. Their contribution during the first half year amounted to 1,504 K€.
- The anticipated departure of tenants in buildings being renovated (North Plaza in Brussels and Prins B. 5 in Kontich). Their contribution amounted to 1,431 K€.

Net rental income in France increased from 1,749 K€ to 2,745 K€, as a result of both the acquisition of the St Germain gallery in Paris at the end of 2009 as the renting up of retail shops in Clamart (Paris).

This trend will be reinforced after the acquisition of the retail complex in Rouen at the end of this half year.

Banimmco managed to conclude the rental of 13,794 m<sup>2</sup>. The finalization of new rentings remains slow, as a result of economic situation and the oversupply of offices areas.

An important tenant, renting 5,574 m<sup>2</sup> in the Alma Court building has notified its departure, effective in June 2011.

The average occupancy rate of the portfolio reached 84%, versus 90% as at 30 June 2009. This decrease, which is not significant given the specific activity of Banimmco, is exclusively the result of the completely rented asset sales of previous year.

### **B. Development and renovation**

The renovation of the buildings Arts 27 (3,734 m<sup>2</sup>) and Parc Da Vinci H5 (3,753 m<sup>2</sup>) are completed. The commercialisation of these surfaces are in progress. The Parc Da Vinci H5 has an occupancy rate of 68% since August 1<sup>st</sup> following the move-in of an existing tenant located previously in a building located rue de la Fusée.

The latter will be renovated and extended into a building with a total surface of 8,242 m<sup>2</sup> becoming the new headquarters of Electrolux, based on a long term rental contract. The building will be completed in different phases ; the last one is scheduled on September 30<sup>th</sup> 2011. The repositioning of the Vaugirard gallery in Paris is in progress.

### **C. Sales and acquisitions**

Banimmco hasn't sold any asset in the course of the first half year. The company has focused on the identification of investment opportunities.

Taking advantage of the favourable context, Banimmco has finalized a first acquisition of a retail complex in the city centre of Rouen. This acquisition amounts to 12 millions €. Other transactions in France are in different progress phases.

## 2. COMMENTS ON THE RESULTS

### Key figures

CONSOLIDATED INCOME STATEMENT	K €	K €
	30-Jun-09	30-Jun-10
<b>Recurrent income</b>	5,956	8,921
of which net rental income from investment buildings	8,343	6,526
Gross rental income	10,243	8,384
Rental costs	-1,900	-1,858
of which management fees and commissions	743	469
of which share in the result of companies accounted by the equity methc	-3,130	1,926
Other operational costs on buildings	-242	-879
Operational and administrative costs	-4,095	-3,684
Other income	0	0
<b>Recurring operating result (REBIT)</b>	<b>1,619</b>	<b>4,358</b>
Net result of transfers on real estate operations	254	0
Net result of transfers on participations of companies accounted by the equity method	0	0
<b>Operating result (EBIT)</b>	<b>1,873</b>	<b>4,358</b>
Net financial costs	-3,817	-3,130
Dividends	81	88
<b>Result before taxes</b>	<b>-1,863</b>	<b>1,316</b>
Taxes	844	-224
<b>Net current result</b>	<b>-1,019</b>	<b>1,092</b>
Variations of fair value on investment buildings	-8,318	-3,743
Variations of fair value on hedging instruments	-1,008	-4,617
Deferred taxes	4,390	737
Result of the financial year - continued activities	<b>-5,955</b>	<b>-6,531</b>
Result of the financial year - activities abandoned	0	0
<b>Result of the financial year</b>	<b>-5,955</b>	<b>-6,531</b>
Attributable to:		
- Company shareholders	-5,955	-6,531
- Minority interests	0	0
Weighted average number of shares	11,356,544	11,356,544

KEY FIGURES	30-Jun-09	30-Jun-10
Coverage ratio of recurring revenue to operational costs	1.37	1.95
<u>Figures per share</u>		
Average number of A shares	10,318,172	10,318,172
Average number of B shares	1,038,372	1,038,372
Basis result diluted per share (in € per share)		
Shares A	-0.58	-0.52
Shares B	-0.58	-0.52

BALANCE SHEET	31-Dec-09	30-Jun-10
Total Balance Sheet	317,044	340,138
of which investment buildings	233,401	249,123
of which fixed assets	1,432	1,537
of which investments in companies accounted by equity method	38,230	39,170
of which long-term financial assets	18,407	20,165
of which inventory	894	894
of which cash	1,360	12,280
Equity Capital (before allocation)	142,899	122,767
Long-term financial debts	129,806	175,574
Short-term financial debts	16,893	7,536

Banimmob's recurrent revenue comes mainly from three sources:

- The net rental income
- The management fees and commissions within the framework of partnerships
- The share in the results of companies consolidated by the equity method.

