



Investment Research

Accumulate

from Hold

Share price: EUR 10.00

closing price as of 25/11/2011

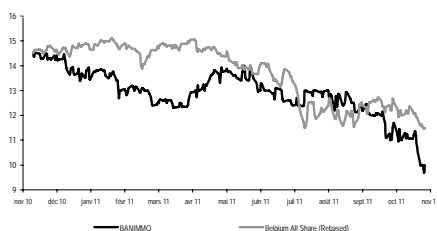
Target price: EUR 14.00

from Target Price: EUR 16.00

Reuters/Bloomberg	BANI.BR/BANI.BB
Daily avg. no. trad. sh. 12 mth	1.722
Daily avg. trad. vol. 12 mth (m)	0,02
Price high 12 mth (EUR)	14,58
Price low 12 mth (EUR)	9,70
Abs. perf. 1 mth	-9,2%
Abs. perf. 3 mth	-21,6%
Abs. perf. 12 mth	-31,0%

Market capitalisation (EURm)	114
Current N° of shares (m)	11
Free float	23%

Key financials (EUR)	12/10	12/11e	12/12e
Gross Rental Income (m)	17	20	16
EBITDA (m)	8	12	8
EBITDA margin	43,7%	59,7%	48,0%
Portfolio Result (m)	(2)	8	12
Net Financial Result	(5)	(6)	(5)
Net Profit (adj.)(m)	3	13	16
Funds From Operations	3,03	13,04	15,76
EPS (adj.)	0,27	1,15	1,39
DPS	0,35	0,60	0,80
IFRS NAVPS	12,19	12,98	13,77
EPRA NAVPS	12,11	13,04	13,81
Premium/Discount	16,9%	(23,0%)	(27,4%)
Earnings adj. yield	2,7%	11,5%	13,9%
Dividend yield	3,5%	6,0%	8,0%
EV/EBITDA	53,0	26,8	37,3
P/E (adj.)	nm	8,7	7,2
Int. cover(EBITDA/Fin.int)	0,8	1,0	0,8
Net debt/(cash) (m)	242	202	180



Shareholders: Affine 50%; Management 27%;

For company description please see summary table footnote

Some light at the end of the tunnel

Share price had lost ground in the same proportion than the BEL 20 index until one week ago but the drop has deepened (this was also the case for the other Belgian developer Atenor). While financing of recently maturing credit lines is no longer a potential threat, the length of the crisis slows down the rotation of divestments and investments which is at the heart of Banimmo business model and may to some extent justify more cautiousness. Share price today is well below the book value (EUR 12.2 at the issue of 1H) and obviously much more below sum of the parts (EUR 15.7) as if the market was anticipating a very adverse scenario about the value of the assets in portfolio and the redevelopment strategy. We have reduced our TP from EUR 16 to EUR 14 but upgrade our recommendation to accumulate only from hold, in order to take into consideration increasing negative market outlook signals.

- ✓ Banimmo is a Belgian based redeveloper active in Belgium and France. It is not a traditional property company that holds real estate assets such as a REITs generating mainly operating rental income. In addition to producing rental income, a significant part of Banimmo's earnings comes from repositioning or built to suit developments paving the way for capital gains by rotating assets. The number of assets in the portfolio and under development is traditionally large enough to tackle the economic cycles and as such optimising the investments and divestments.
- ✓ The accelerated obsolescence of existing buildings as a result of increasing sustainable & environmental regulatory issues is leaving a growing number of opportunities for Banimmo.
- ✓ The portfolio was historically focused on offices but the share of retail, mainly in France, has gained importance over the last two years and has become one of the two strategic targets on top of making "greener" buildings. The portfolio is also made of two conference centres managed by Dolce. Banimmo aims at having four conference centres in its portfolio possibly in other European countries.
- ✓ Banimmo has traditionally a sufficient strong financial structure in order not to be obliged to sell assets at bad times. Since the IPO in 2007, Banimmo has generated yearly capital gains of some EUR 12m on an average. We are convinced that current structure may lead to somewhat higher figures, however in a much better economic environment than today.
- ✓ The renegotiation of its recently maturing credit lines, which could had been seen as an issue regarding the current banking turmoil, has been renegotiated in September at good conditions so that Banimmo has no major refinancing needs before 2015. This period compares with the average residual duration of all leases in force of 4.3 years until next break (figure at the end of FY 2010) and 6.3 years until contractual end of leases.
- ✓ So far in 2011, Banimmo has completed two sales totalling EUR 37.1m (capital gains of EUR 4m) and is still in negotiations to achieve three further divestments. At this stage of the year, one may not be sure that all of them will be achieved still during 2011 and as such respect the guidance of EUR 65m given by the release of 1H figures in September.

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European Securities Network

Investment Case

- With almost twenty assets in portfolio on top of the assets in JV (conference centers, City Mall, The Loop, Jardins des Quais) and the financial stakes (Montea), and rotation periods of between 4 to 7 years, Banimmo is expected in a non-depressed economic environment to buy & sell 2 to 5 assets per year. It's noteworthy that most recent acquisitions have been about retail in France rather than offices (in Belgium), of which GLA are smaller and rotation periods also shorter. This is one of its two strategic ways on top of making office buildings greener.
- Banimmo has traditionally a sufficient strong financial structure in order not to be obliged to sell assets at bad times. Since the IPO in 2007, Banimmo has generated yearly capital gains of some EUR 12m on an average. We are convinced that current structure and workforce of the company may lead to higher figures. However with the difficult market environment since 2008, even with some revival until recently, we doubt that much higher figures could be met before a new investment cycle is starting again in Europe.
- The exposure of its office portfolio to the Brussels periphery & decentralised where vacation rates are making the achievement of capital gains more difficult.
- At medium and longer term, the accelerated obsolescence of existing buildings as a result of increasing sustainable & environmental issues is leaving a growing number of opportunities for Banimmo.
- While the core of the business activity of Banimmo is about rotation of assets and the subsequent capital gains, the existing portfolio is also sufficient enough to cover the operational costs (2.36x at the end of June).
- Despite a covenant at 65%, the current financial debt has traditionally been managed well below this level (55% at the end of June). Credit facilities have been renegotiated recently so that there are no longer important credit maturities before 2015.
- Share price had lost ground in the same proportion than the BEL 20 index until one week ago but the drop has accentuated over the last week as well as the other Belgian developer Atenor. While financing of recently maturing credit lines is no longer a potential threat, the length of the crisis slows down the rotation of divestments and investments which is at the heart of Banimmo business model and may to some extent justify more cautiousness. Share price today is well below the book value (EUR 12.2 at the issue of 1H) and obviously much more below NAV (EUR 15.7), as if the market was anticipated a very adverse scenario about the value of the assets in portfolio and on the redevelopment strategy, and EUR 17.6 per share from our DCF calculation (which captures this goodwill).
- These calculations are based on a normal going concern scenario and the available market parameters, which are considered by some investors to have lost some validity because of the poor liquidity of the market and the terrible economic and financial environment. With today a greater uncertainty about the rotation of the portfolio and the achievement of decent capital gains, we cannot avoid to put a discount to our fair figures. We retain a target price of EUR 14 per share at a time horizon of one year, which means a discount of 10% on the current sum of the parts (without goodwill), well below the DCF calculation. This implies that the value that exceeds the book value has only been taken into account for some 50%, with which we feel at ease in order to take largely into consideration increasing negative market outlook signals.

- This 10% discount towards our SOTP is smaller than the current median discount of Belgian investment companies (-32.8%) which is today higher than its 5 past years average (-27.8%). It's noteworthy that the discounts of Belgian investment companies are comparable, which tends to say that the discounts are rather independent from the diversification of the portfolio within several sectors. Obviously, Banimmo is not a so-called holding company, but its business is build on the management of investments in portfolio.
- Although the upside, we upgrade our recommendation to accumulate only from hold.

1H figures and 9 months trading update

For 1H, net current result was EUR 5.1m (EUR 0.53 per share), the same amount than for FY 2010 versus EUR 1.1m for 1H 2010.

