

PRESS RELEASE

Regulated information

Synthesis

Strong improvement of the net rental income; the increase of 38.8% results both from a good rental take-up of the existing assets and from the acquisition of new assets. This progression generates an improvement of the coverage ratio of the recurrent costs.

Good operating results for the Conference Centres, in particular Dolce La Hulpe, which exceeded expectations.

Decrease of the number of disposals as a result of an illiquid market but finalisation of a number of acquisitions.

Net current result ⁽¹⁾ of €8.71 million compared with €22.94 million.

Proposal of a gross ordinary dividend per share of €1.00 instead of €1.26, which represents a return of 6,7% compared to the average stock price of the last 30 trading days.

In the course of February 2009, the company has consolidated the two tranches of its syndicated credit totalising €210 million and this at good conditions. This will ensure the duration of the company's financing totally till September 2011 and partially till September 2012. Additionally, two complementary financings are being put in place.

1. ACTIVITIES ON THE PORTFOLIO**A. Rentals**

Concerning rentals, Banimmo experienced a good year both in Belgium and in France. In Belgium, Banimmo practically completed renting the spaces still available in Atlantic House in Antwerp, while in France numerous take-ups materialised for the commercial spaces of Clamart (Paris) and Jardins des Quais (Bordeaux). The rental situation of these two assets has therefore progressed well, Clamart having reached an occupancy rate of 78% and Jardins des Quais of 79%.

The rental income increased by 38.8% to reach €15.18 million.

The occupancy rate of the portfolio reached 89% as at 31 December 2008.

Concerning the operations affecting the perimeter of activities, in the course of the financial year Banimmo concluded a large number of acquisitions and some disposals.

(1) Net result excepted variation of fair value on investment buildings, hedging instruments and deferred taxes.

B. Acquisitions

The acquisitions of the financial year, mainly realised before the summer, concerned:

- Purchase, within the framework of a joint bid with the sicafi Montea, of the building occupied by Unilever in Forest (Brussels) for the sum of €25.5 million (excluding costs) as part of a “sale and rent back” operation. Within the scope of this transaction, Banimmo increased its investment in the capital of Montea to 23.26%.
- Acquisition further to a take-over bid on real estate certificates of the North Plaza building in the Nord district of Brussels for €32 million (excluding costs). The partially rented building will gradually be renovated.
- Increase of the participation in the company Grondbank The Loop NV, project with its partner the city of Ghent, the participation going from 17% to 25%.
- Acceptance of delivery of the new commercial complex of Clamart (Paris) which Banimmo France has gradually marketed.
- Acquisition of a rented commercial asset in Orléans with a view of consolidation.
- Acquisition of a commercial asset in Fontenay-sous-Bois (Paris) rented to a food chain.
- Acquisition of a commercial gallery to be restructured near the Montparnasse railway station (Paris).

C. Sales of assets

It was not possible to achieve the objectives for the disposals as a consequence of a property market that has gradually come to a halt since September with the development of the worldwide banking crisis and the freezing of financing. This has had the effect of slowing down the finalisation of certain transactions which have therefore been delayed to 2009.

The completed disposals concerned:

- The sale of 33% of the capital of the services company Devimo (accounted by the equity method), generating a net capital gain of €3.45 million.
- The sale of a commercial building in Verviers generating a capital gain of €2,6 million compared to its cost price.
- The sale of a 39,739 m² plot of land to IKEA by Grondbank The Loop (accounted by the equity method), generating a net contribution of €1.33 million

In total, Banimmo carried out total investments of €81.79 million and completed disposals for a total of €17.04 million excluding Grondbank The Loop.

D. Developments

Moreover, Banimmo is continuing the development of the 29,500 m² building intended to become the headquarters of the telecommunications company Mobistar. It will be delivered at the beginning of the second half of 2009. Mobistar will take occupation of this building before year-end based on a leasing contract of 15 year (fixed). At the end of this period, Mobistar has a purchase option or an option to extend the rental period with an additional 9 years (fixed). This building will become a reference in the office segment as it will achieve the highest performances with regard to energy-efficiency, occupation rationality and modularity.