The **net rental income** amounts to 6,526 K€ compared with 8,343 K€. The reasons of this decrease are commented in « Commercial activity »

The **fees and commissions** amounted to 469 K€ compared with 743 K€. The first half year of 2009 was positively influenced by the development of the building Sirius (Mobistar).

The **share in the result of companies consolidated by the equity method** has increased in an important and positive way, from -3,130 K€ to 1,926 K€, which represents a difference of 5,056 K€.

This result is broken down as following :

*i. SNC Les Jardins des Quais*

The contribution of this 50%-held asset went from a loss of 483 K€ to a profit of 1,553 K€.

The commercialization is advancing favourably. The occupancy rate reaches 85% and the turnover realized by the different shops are globally satisfactory.

The increase of the result is predominantly due to the important rise in the appraised value.

ii. Conferinvest (Conference centres La Hulpe/Chantilly)

The contribution of the two Centres went from a loss of 960 K€ to a gain of 297 K€. This positive difference of 1,257 K€ includes an improvement of 707 K€ related to the review of amortisation rules within IAS 16. As a result of this review, the amortization expense made compulsory by the IAS has decreased, whereas the appraised values are at much higher levels than the net asset values.

The remainder of the difference comes from a strengthening of the activity of the 2 centres and from a rationalization of the management costs.

The activity recovery is being confirmed in the second half of the year.

The initial acquisition loans have been restructured. Under certain conditions and following the strengthening of the own means of Conferinvest for an amount of €5 millions, a remuneration of the shareholder loans is now allowed.

**Key figures over 6 months – Dolce La Hulpe/Chantilly – analytical accounts**

	<i>Dolce La Hulpe</i>		<i>Dolce Chantilly</i>		<i>Consolidated</i>
	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2010</b>
<b>(in thousand euro and at 100%)</b>					
Turnover	9,550	10,371	6,964	7,599	17,970
Earnings before interest, taxes, depreciations and amortisations (EBITDA) <sup>(1)</sup>	1,940	2,059	1,172	1,377	3,436
EBITDA (rental income included) <sup>(2)</sup>	2,015	2,378	1,172	1,377	3,755
Evolution Turnover		8.6%		9.1%	
Evolution EBITDA		6.1%		17.5%	

(1) The income of Dolce La Hulpe must be increased by the rental income of additional office spaces fully leased at this time and which represent €0,984million over a full year.

iii. Montea

The contribution of Montea remains negative, with a result of -106 K€. This represents however a significant improvement compared to the loss of 1,775 K€ as at 30 June 2009.

The net result of Montea as at 30 June 2009 was substantially influenced by the negative fair value adjustments on the portfolio and the financial hedging instruments.

On 30 June 2010, the operational result (before fair value adjustments) reaches 6,443 K€ and is in line with expectations.

The half year net result amounts to -€ 447 K€ compared to a loss of 7,473 K€ as at 30 June 2009. This loss is related to fair value adjustments on the portfolio and the financial hedging instruments. These adjustments are however much more limited than in 2009. In this respect, portfolio values in France have increased for the first time since 2008.

iv. Grondbank The Loop

This project presents a positive contribution of 183 K€ and will enter by year-end in a second phase when several land plots will be proposed at development-candidates. Banimmo remains interested by the development of the retail parts.

The **administrative and operational costs** have decreased with 10%, from 4,095 K€ to 3,684 K€ and this despite important one-off development costs on investment files on 30 June 2010 (315 K€).

The **net financial costs and dividends** reached 3,042 K€ compared with 3,736 K€. This represents a decrease of 18.6%.

The financial charges amounted to 2,647 K€ compared to 3,338 K€ in June 2009, in particular as a result of the decrease of short term interest rates.

On the other hand, the charge related to hedging instruments amounts to 1,036 K€ compared to 423 K€, which brings the global financial charges to 3,683 K€ compared to 3,761 K€.

During the second half year of 2009, Banimmo has covered its total debt against a potential interest rate increase till mid 2012.

As of today, this increase has not been materialized and long term interest rates have even decreased compared to their levels of mid 2009.