This progression was made possible thanks to an increase of the net rental income to EUR 7.8m, versus EUR 6.5m for 1H 2010 reflecting additional rental income of EUR 1.1m from buildings acquired in France (Rouen and Eragny) in addition to 2,800sqm additional rents in Belgium (buildings Prins B.5, Arts 27, H5 and Raket). The figure was somewhat lower than could have been anticipated and reflects mainly a lower rental income (EUR - 262k) from an office building in Paris. Occupancy rate was slightly down at 82% versus 1Q (84%) but similar to the 82% achieved at the end of FY 2010.

The contribution of companies accounted under the equity method was down to EUR 1.6m versus EUR 1.9m in 1H 2010 resulting mainly from a lower contribution of Jardins des Quais in Bordeaux (EUR 458k versus EUR 1,553k) linked to a lower fair value increase, on top of a contribution of EUR 152k versus EUR 297k from the conference centres due to an exceptional charge and having in mind that bottom line is affected by amortisation (IAS 16) while the operational activity continued to improve.

The company also has reduced its stake in Montea from 23% to 15% and seems to have no plan at short term to reduce further this financial (= non industrial) participation. We assume that Banimmo is well aware that Montea still has room to improve its operational performances while the received dividends are a secure income with an attractive yield.

After having made several acquisitions during 2010 not offset by sales, Banimmo this year already made two sales: in 1H Clamart for EUR 19.6m with a capital gain of EUR 3.03m (EUR 0.27 per share), an exit yield of 7% and a IRR of 37%, and on First of July Antwerp Expo for EUR 17.1m with a capital gain of EUR 1.05m (EUR 0.09 per share), an exit yield of 9.2% and IRR of 13%. The company confirms that further sales are on the agenda that will impact significantly the bottom line. The target of EUR 80m that had been figured in previous press releases remains probably a good indicator of the amount of future sales.

For 3Q, no new rents have been registered while also no significant departures have been recorded. At the start of 3Q, Banimmo sold the Antwerp expo building (19,140sqm, valued at EUR 17.1m, capital gain of EUR 1m) which led to a decrease of the occupancy rate (not so relevant for Banimmo considering several assets in redevelopment) to 76% from 82% at the end of 1H. Gross rental income was up to EUR 13.5m versus EUR 12.9m one year earlier.

So far in 2011, Banimmo has completed two sales (Clamart 8,000sqm for EUR20m in May, Antwerp Expo 19,140sqm for EUR 17.1m) totalling EUR 37.1m. While Banimmo released that it is still in negotiations to achieve three further divestments, one may not be sure at this stage of the year that all of them will be achieved still during 2011 and as such respect the guidance of EUR 65m given by the release of 1H figures in September.

About the City Mall project, it's noteworthy that Banimmo did not received an answer from the Council of State following the suspending appeal that was introduced for the project in Verviers. This was expected in October by Banimmo and is now expected during the first quarter of 2012 but we are confident, considering however news in Belgian media, that the issue will be favourable for Banimmo.

Besides, Banimmo disclosed that a block of 2.28%, part of the stake of Ethias/Holding Communal (6.29%) has been replaced totally in the market

Strengths	Weaknesses
<ul style="list-style-type: none"> • Well diversified revenue mix and portfolio • Recurrent coverage of charges • Financial health • Management incentives • Track record 	<ul style="list-style-type: none"> • Dependence on the Brussels periphery office market, but balanced by the conference/exhibition centres and by increasing the share of retail assets • Modest free float and low liquidity
Opportunities	Threats
<ul style="list-style-type: none"> • Contra cyclical redevelopments • Buy assets at discounts • Acceleration of obsolescence of existing buildings (ex Brussels) reflecting environmental issues. 	<ul style="list-style-type: none"> • Length of the bear markets preventing optimisation of capital gains.

Company description

History

Banimmo is a leading Belgian property company with specific focus on acquisition, transformation and repositioning (followed by their resale) of real estate assets.

Banimmo is a limited company according to Belgian law (SA); it has not the REIT status (Sicafi:or vastgoedbevak in Belgium).

Banimmo was started in 1995 by a dedicated team of the savings bank An-Hyp. Banimmo has since been active in repositioning real estate assets.

After the acquisition of An-Hyp by Royale Belge in 1998, Banimmo was sold to Pricoa (Prudential Insurance Company of America). On this occasion the management of Banimmo acquired a stake of 0.85 % in the capital.

In August, 2000, Pricoa sold half of its participation to Artesia, which was later acquired by Dexia.

Management gradually increased its participation from 0.85 % to 4 % in 2001 and 2002.

In October 2002 Dexia and Pricoa sold their participation in Banimmo to GP Beta Holding, a Luxembourg-based specialised fund established by the Australian group Lend Lease (part of the Macquarie group) and the Management increased its participation to 12 %.

At the end of February 2006, GP Beta Holding sold its stake in Banimmo to Affine, a SIIC according to French law (listed on Euronext Paris). Management gradually increased its participation in Banimmo to 35 %.

Banimmo has been introduced to the Brussels stock exchange on 26 June 2007. The IPO resulted in a capital increase that diluted Affine and the Management's participations. Today they respectively own 49.9% (so that Banimmo is consolidated under the equity method in Affine accounts) and 28.4% of the total shares.

Business profile

Neither REIT nor
a pure developer

A diversified
portfolio like a
REIT

EUR 5m as a
minimal target
for buildings

Banimmo is not a traditional property company that holds real estate assets such as a REITs generating mainly operating rental income. In addition to producing rental income, a significant part of Banimmo's income comes from repositioning or built to suit developments.

The company's portfolio is a mix of real estate assets generating a recurring income (stabilised or in the course of stabilisation) and development assets.

The recurring income covers the current operating charges and financial expenses and allows for the generation of a positive operating profit, excluding capital gains on the sale of buildings. Its core activity consists in acquiring geographically spread real estate assets, identifying the source of obsolescence, and then leading heavy refurbishment/transformation of the properties, after obtaining the required permits. Banimmo then adopts a new commercial approach in view of increasing the rental level to the market standards. Finally, the building can be sold to institutional investors. Banimmo has regularly sold repositioned assets at the best possible conditions, realising capital gains reaching mostly IRRs of 20%.

The same reasoning applies to built to suit developments of highly energy savings buildings.

**A low duration
like a developer**

Banimmo focuses on B2B property assets, which are office buildings, shopping centres and shopping malls. In Belgium, Banimmo focuses on Brussels (Central District as well as the decentralised area), Antwerp and Gent. In France it is mostly active in retail in the Ile de France but also looking at other cities (like Bordeaux). In Luxemburg the approach is more opportunistic. It's noteworthy that Banimmo has also invested in two conference centres (Dolce), one in Belgium and one in France. Banimmo ambitions to increase the number of conference centers in its portfolio to four and is looking for France, Spain, Italy and Portugal.

**Investment
properties**

Property repositioning and built to suit developments is a highly profitable business with higher entry barriers for investors from abroad, without the risks involved by pure property development. Rotation is longer than for pure property developers, since the redevelopment many times occurs in steps in different parts of the building. Besides, redeveloped buildings are not in each case sold quickly after refurbishment, which enables to maximise the selling price. Diversification is ensured by a minimal number of properties in portfolio, currently 25, which also means that Banimmo has reached a sufficient critical mass in terms of diversification. The initial and still valid goal of the company is however to further continue to increase the size of its portfolio to EUR 500m, compared to EUR 414m at the end of June (however putting aside developments in course, conference centres, the stake in Montea and other equity consolidated companies).

**Higher
Environmental
standards**

Stricter environmental standards accelerate the obsolescence of buildings and as such enhances the potential of redevelopments and built to suit developments.

The transformation and repositioning of real estate assets occurs through:

- Technical upgrading
- Commercial repositioning and active follow-up
- Financial and/or fiscal repackaging

The value creation consists of 3 main phases:

1. The acquisition phase (6-12 months)

Banimmo aims first at **the acquisition** of a land or an obsolete or undervalued real estate asset, rather than finished and/or new products let at normal market conditions.