Banimmo has also completed a large-scale renovation of the Conference Centre of Dolce Chantilly as well as the construction of new meeting rooms and an up-market SPA centre at Dolce La Hulpe.

The heavy renovation of the Arts 27 building in the European CBD (Central Business District) was launched, and should be completed in September 2009.

2. COMMENTS ON THE PROFITS AND LOSSES

A summary of the annual accounts is incorporated into the present release.

In these accounts, the treatment of the result of the Conference Centres is maintained according to the IAS 16 norm (operating buildings valued at their historic cost with the depreciation deducted).

In order to reflect more accurately the economic reality of the group, the Board of Directors has however decided that a homogenous treatment of the portfolio should be ensured. Therefore, pro-forma accounts in which the results of the Conference Centres are handled following the IAS 40 norm (investment buildings at fair market value) are commented in the present release.

Key figures

Consolidated Income Statement

(in thousands of euros)

	31-dec-07	31-dec-08	Conference in IAS 40 Year 2008 (non audited)
Recurrent income	13,835	15,582	19,495
of which net rental income from investment buildings	10,937	15,178	idem
gross rental income	14,211	17,877	idem
rental costs	-3,274	-2,699	idem
of which management fees and commissions	2,729	831	idem
of which share in the result of companies by the equity method	169	-427	3,486
Other operational costs on building	-513	610	idem
Operational and administrative costs	-7,663	-7,911	idem
Other income	0	0	
Recurrent operational result (REBIT)	5,660	8,281	12,195
Net result of transfers on the real estate operations	23,117	3,651	idem
Net result of transfers on participations of companies by the equity method	0	3,424	idem
Economical operational result (EBIT)	28,777	15,357	19,270
Net financial costs	-5,797	-6,309	idem
Dividends	366	191	idem
Result before taxes	23,346	9,238	13,151
Taxes	-404	-526	idem
Net current result	22,943	8,712	12,626
Variations of fair value on investment buildings	-1,544	-3,477	idem
Variations of fair value on hedging instruments	474	-1,917	idem
Deferred taxes	862	930	idem
Result of the financial year - continued activities	22,734	4,248	8,162
result of the financial year - activities abandoned	0	0	0
Result of the financial year	22,734	4,248	8,162

Key figures

Coverage ratio of recurring revenue to operational and financial costs	1,02	1,16
<u>Figures per share</u>		
Average number of shares A	8.987.055	10.285.976
Average number of shares B	1.038.372	1.038.372
<u>Basis result diluted per share (in €)</u>		
Shares A	1,98	0,30
Shares B	4,77	1,11

Balance sheet

	31-dec-07	31-dec-08
<u>Total Balance Sheet</u>	233.289	364.649
of which investment buildings	167.933	251.881
of which fixed assets	14.505	29.491
of which investments in companies by equity method	11.052	36.812
of which long-term financial assets	29.793	18.084
of which inventory	894	894
of which cash	1.524	14.279
<u>Equity Capital (before allocation)</u>	157.452	143.896
Long-term Financial Debts	21.931	155.866
Short-term Financial Debts	27.029	31.216

The recurrent income of Banimmo consists of three components:

- The net rental income
- The management fees and commissions arising from partnerships
- Our shares in the profits and losses of the companies accounted by the equity method.

The **net rental income** amounts to €15.18 million compared with €10.94. Banimmo exceeded the announced objective of €14 million. This increase results partially from the rental take-up of new areas in the existing portfolio (whose impact was diluted in 2008, however, due to the incentives granted) and mainly from the contribution of the new acquisitions of the financial year, which amount to €3.02 million.

The **fees and commissions** amount to €831 K compared with €2.73 million. In 2007, the amount was especially high in connection with a performance obligation related to the delivery of the Dolce La Hulpe Conference Centre. This commission represented €2 million. The partnership in France with the Pramerica group did not generate any commission, since no investment has yet been made.