As a result, the fair value of the hedging instruments (IAS 39) has declined to -4,617 K€ compared to -1,008 K€ in 2009.

This value is transitory and very dependent on the evolution of interest rates.

The average interest rate of the debt, including cost of hedging instruments amounts to 4.40%, which is a small decrease compared to previous year.

Banimmo continues also to favour the diversification of its financing means allowing it not to be dependent on the syndicated credit which matures in 2011 and 2012.

In this context Banimmo has successfully issued a bond with warrant for an amount of 75 Millions €, with maturity in 2015 and with a gross coupon of 5.15%.

Banimmo has also signed bilateral credits, both in France and Belgium, for a global amount of 44.5 million €, and has reduced the nominal amount of its syndicated credit with 42.5 million €. This credit line amounts now to 147.5 millions €.

The ratio « Financial indebtedness on total balance sheet » reaches 53.8% compared to 56.2% on 30 June 2009.

The **net current result**, before restatement of fair market values (IAS 40 et IAS 39), amounts to 1,092 K€ compared with a loss of 1,019 K€ as at 30 June 2009.

The **net consolidated result** amounts to -6,531 K€ compared with a loss of 5,955 K€ as at 30 June 2009, as a result of fair value restatements.

### **3. FORECASTS AND POST-CLOSURE ELEMENTS**

On July 2<sup>th</sup>, Banimmo has subscribed its part of the 39.95 million € capital increase of Montea. The investment amounts to 9,292 K€.

In Belgium, Banimmo has signed in June, subject to conditions precedent, a strategic agreement in the segment of shopping malls in city centres.

Banimmo, in partnership with the CEO of Foruminvest Belgium, has taken over the activities of the latter.

With the creation of two new companies, City Mall Development and City Mall Invest, Banimmo will hold 42.5% in three new potential shopping mall projects.

These projects are :

- The mall « Au Fil de l'Eau » in Verviers representing 30,000 m<sup>2</sup> of retail space
- The project « Côté Verre » in Namur (18,000 m<sup>2</sup>)
- A potential project in Charleroi

This investment, for an amount of 54.15 M€, is structured through an equity participation for an amount of 19.5 M€ and a mezzanine financing (holding interest) for an amount of 35 M€ whose take-up for Banimmo will be spread over a period of 12 months.

This investment, in addition to the investments realized in France, reinforces the weight of the retail segment in the portfolio of Banimmo and confirms the willingness of the company to reduce the weight of the office segment in its portfolio.

On August 27<sup>th</sup>, after fulfilment of the last conditions precedent, Banimmo has confirmed, through a press release, its partnership with the teams of City Mall Development (ex Foruminvest Belgium).

The real estate market shows some signs of recovery, but the offices segment is still characterized by an oversupply and the number of acquisition/sales transactions remains far below average.

Banimmo envisages the sale of several assets, in accordance with its normal strategy.

The principal objective of these sales operations will be to preserve the shareholder value.

The realization of these sales operations is therefore uncertain.

It seems likely, in view of all elements available to the Board of Directors, that the level of result achieved in 2009, driven by important sales in the course of the second half year, will decrease significantly.

#### **4. HALF-YEAR FINANCIAL RESULT ACCORDING TO IAS 34 STANDARD**

The financial report in accordance with the IAS 34 standard including the intermediate management report as well as the auditor's report is available on the internet site [www.banimmo.be](http://www.banimmo.be) as of the date when the present press release will be published.

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#### **About Banimmo**

*Banimmo, a real estate company for repositioning and redevelopment, acquires buildings that have a high potential for redevelopment in order to re-sell them after transformation. The company, which is active in Belgium, in France and in Luxembourg in the office, retail and semi-industrial sectors, as well as in conference and exhibition centres, is established in Brussels. Its subsidiary, Banimmo France, covers the French market from its headquarters in Paris. The company has thirty employees. Until now, the Banimmo group has invested in around 27 real estate properties representing a total value of more than € 357 million. Belgium constitutes the predominant market, with nearly 60% of the portfolio in terms of market value. France represents more than 40% of Banimmo's portfolio. The portfolio is continually evolving thanks to the ongoing repositioning and to the high rotation of the assets. Banimmo is listed on Euronext Brussels and Paris. Currently the company is controlled jointly by Affine (50%) and the management (28.8%); the remainder, that is 21.2%, is in the hands of the public.*