2. The transformation phase (2-4 years)

- As far as developments are concerned Banimmo undertakes the transformation of the asset, while keeping as much as possible its existing tenants, in order to maintain revenue during this phase. If the renewed/refurbished areas are let as targeted by Banimmo, the profit is made of an increase of the rental value in addition to a decline of the operating charges of the building.
- Besides, Banimmo decided already in 2008 to take into consideration the increasing stricter environmental standards by considering built to suit project as one of its two strategic pillars. Banimmo green building with standards in advance to current legal requirements. More precisely, it targets E60 standards compared to the E90 requirement in Belgium for new buildings.

3. The exit phase (from a few months to several years)

Finally, the building **is sold** to final investors.

Typically, the process takes between 4 and 7 years for redevelopments, which means that asset turnover may vary between 14% and 25% on a yearly basis for those assets, and some 3 to 4/5 years for built to suit buildings.

Its important stockholders' equity and the availability of external financing allows Banimmo in a normal financial environment to mobilise quickly substantial financial means and to make a commitment in a short notice. The operations are structured in such a way that the works of repositioning once ended allow to generate recurring incomes that amount between 8 % and 9 % of the related total invested capital.

Banimmo operates alone or in partnership via joint ventures with financial investors or other real estate companies. The type of structuring depends on the size and the risk of the transaction.

Financial targets

Financial targets to obtain added value through asset repositioning are clearly identified:

- average IRR (post tax – post leverage) on individual investments close to 15%
- ratio “recurring income” divided by “platform costs (SGA) + financial charges” > 1
- leverage ratio below 65%

In conclusion, Banimmo creates value by exploiting the lack of interest for, and therefore undervaluation of obsolete real estate premises or by targeting the delivery of high level sustainable assets

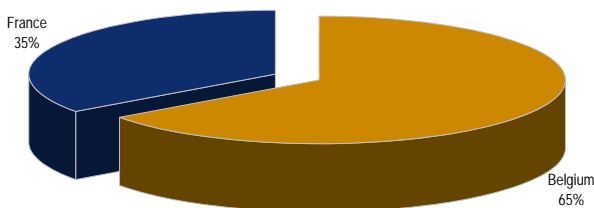
Portfolio

Banimmo is active in **three real estate sectors (offices, retail and conference centres) in three countries** (Belgium, France and Luxembourg where the last asset however was sold in 2007).

As of 30 June 2011, the Banimmo real estate portfolio consisted mainly of **25 sites** representing 163,000 sqm, a participation of **15%** in the Belgian REIT **Montea**, **38%** in **City Mall** (3 retail projects in Belgium for the time being) and a joint venture with Affine in Jardin des Quais (Bordeaux, mainly retail).

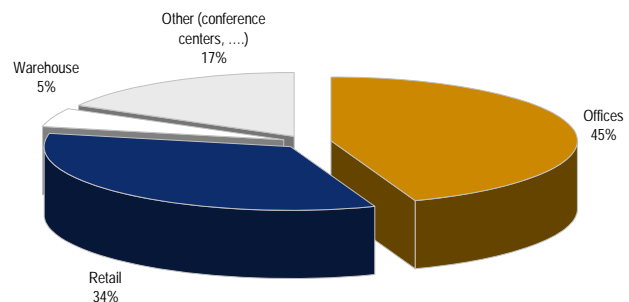
Belgium and offices represented the main parts of the portfolio with respectively 65% and 45% of the portfolio. It's noteworthy that the share of offices has been reduced over the last few years at profit of retail. We expect this trend to be pursued with an accent on France.

Portfolio breakdown by location



Source: Company data

Portfolio breakdown by asset class



Source: Company data

- Portfolio by asset class:

- Offices

- In **Belgium**, Banimmoo focuses on the **Brussels' Central Business District (CBD)**, but is also active in **decentralised areas close to top public transport network**.
 - Regarding the size of the **Luxembourg** and its historical and still current low vacancy rate Banimmoo has, like many players an **opportunistic** approach, with a preference for the decentralised areas. For the time being, there are no longer assets in Luxembourg since the remaining building was sold in 2007 at the peak of the market.
 - In **France**, Banimmoo is active more particularly in the "**Ile de France**" region.

- Retail

Banimmoo is active in this sector in **France** and thanks to the City Mall project, it will also be present in **Belgium**. The size of assets ranges from small to medium side units.

- Portfolio by accountancy class:

- Since FY 2010, Banimmoo has classified its assets in portfolio under either investments properties (IAS 40) either stocks (IAS 2).
 - Investments properties/IAS 40: those assets have no redevelopment in course or planned (and may already have been redeveloped) and are kept as medium term investments. The value in the books is a fair value fixed by an external expert.
 - Stocks/IAS 2: those assets are considered to have been acquired for disposal in a predictable future (5 to 7 years in practice), in particular for non speculative developments like built to suit. The value in books is at historical costs, meaning the acquisition costs and additional costs (renovation,...). As a result, the value in the accounts is limited. They cannot be revaluated but they are booked at the lowest of the historical cost or the realisable value.

Investment properties and stocks in portfolio

Belgium	Segment	Type	of Occupancy	Status	Localisation	GLA	(sqm) ERV	ERV	Yield	at Potential	Sale price	Capital
		asset	rate			ground excl	(000)	sqm	cost	exit yield	(k)	gain (k)
Alma Court	offices	Investment	96%	10 years	Brussels decentralised	16.042	2.100	131	10,00%	7,50%	28.000	2.333
Athena Business Center	offices/semi-industrial	Investment	88%	Old	Brussels periphery	18.180	1.258	69	9,50%	8,00%	18.229	1.347
Diamond	offices	Investment	66%	10/15 years	Brussels	13.670	1.800	132	7,00%	7,40%	24.324	1.824
Lozana	offices	Investment	100%	10 years	Brussels	6.976	987	141	9,50%	7,00%	14.100	2.100
Arts 27	offices	Stock	50%	Redeveloped 2009	Brussels CBD	3.734	784	210	8,00%	6,50%	12.064	2.064
Da Vinci H3	offices/semi-industrial	Stock	100%	Redeveloped 2005	Brussels	12.449	1.286	103	9,86%	8,50%	11.600	1.600
Da Vinci H5	offices	Stock	95%	Redeveloped 2010	Brussels	3.751	529	141	8,82%	7,25%	7.300	1.300
Evere (Fusée)	offices/semi-industrial	Stock	100%	Redeveloped 2011	Brussels	8.242	1.200	146	13,00%	7,00%	17.143	7.633
Prins Boudewijnlaan	offices/semi-industrial	Stock	40%	Redevelopment ongoing	Antwerp/Kontich	6.563	788	120	7,10%	7,75%	10.162	-11
North Plaza	offices	Stock	90%	Redevelopment ongoing	Brussels CBD	13.630	2.373	174	7,36%	6,75%	35.157	61
Subtotal Belgium											178.079	20.252
France												
Les Corvettes	offices	Investment	67%	Old/ no redevelopment	Paris periphery	14.215	2.132	150	8,50%	8,00%	26.653	1.343
Saran	retail	Investment	100%	Old/ no redevelopment	Orléans	2.355	196	83	7,70%	7,50%	3.285	85
Saran II	retail	Investment	100%	Old/ no redevelopment	Orléans	600	72	120	9,00%	7,50%	960	160
Fontenay	retail	Investment	100%	New	Paris periphery	1.970	493	250	6,70%	7,00%	7.000	300
Vaugirard	retail	Stock	100%	Redevelopment ongoing/ending 2012	Paris	2.083	823	395	7,80%	6,00%	13.713	3.913
Eragny	retail	Stock	100%	Redevelopment not started / ending 2014	Eragny	12.000	1.449	121	11,50%	7,50%	12.600	0
Marché Saint-Germain	retail	Stock	100%	Old / no redevelopment	Paris	3.179	3.100	750	8,16%	6,25%	49.600	13.642
Rouen	retail	Stock	100%	Old / no redevelopment	Rouen	2.848	847	297	7,06%	6,80%	12.456	456
Secrétan				preletting nearly achieved	Paris center	3.800						
Subtotal France											126.267	19.899
Total Belgium and France											304.346	40.151

Source: Company data, Banque Degroof estimates

▪ **Equity stakes**

○ **Conference centres and exhibition centres**

Banimmo does not manage Dolce but assumes its management risks

In 2007, Banimmo made its first investment in this sector via “sale-and-manage back” transactions with the American Group Dolce International. Dolce International manages about 30 conference centres across the world. Banimmo is currently invested **in two of Dolce’s conference centres**, one in Belgium and one in France, via Conferinvest, which owns the conference centre of Chantilly, near Paris and The Dolce of La Hulpe in the periphery of Brussels. Banimmo owns 49% of Conferinvest, the remaining 51% was sold to two private investors (Imocobel & RH Ventures) in 1Q07. Under the sale-and-managed agreement, which has been signed for a 15 year period (10 years to go), Dolce remains the exclusive manager responsible for all operational matters (marketing & sales, employment, operational reporting and maintenance) for which it receives fees based on performance (ROCE). This being said, Banimmo remains ultimately the owner and operator of both Dolce in Chantilly and in La Hulpe and as such assumes the full business risks and benefits. Therefore, it collects a management fee.

Banimmo’s initial intention was and still remains to acquire two additional conference centres, with an investment value between EUR 40 m and EUR 50 m.

○ **The Loop**

In 2007, Banimmo, in cooperation with the City of Ghent, has concretised a project named “The Loop”, which aims at revaluing the entire zone around the Flanders Expo buildings. Banimmo has a 25% interest in “Grondbank The Loop”, owner of the land.

Through a public-private partnership agreement with the City of Ghent, Banimmo is working on the development of a 376,500 sqm site where the area around the exhibition halls will be reserved for offices, residential, retail and leisure centres. It is located near the E40 motorway, between the Flanders Expo complex and the R4 ring road around Ghent in the De Grondbank.

Two transactions have already been concluded and a third one has already been studied deeply:

- A first sale has been concluded with Ikea for the development of a 30,500 m² store and 1,270 parking spaces. This sale will allow De Grondbank The Loop to finance the infrastructure works (piles, slab...).
- Banimmo acts as contracting party for the turnkey development of a 7,200 sqm building, which will be tailor-made for VMM. The investment amounts to nearly EUR22 m. The start of the construction is scheduled in December 2010, the occupation of the building in Q2 2012.
- Veld 12: a site between Flanders Expo and Ikea, is a constructible area of some 100,000sqm which could be made of retail (35,000sqm), offices (20,000sqm) and leisure (between 15 and 30,000sqm). Considering the size of the project, Banimmo will not take the risk alone and is looking for at least one partner.

○ **Les Jardins des Quais**

This 50/50 joint venture with Affine is located in Bordeaux and was acquired from the developer Eiffage in 2005 in order to redevelop 5 warehouses mainly in retail (15,643sqm) and offices (9,691sqm). After a very gradual start, the occupancy has

been steadily increasing so that the valuation by an independent expert has gained pace. Today the occupancy rate has reached 83% for retail and offices part is totally letand. It has been valued at EUR 48.3m (of which the halve for Banimmo share) by an external expert.

City Mall

In the middle of 2010, Banimmo has acquired a 38% economic interest in City Mall together with Patric Huon (partner of Foruminvest) and has such takes over the major part of the activities of Foruminvest. City Mall will develop shopping centres in Belgium and France. Already three projects in Belgium (Verviers, Namur, Charleroi) have been identified and are in different stages of developments. In addition, city Mall is studying two potential major developments in France (one in the periphery of Paris, the other in the North of France) while longer term developments concern medium sized towns in Flanders. The success of the Kortrijk shopping centre developed by Foruminvest should play in favour of City Mall.

The partnership in City Mall is a major and first step of Banimmo in the retail segment in Belgium (it is already active in this segment in France).

- Verviers (Au fil de l'Eau): 30,000sqm. This is the first project to be developed. A building permit had been obtained in November 2010 but a suspending appeal was introduced at the Council of State. An answer is expected during 1Q 2012 and is expected to be positive according to latest news in medias and considering that local authorities and retailers are in favour of the project. The project is well located in the heart of a pedestrian retail area and has a catchment area of 350,000 consumers according to Banimmo. At best the construction could start in the middle of 2012 and completed by the end of 2014.
 - Namur (Le Côté Verre): minimum 18,000sqm. It is located in the city center next to the central railway station. Catchment has been estimated at 350,000 consumers. Main brands are today absent in Namur which has the highest rents in Wallonia. The project is under study and we expect the building permit to be introduced in the coming months so that the construction could start in 2013 and be completed by 2015.
 - Charleroi where the scope of the project has still to be defined, considering that another shopping center project at the other side of the City has recently obtained a building permit. Today it is a land of nearly 7 hectares located on the "Charleroi Expo" site. Catchment area has been estimated at 650,000 consumers by Banimmo.
- **Developments in course or planned in the coming years**
- Developments in course today are rather limited. It's about
- North Plaza (13,630sqm), some 30% of occupancy rates; some remaining floors still to redevelop.
 - Vaugirard (2,083 sqm).
 - Eragny (12,000sqm) redevelopment planned in 2014
 - Rouen (2,848sqm) only commercial redevelopment and no major capex involved.
 - Secrétan (3,800sqm) redevelopment planned for 2013 for EUR12m through a promotion contract.
 - Marché Saint-Germain: (3,924sqm): commercial upgrade mainly for the time being.

Management committee, incentive

Most of the employees are working in Belgium with a smaller dedicated team in France. All management committee members got a large experience in the real estate sector.

The 4 executive directors hold A and B shares. A shares are ordinary ones while B shares are not listed and give a right to a preferred dividend until financial year 2016 (distribution 2017), whose amount is linked to the return on equity of the company.

More precisely, the minimum required return on equity hurdle giving right to the preferred dividend is 10% while it is capped at EUR 4m when the return on equity reaches 20%. This return on equity is calculated on a cash basis, which means that property revaluations and value of hedging is excluded. All in all, with these floor and cap remunerations coming on top of administrative costs of EUR 7m management has strong incentives to maximise shareholders remuneration. It's noteworthy that current administrative costs represent some 6% of current market capitalisation, while one may assume that higher preferred dividends linked to higher return on equities would also boost the market capitalisation.

Preferred dividends

Tranche	ROE	Preference dividend
Tranche 1	10% - 12%	25% of Tranche 1
Tranche 2	12% - 14%	30% of Tranche 2
Tranche 3	14% - 16%	35% of Tranche 3
Tranche 4	> 16%	40% of Tranche 4

Source: company data

Shareholders structure

Limited free float

49.9% is held by Affine and 27.2% by management which leaves a free float limited to 20.8%, however without taking into account that Ethias (insurance company) has a 4.62% stake (was recently 6.3%).

Affine management is acting in concert by virtue of a shareholder agreement ending in 2016.

Management has B shares that represent 9.1% of the equity of the company.

Independence

This being said, a defined list of matters is reserved to the board of Directors composed of 10 people (4 independents, 3 for Affine and 3 Banimmo managers).

Financials

Net financial expenses & equity accounted companies

The average cost of debt for 1H 2011 emerged at 4.7% on the back of some changes in the debt structure and taking into account the impact of hedging instruments.

As far as equity accounted companies are concerned, the contribution is expected to increase gradually.

- Montea still has room of manoeuvre to increase its operating margin (this happened already since the arrival of the new CEO last year)
- Jardin des Quais (Bordeaux). Occupancy rate is now 83% on the back of four (on the five) redeveloped warehouses so that additional increase in revenues is not expected to be dramatic, and could mean that it is a candidate for sale, especially considering the current attractiveness of this business segment.
- Conference centers: this business activity has shown a revival since the latest two years. However considering the deteriorating economic environment in addition to the charge of depreciations, we bank only on modest positive contribution from 2011 onwards.
- City Mall

Taxation

Banimmo has a low tax rate made possible thanks to the setting of SPVs and tax-free capital gains on shares in Belgium.

Cash flow analysis

Banimmo has historically invested annually nearly EUR 60m in new assets. Taking into consideration that one of the investment criteria consists in achieving an average IRR (post tax – post leverage) on individual investments of about 15%, we estimate that Banimmo aims at achieving capital gain margins approaching 20 to 25% on the back of leverage profiles ultimately up to 65%.

According to management guidance at the issue of 1H, some EUR 65m disposals could be achieved by the end of this year compared to EUR 37m at the end of 1H 2010 but it becomes difficult at this moment of the year and with current economic environment to assume that all of them will still be achieved in 2011.

Capital & credit analysis

After the recent renegotiation of its credit lines, Banimmo has no major refinancing need before 2015. In April of that year, the bond of EUR 75m will mature while a recently signed revolving credit of EUR 120m will mature in September 2016 .

As such at the start of 3Q, it has exited from a syndicated loan with four banks to go for a club deal with two Belgian banks. It is a revolving amount of EUR 120m until September 2016 with LTV ratio of maximum 65%.

The bond of EUR 75m had been launched in April 2010 for 5 years with an accrual yield of 4.78% and was accompanied by warrants giving the right to subscribe to a new Banimmo share of category A, with « vvpr-strip » coupons, in return of the payment of the exercise price of EUR19.45, exercisable as of the fourth year.

At the issue of 1H, net debt of EUR 216m led to a LTV of 56.7%, below the covenant of 65% and the debt facilities of EUR 270m.

With the exception of the bond of EUR 75m, Banimmo finances its debt at floating rates which is 70% hedged mainly from caps & floors in addition to IRS.

Valuation

Our valuation of Banimmo share is built on a Sum Of The Parts model backed by a DCF approach:

1. the SOTP is expected to give insight in the different components of Banimmo: investment properties, developments in course, stake in Montea, equity consolidated companies and joint ventures, conference centres.
2. We didn't took into account peer comparisons (table only for information) because of the rather unique business model of Banimmo nowadays. Barriers to entry are not that high, though.

All in all, we obtain a **fair value per share of EUR 15.7 on the basis of a sum of the parts valuation built around assumptions of an external expert of the building ins portfolio and without any goodwill for further projects**. This compares to a book value per share of EUR 12.2 at the issue of 1H, and **EUR 17.6 per share from our DCF calculation** (which captures this goodwill). We have also made our own estimates asset per asset and come at higher figures (EUR 304.3m for the investment properties and so-called stocks under IAS 2 which would bring the SOTP at EUR 20.5). These calculations are based on a normal going concern scenario and the available market parameters, which are considered by some investors to have lost some validity because of the poor liquidity of the market and the terrible economic and financial environment. With today a greater uncertainty about the rotation of the portfolio and the achievement of decent capital gains, we cannot avoid to follow a cautious way and put a discount to the fair value of EUR 15.7 per share. We retain a **target price of EUR 14 per share** at a time horizon of one year, which means a discount of 10% on the current sum of the parts (without goodwill), well below the DCF calculation. This implies that the value that exceeds the book value has only been taken into account for some 50%, with which we feel at ease.

This 10% discount towards our SOTP is smaller than the current median discount of Belgian investment companies (-32.8%) which is today higher than its 5 past years average (-27.8%). It's noteworthy that the discounts of Belgian investment companies are comparable, which tends to say that the discounts are rather independent from the diversification of the portfolio within several sectors. Obviously, Banimmo is not a so-called holding company, but its business is build on the management of investments in portfolio.

General assumptions are:

- Recurring rental revenue based on a yield estimate of 7.50% on the investment portfolio value with an average occupancy rate of above 90%
- Capital gains on asset sale of:
 - EUR 7.5m 2011, of which EUR 4m already has been achieved during the first nine months coming from two sales totalling EUR 37m taking into consideration that Banimmo latest targeted EUR 65m while three assets are under negotiations for sale.
 - EUR 11.9m in 2012 under our estimate of sales of EUR 70m.
 - EUR 13m from 2013 on the back of sales EUR 65m

Sum of the parts

NAV is a popular valuation approach among REITs. Banimmo however only partially has some REITs characteristics thanks to its portfolio of investment properties which comes only on top of the main activity of redeveloping made of asset rotations, the latter being booked at historical value. At the issue of 1H, the book value of Banimmo reached EUR 12.17 per share. The market value of the assets is expressed mainly by the capital gains achieved by disposals.

The asset rotations may vary in size and timing according to opportunities, to the momentum in the cycle and to the financing leeway as it is the case nowadays. While this future flow of capital gain is fluctuating in time and amount, it is not captured into a traditional NAV calculation.

Since FY 2010, Banimmo has classified its assets in portfolio under either investments properties (IAS 40) either stocks (IAS 2).

- Investments properties/IAS 40: those assets have no redevelopment in course or planned and are kept as medium term investments. The value in the books is fixed by an external expert.
- Stocks/IAS 2: those assets are considered to have been acquired for disposal in a predictable future (5 to 7 years in practice), in particular for non speculative developments like built to suit. The value in books is at the lowest of historical costs, meaning the acquisition costs and additional costs (renovation,...) and net realisable value. As a result, the value in the accounts is limited.

Portfolio: we have estimated each building separately. However, the portfolio of Banimmo contains some projects at preliminary stages and as such for which capital gains (or the bulk of it) will not be materialised at short term (cf City Mall, land reserves, The Loop).

Equity stakes: The share price of Montea (close to our TP of EUR 25) has been taken into account. Since the conference centres are depreciated, the value of the equity (equity consolidated) is gradually reducing. We have made a valuation on the basis of a DCF. The value of Jardin des Quais has been made by an independent expert. The value retained for City Malls is limited to the value of the equity participation and the mezzanine financing. The value of The Loop is limited to the value of the land.

Management fees: we took into account some recurrent fees received for site supervisions, fees received from conference centers.

SOTP	(EUR m)	% EV	
Balance sheet amounts			
Portfolio	249,2	63,6%	
<i>Investment properties / IAS 40</i>	<i>98,9</i>		Fair value, based on external appraisal by de Crombrughe 2 times a year
<i>Stocks / IAS 2</i>	<i>150,4</i>		Historical cost
Montea	19,8	5,1%	14,8% market cap
Jardins des Quais	17,7	4,5%	Fair values external appraisal, yield estimate 6,8%
The Loop	5	1,3%	equity accounted
value of conference centers	31,4	8,0%	EV/EBITDA2011E & DCF
Atlantic certificate	3,0	0,8%	15% of issue price
City Mall	55	14,0%	Value of stake
Equity	20		
Mezzanine	35		
Management fees	11,0		Multiple of 10
EV	392,1	100,0%	
Net debt	-214,0		
SOTP Equity	178,2		
per share (EUR)	15,7		

■ Valuation of conference centers

We made a DCF valuation based on the following estimates.

We obtain a value for Banimmo net interest of EUR 42.1m (EUR 3.71 per share) after deduction of a debt of EUR 46.6m.

Estimates

CONFERinvest		2008	2009	2010	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e
La Hulpe													
Sales	15810	20025	17929	21020	22531	22721	24053	25437	26875	27547	28098	28660	29233
EBITDA	3252	4500	3079	4430	4844	4885	5292	5851	6181	6336	6463	6592	6724
EBITDA margin	20,6%	22,5%	17,2%	21,1%	21,50%	21,50%	22,00%	23,00%	23,00%	23,00%	23,00%	23,00%	23,00%
Occupancy rooms	49,0%	62,0%	58%	59%	62%	61%	63%	65%	67%	67%	67%	67%	67%
Average daily rate (EUR)	140	150	127	128	131	134	138	141	145	148	151	154	157
RevPar (EUR)	68,6	92,9	73,6	75,8	81,2	81,9	86,7	91,7	96,9	99,3	101,3	103,4	105,4
Available rooms/year	96,360	96,360	96,360	96,360	96,360	96,360	96,360	96,360	96,360	96,360	96,360	96,360	96,360
RevPar available rooms (EUR)	6610,3	8951,8	7092,1	7304,1	7829,0	7895,3	8358,0	8838,9	9338,7	9572,1	9763,6	9958,8	10158,0
Depreciation				-2700	-2600	-2500	-2400	-2300	-2200	-2100	-2000	-1900	-1800
Financial charges				-1033	-1003	-973	-943	-913	-883	-853	-823	-793	-763
Net result	-2102	-1473	-944	697	1211	1252	1659	2218	2548	2703	2830	2959	3091
					1241	1412	1949	2638	3098	3383	3640	3899	4161
Chantilly													
Sales	16214	15689	13308	14776	15558	15448	16345	17539	17978	18427	18796	19172	19555
EBITDA	3808	3264	2037	2828	3267	3244	3596	4034	4135	4238	4323	4409	4498
EBITDA margin	23,5%	20,8%	15,3%	19,00%	21%	21,00%	22,00%	23,00%	23,00%	23,00%	23,00%	23,00%	23,00%
Occupancy rooms	69,5%	65,0%	62%	62%	64%	62%	64%	67%	67%	67%	67%	67%	67%
Average daily rate (EUR)	135	135	129	130	132	136	139	143	146	150	153	156	159
RevPar (EUR)	93,83	97,9	79,9	80,5	84,8	84,2	89,0	95,6	97,9	100,4	102,4	104,4	106,5
Available rooms/year	73,000	65,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
RevPar available rooms (EUR)	6849,2	5703,8	5832,7	5876,5	6187,4	6143,9	6500,6	6975,5	7149,9	7328,6	7475,2	7624,7	7777,2
Depreciations				-1800,0									
Financial charges													
Taxes	-643,0	-126,0	-305,6	-424,2	-490,1	-486,6	-539,4	-605,1	-620,2	-635,7	-648,5	-661,4	-674,7
Net result	1165	394	161	952	1491	1268	1620	2058	2159	2262	2347	2433	2522
Total													
Total Sales		35714	31237	35796	38088	38170	40398	42976	44853	45974	46894	47832	48788
Total EBITDA		7764	5116	7258	8111	8129	8888	9885	10316	10574	10786	11001	11221
Total EBITDA margin			16,4%	20,3%	21,3%	21,3%	22,0%	23,0%	23,0%	23,0%	23,0%	23,0%	23,0%
Total net result conference centers	-937	-1079	-783	1649	2702	2520	3279	4276	4707	4965	5177	5392	5612
Contribution to profit		-535	-391,5	824,5	1351,1	1260,1	1639,3	2137,8	2353,6	2482,5	2588,3	2696,1	2806,1
% change				-310,6%	63,9%	-6,7%	30,1%	30,4%	10,1%	5,5%	4,3%	4,2%	4,1%

Source: Bank Degroof estimates

DCF valuation

Our DCF valuation summarized in the table below points to a value of EUR XXX per Banimmo share, however without any correction for the value of the associates and financial assets considering that they participate to the cash flows of the firm.

CASH FLOW (EUR m)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Sales	14,3	16,4	13,9	12,5	11,6	11,5	11,9	12,4	13,1	13,8
% change		14,8%	-14,8%	-10,3%	-7,4%	-0,5%	3,1%	4,6%	5,2%	5,3%
EBITDA (including capital gain)	7,9	19,3	19,8	19,6	18,6	18,5	18,9	19,4	20,0	20,7
% margin	55,3%	117,7%	141,8%	156,7%	160,9%	160,6%	158,7%	156,0%	153,1%	150,2%
% change		144,3%	2,6%	-0,9%	-4,9%	-0,7%	1,9%	2,8%	3,2%	3,4%
Depreciation & other provisions	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
% sales	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
EBITA	7,9	19,3	19,8	19,6	18,6	18,5	18,9	19,4	20,0	20,7
% margin	55,3%	117,7%	141,8%	156,7%	160,9%	160,6%	158,7%	156,0%	153,1%	150,2%
% change		144,3%	2,6%	-0,9%	-4,9%	-0,7%	1,9%	2,8%	3,2%	3,4%
Taxes	-1,5	-2,4	-1,6	-1,3	-1,1	-1,1	-1,2	-1,3	-1,4	-1,5
Normative tax rate	20,0%	20,0%	20,0%	20,0%	20,0%	20,0%	20,0%	20,0%	20,0%	20,0%
NOPLAT	6,4	16,9	18,2	18,3	17,5	17,4	17,7	18,1	18,6	19,2
Depreciation & other provisions	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
% sales	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Gross Operating Cash Flow	6,4	16,9	18,2	18,3	17,5	17,4	17,7	18,1	18,6	19,2
Capex	55,5	30,0	0,0	0,0	5,0	5,0	5,0	5,0	5,0	5,0
% sales	-389,3%	-183,2%	0,0%	0,0%	-43,2%	-43,4%	-42,1%	-40,2%	-38,2%	-36,3%
Change in Net Working Capital	-173,4	9,1	24,5	14,5	9,3	0,6	-3,6	-5,6	-6,5	-7,0
Cash Flow to be discounted	-115,4	54,2	42,7	32,8	31,4	22,6	18,7	17,1	16,7	16,8
DCF EVALUATION (EUR m)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
WACC	7,36%	7,36%	7,36%	7,36%	7,36%	7,36%	7,36%	7,36%	7,36%	7,36%
Discount Rate factor	0,00	0,99	0,92	0,86	0,80	0,75	0,70	0,65	0,60	0,56
Discounted Cash Flow	0,0	53,8	39,5	28,3	25,2	16,9	13,0	11,1	10,1	9,5
Cumulated DCF	0,0	53,8	93,3	121,5	146,7	163,5	176,5	187,6	197,7	207,2
WACC & DCF ANALYSIS										
Cost of Equity (Ke or COE)	10,97%		Cumulated DCF		207,2		- Net Financial Debt		(242,5)	
							- Minorities (estimated value)		0,0	
Cost of Debt (gross)	4,7%		Perpetual Growth Rate (g)		1,0%		+ Associates		60,2	
Debt tax rate	20%		Normalised Annual CF		16,6		- Pension underfunding		0,0	
Cost of Debt net (Kd or COD)	3,76%		Terminal Value @ 12/yyyy		260,1					
			Disc. Rate of Terminal Value		0,56		Equity Market Value		212,1	
Target gearing (D/D+ E) or % Kd	50,0%		Discounted Terminal Value		146,2		Pref. Dividend		-12,7	
% Ke	50,0%									
Normative Tax Rate	20%		Financial assets		41,0		Clean Equity Mkt Value		199,4	
			Enterprise Value (EUR m)		394,4		Number of shares (m)		11,4	
WACC	7,36%						Fair Value per share (EUR)		17,6	

Source: Bank Degroof estimates

Multiple comparison

Peer Group Valuation

Company	Country	Rec.	Price	Target Price	Market cap EUR (m)	P/E(adj.)		Div. Yield %		EV/EBITDA		
			25-Nov-11	Fair value		2011	2012	2011	2012	2011	2012	
Aedifica	BE	Hold	EUR 044	43,00	314	22,2	22,0	4,1	4,3	27,8	30,6	
Ascencio	BE	Hold	EUR 047	50,00	195	15,4	13,3	5,8	7,2	20,0		
Atenor	BE	Accumulate	EUR 022	34,00	109	17,9	4,7	9,3	9,7	12,0	8,3	
Banimmo	BE	Accumulate	EUR 010	14,00	114	8,7	7,2	6,0	8,0	30,5	25,0	
Befimmo	BE	Hold	EUR 050	57,00	847	10,0	12,6	9,8	6,8	16,2	16,1	
Beni Stabili	IT	Accumulate	EUR 000	0,85	578	14,4	9,6	8,3	10,6	14,7		
Citycon	FI	Accumulate	EUR 002	3,50	580	10,2	11,5	6,7	6,7	21,1	19,6	
Cofinimmo	BE	Hold	EUR 082	99,00	1.255	10,9	10,6	7,9	7,9	16,5		
Deutsche EuroShop	DE	Accumulate	EUR 023	27,50	1.204	22,9	20,2	4,7	4,7	32,0	30,2	
IGD	IT	Accumulate	EUR 001	1,90	247	7,7	7,3	11,5	12,5	14,7	15,1	
Intervest Offices & Warehou	BE	Hold	EUR 018	22,00	250	11,3	9,8	8,8	10,2			
Intervest Retail	BE	Hold	EUR 045	46,00	229	17,7	17,5	5,5	5,6	19,4		
IVG Immobilien AG	DE	Buy	EUR 003	5,00	395	nm	nm	0,0	0,0	16,4	13,8	
Leasinvest Real Estate	BE	Hold	EUR 061	69,00	245	11,6	11,1	6,9	7,0	15,1	15,6	
Montea	BE	Hold	EUR 024	25,00	135	13,1	12,1	7,4	7,9	19,9		
Realia	ES	Buy	EUR 001	2,75	338	nm	48,4	0,0	0,0	18,6	17,2	
Retail Estates	BE	Hold	EUR 048	46,00	260	14,9	14,7	5,6	5,8			
Sponda	FI	Accumulate	EUR 003	3,60	756	9,3	9,2	6,0	6,0	16,0	14,1	
Technopolis	FI	Buy	EUR 003	4,00	197	8,4	8,2	5,5	5,5			
VastNed Retail	NL	Buy	EUR 029	44,50	536	7,9	7,9	12,5	12,5			
VIB Vermoegen	DE	Buy	EUR 007	11,00	141	7,8	8,5	4,5	4,5			
WDP	BE	Reduce	EUR 036	37,00	447	10,2	10,1	8,2	8,2	15,6		
Mkt cap total (EUR) & Weighted averages						9.370	14,4	11,9	6,7	6,8	17,8	nm
Arithmetical Average							12,7	13,1	6,6	6,9	19,1	18,7
Median							11,3	10,8	6,7	6,8	17,1	16,1

Source: ESN estimates



Upcoming Corporate Events Calendar

Date	Event Type	Description	Period
23 February	Annual results		

Source: Precise

Banimmo : Summary tables

PROFIT & LOSS (EURm)	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Gross Rental Income	17,9	19,2	17,5	19,7	16,4	14,7
Other Operating Income	0,0	0,0	0,0	0,0	0,0	0,0
Operating Costs	-2,7	-3,1	-3,2	-3,4	-2,5	-2,2
Net Rental Income	15,2	16,2	14,3	16,4	13,9	12,5
General Expenses	-7,9	-8,0	-7,1	-6,7	-6,8	-6,9
Net Other Income/(Costs)	1,4	0,8	0,4	2,1	0,7	0,9
EBITDA	8,7	9,0	7,6	11,8	7,9	6,6
Portfolio Result	3,6	6,4	-2,3	7,5	11,9	13,0
<i>o/w Revaluation of Fair Value of Investment Properties</i>	<i>-3,5</i>	<i>-11,6</i>	<i>-2,6</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>
<i>o/w Gain/Losses on Disposal of Investment Properties</i>	<i>7,1</i>	<i>18,0</i>	<i>0,3</i>	<i>7,5</i>	<i>11,9</i>	<i>13,0</i>
Net Operating Profit before Finance Cost	12,3	15,4	5,3	19,3	19,8	19,6
Net Financial Result	-8,5	-11,6	-5,2	-6,2	-4,6	-4,1
<i>o/w Share of the profit of associates & dividend income</i>	<i>-0,4</i>	<i>-2,4</i>	<i>4,8</i>	<i>5,3</i>	<i>5,6</i>	<i>5,1</i>
<i>o/w Revaluation of Financial Instruments</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>
<i>o/w Net Financial Costs</i>	<i>-8,0</i>	<i>-9,2</i>	<i>-9,9</i>	<i>-11,5</i>	<i>-10,1</i>	<i>-9,2</i>
EBT	3,8	3,8	0,1	13,1	15,2	15,5
Tax	0,4	7,2	0,3	-0,1	0,6	0,6
<i>o/w Deferred Taxes</i>	<i>0,0</i>	<i>6,7</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>
<i>o/w Real Taxes</i>	<i>0,4</i>	<i>0,6</i>	<i>0,3</i>	<i>-0,1</i>	<i>0,6</i>	<i>0,6</i>
<i>Tax rate</i>	<i>-10,5%</i>	<i>-193%</i>	<i>-208%</i>	<i>0,5%</i>	<i>-3,7%</i>	<i>-4,1%</i>
Net Result (reported)	4,2	11,0	0,5	13,0	15,8	16,2
<i>o/w Minorities</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>
<i>o/w Group Share</i>	<i>4,2</i>	<i>11,0</i>	<i>0,5</i>	<i>13,0</i>	<i>15,8</i>	<i>16,2</i>
Earnings adj.	8,7	18,1	3,0	13,0	15,8	16,2
Funds From Operations	8,7	18,1	3,0	13,0	15,8	16,2
CASH FLOW (EURm)	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Cash Flow from Operations after change in NWC	40,8	28,3	-117	30,0	45,2	36,5
Interest Costs	-8,0	-9,2	-9,9	-11,5	-10,1	-9,2
Capex	-130	21,8	41,8	26,0	-6,8	-9,6
Free Cash Flow	-97,1	40,9	-84,9	44,6	28,3	17,7
Dividends	-16,8	-12,2	-13,7	-4,0	-6,8	-9,6
Other (incl. Capital Increase + change in cons. & share buy ba)	-12,8	0,0	0,0	0,0	0,0	0,0
Change in Net Debt	-126,7	28,8	-98,6	40,6	21,5	8,2
NOPLAT	9,6	26,4	23,5	11,7	8,2	6,9
BALANCE SHEET & OTHER ITEMS (EURm)	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Investment Properties	282	235	115	92,4	104	117
Development Properties	0,0	0,0	0,0	0,0	0,0	0,0
Deferred Tax Assets	0,0	0,0	0,0	0,0	0,0	0,0
Other Non Current Assets	56,7	61,8	101	101	101	101
Cash & Cash equivalents	14,4	2,7	3,5	4,1	4,5	4,7
Other current assets	11,7	17,4	191	196	167	150
Total Assets	365	317	410	394	377	373
Shareholders Equity	144	143	138	147	156	163
Minorities Equity	0,0	0,0	0,0	0,0	0,0	0,0
Non Current Financial Debt	155,9	129,8	223,6	187,2	168,0	160,7
Deferred Tax Liabilities	2,3	2,8	0,0	0,0	0,0	0,0
Other Non Current Liabilities	2,8	6,3	9,2	9,2	9,2	9,2
Current Financial Debt	31,2	16,9	22,4	18,7	16,8	16,1
Other Current Liabilities	28,6	18,0	16,8	30,9	26,3	23,6
Total Equity & Liabilities	364,6	316,7	410,3	393,4	376,7	372,6
GROWTH & MARGINS	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
<i>Rental Income Growth</i>	<i>25,8%</i>	<i>7,6%</i>	<i>-9,2%</i>	<i>12,9%</i>	<i>-16,8%</i>	<i>-10,3%</i>
<i>EBITDA growth</i>	<i>58,6%</i>	<i>3,8%</i>	<i>-15,5%</i>	<i>54,2%</i>	<i>-33,1%</i>	<i>-16,2%</i>
<i>Net Result Group Share Growth</i>	<i>-81,3%</i>	<i>159,1%</i>	<i>-95,9%</i>	<i>2759,0%</i>	<i>20,9%</i>	<i>2,7%</i>
<i>Earnings adj. growth</i>	<i>-62,0%</i>	<i>108,0%</i>	<i>-83,3%</i>	<i>329,7%</i>	<i>20,9%</i>	<i>2,7%</i>
<i>EPS growth</i>	<i>-81,3%</i>	<i>158,4%</i>	<i>-95,9%</i>	<i>2759,0%</i>	<i>20,9%</i>	<i>2,7%</i>
<i>EPS adj. growth</i>	<i>-61,9%</i>	<i>107,5%</i>	<i>-83,3%</i>	<i>329,7%</i>	<i>20,9%</i>	<i>2,7%</i>
<i>DPS adj. growth</i>	<i>-20,6%</i>	<i>0,0%</i>	<i>-65,0%</i>	<i>71,4%</i>	<i>33,3%</i>	<i>25,0%</i>
<i>Operating Margin</i>	<i>48,7%</i>	<i>47,0%</i>	<i>43,7%</i>	<i>59,7%</i>	<i>48,0%</i>	<i>44,9%</i>

Banimmo : Summary tables

RATIOS	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Net Debt/Equity	1,2	1,0	1,8	1,4	1,2	1,1
Net Debt/EBITDA	19,8	15,9	31,8	17,1	22,9	26,1
Interest cover (EBITDA/Fin.interest)	1,1	1,0	0,8	1,0	0,8	0,7
Total Debt/Total Assets	60,5%	54,9%	66,3%	62,5%	58,5%	56,2%
LTV	57,6%	56,0%	76,1%	67,9%	63,3%	60,7%
Cash Flow from Operations/Capex	0,3	-1,3	2,8	-1,2	6,6	3,8
ROE	6,1%	12,7%	2,2%	8,8%	10,1%	9,9%
ROCE	8,2%	9,5%	2,7%	5,9%	7,1%	7,5%
WACC	7,4%	7,4%	7,4%	7,4%	7,4%	7,4%
ROCE/WACC	1,1	1,3	0,4	0,8	1,0	1,0
Payout ratio	nm	103,2%	nm	52,3%	57,6%	70,2%
PER SHARE DATA (EUR)**	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Average diluted number of shares	11,3	11,4	11,4	11,4	11,4	11,4
Diluted Number of shares end of period	11,3	11,4	11,4	11,4	11,4	11,4
EPS (reported)	0,4	1,0	0,0	1,1	1,4	1,4
EPS (adj.)	0,8	1,6	0,3	1,1	1,4	1,4
DPS	1,0	1,0	0,4	0,6	0,8	1,0
IFRS NAV	12,7	12,6	12,2	13,0	13,8	14,4
EPRA NAV	12,8	12,5	12,1	13,0	13,8	14,4
EPRA NNNNAV	12,8	12,6	12,2	13,1	13,8	14,4
PORTFOLIO KEY FIGURES	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Occupancy Rate	89,0%	82,0%	84,0%	76,0%	76,0%	76,0%
Portfolio Yield	7,8%	7,3%	7,8%	6,8%	7,0%	7,0%
Portfolio Yield on Full Occupancy	0,0%	9,5%	9,7%	9,0%	9,0%	9,0%
Average length of leases (end of contract)	4,4	7,1	7,1	6,3	6,5	6,5
Average length of leases (first break)	2,5	4,8	4,8	4,3	4,5	4,5
VALUATION	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Premium/(discount) to NAV	18,0%	20,1%	16,9%	(23,0%)	(27,4%)	(30,3%)
Premium/(discount) to EPRA NAV	16,8%	20,8%	17,7%	(23,3%)	(27,6%)	(30,4%)
P/E (adj.)	19,5	9,5	nm	8,7	7,2	7,0
EV/Earnings adj.	39,3	17,4	133	24,2	18,6	17,7
EV/EBITDA	39,3	34,9	53,0	26,8	37,3	43,3
EV AND MKT CAP (EURm)	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Price* (EUR)	15,0	15,1	14,3	10,0	10,0	10,0
Outstanding number of shares for main stock	11,3	11,4	11,4	11,4	11,4	11,4
Total Market Cap	170	172	162	114	114	114
Net Debt	173	144	242	202	180	172
<i>o/w Cash & Marketable Securities</i>	<i>14,4</i>	<i>2,7</i>	<i>3,5</i>	<i>4,1</i>	<i>4,5</i>	<i>4,7</i>
<i>o/w Gross Debt (+)</i>	<i>187,1</i>	<i>146,7</i>	<i>246,0</i>	<i>205,9</i>	<i>184,8</i>	<i>176,8</i>
Other EV components	0,0	0,0	0,0	0,0	0,0	0,0
Enterprise Value (EV adj.)	342,5	315,5	404,3	315,4	293,9	285,7

Source: Company, Bank Degroof estimates.

Notes

*Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

**EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.

Sector: Real Estate/Real estate

Company Description: Banimmo is a Belgian real estate company active in the redevelopment of obsolete or undervalued real estate assets mainly in Belgium but also in France and Luxemburg

ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.

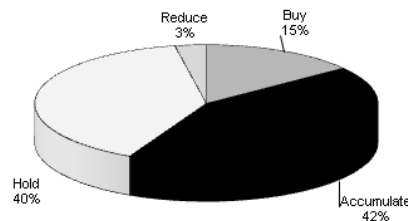
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Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 20%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **10% to 20%** during the next 12 months time horizon
- **Hold:** the stock is expected to generate total return of **0% to 10%** during the next 12 months time horizon.
- **Reduce:** the stock is expected to generate total return of **0% to -10%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -10%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved or to a change of analyst covering the stock
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Bank Degroef Ratings Breakdown

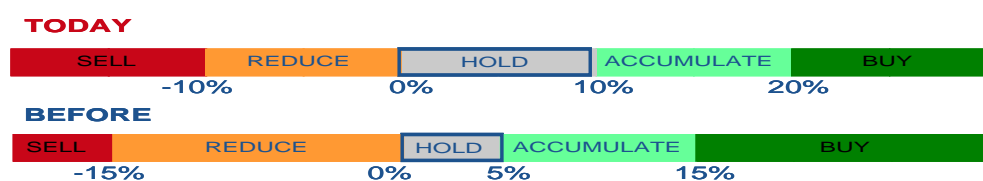


History of ESN Recommendation System

Since 18 October 2004, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.

Since 4 August 2008, the ESN Rec. System has been amended as follow.

- Time horizon changed to 12 months (it was 6 months)
- Recommendations Total Return Range changed as below:




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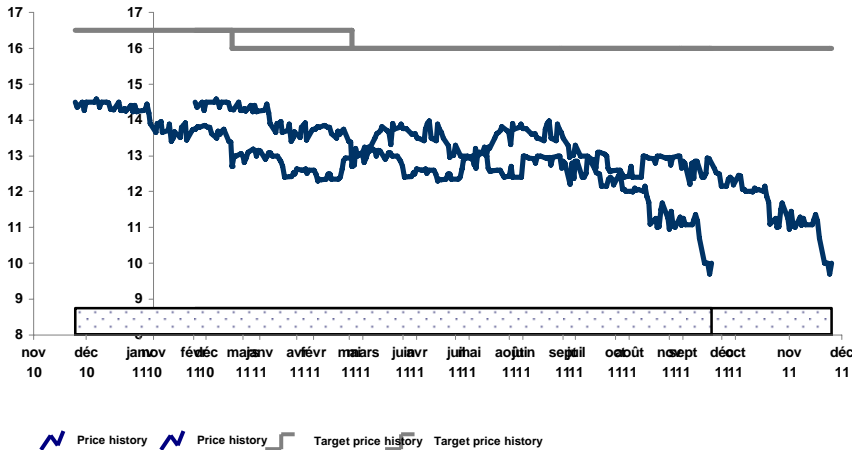
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Recommendation history for BANIMMO

Date	Recommendation	Target price	Price at change date
28-nov-11	Accumulate	14,00	10,00
23-févr-11	Hold	16,00	12,70
5-nov-10	Hold	16,50	14,74
27-avr-10	Hold	17,00	16,62
10-sept-09	Accumulate	16,00	14,32
29-juin-09	Buy	16,00	12,13

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Bank Degroof continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Jean-Marie Caucheteux (since 31/07/2008)



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Aedifica, Atenor, Banimmo, Bois Sauvage, BSB International, D'leteren, Duvel, Elia, Fiducial, Floridienne, GIMV, IBT, Intervest Retail, IPTE, I.R.I.S., Kinapolis, Leasinvest, Luxempart, Montea, PinguinLutosa, Realco, Resilux, Roularta, Sapec, Ter Beke, Transics and Van de Velde.

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