The **share in the profits and losses of the companies accounted by the equity method** amounts to - €427 K in comparison with €169 K and once again presents very diverse situations often affected by the restatements of non-cash elements in IFRS. This requires following comments:

- i. SNC Jardins des Quais
This investment follows a positive evolution with major rental take-ups after works carried out in 2008.
This leads to a positive contribution of €513 K compared with a loss of €319 K in 2007.
- ii. Montea
Montea has been included for the first time by the equity method further to the increase of our participating interest to 23.26%. Its contribution amounts to a loss of €2.09 million, even though in 2007 Banimmo registered the dividend of €366 K coming from Montea.

However, the result for Montea excluding impact of the fair market values, increased by 6.6% to €8.45 million. The impact of the fair values reached €16.86 million, one third of which is attributable to the variation of value of the hedging interest rate instruments. The Montea dividend will improve.

iii. Grondbank The Loop

The contribution of the company further to a disposal of a plot of land to the IKEA group amounts to €1.33 million.

iv. La Hulpe/Chantilly Conference Centres

Their contribution went from a loss of €197 K to a loss of €535 K in spite of a net rise in the net operating result.

Dolce La Hulpe confirmed its commercial success by exceeding the objectives of the year.

The management is counting on a consolidation of these results in 2009, while Dolce Chantilly is experiencing a result that is a slightly lower. But this slight lowering is due to the reduction of the available capacity due to the major renovation of the rooms and the meeting rooms. This programme, concerning €7.5 million, has been financed with own funds.

Key figures over 12 months – Dolce La Hulpe/Chantilly – Conference Centers

(in thousand of euro)	Dolce La Hulpe		Dolce Chantilly		Consolidated
	2007		2007	2008	2008
	(10 months)	2008			
Turnover	15.810	20.025	16.214	15.689	35.714
Earnings before interest, taxes, depreciation and amortisation (EBITDA)(1)	3.252	4.455	3.808	3.264	7.719
EBITDA (rental income included)(2)		5.198		3.264	8.462
Evolution Turnover		26,70%		-3,20%	
Evolution EBITDA		37%		-14,30%	

(1) Profits/losses after deduction of the provisions for the renewal of the equipment and hotel fittings.

(2) The income from Dolce La Hulpe must be increased by the rental income from the additional office areas, fully rented at this time, which represent €743 K and € 878 K over a full year.

In accordance with IAS 40, Banimmo books, as the result of companies accounted by the equity method, a profit of €3.32 million instead of a loss of €535 K, or a difference of €3.85 million. Considering the relevance of this result, the company decided to communicate and comment on a second pro-forma version of the accounts on this basis.

The **net result for disposals** breaks down into disposals of property assets and disposals of participation, basically the 33% held in Devimo.

The result of the property disposals amounts to €3.65 million and results from the disposal of the retail centre in Verviers and the price supplements due on transfers from previous financial years.

The result from disposals of participation amounts to €3.42 million bringing the total to €7.07 million compared with €23.12 million.

The **administrative and operational costs** amount to €7.91 million compared with €7.66 million. The increase results from the strengthening of the Banimmo management team in France. This team is currently stabilised. In Belgium, the operating costs decreased.

The operating costs remained lower overall than the established budgets.

The **net financial costs and dividends** reached €6.12 million. The net financial costs amount to €6.39 million. The company books a profit of €270 K on derivatives coming from the exercise of CAP options in favour of Banimmo and from the management of the portfolio of derivatives.

Net result

The **net current result**, after restatement of the fair market values to IFRS standards, is established at €8.72 million compared with €22.94 million in 2007. The principal differences arise basically from a postponement of certain sales of buildings to 2009; the recurring performance improved.

The ratio between the sum of the operational and financial charges on one hand and the recurring revenues on the other hand remains higher than 1 (1.16).

The net result, group share, amounts to €4.25 million.

Net asset value

The **net asset value per share** based on IFRS standards amounts to €12.67. As mentioned each financial year, our strategy consists in acquiring buildings or sites in order to reposition or redevelop them at market conditions, i.e. renovate them technically and rent them at market conditions. An important portion of the assets (>30%) is therefore not re-evaluated at the fair market value and the calculation of this net asset value per share is not relevant.

3. FORECASTS AND POST CLOSING ELEMENTS

At the beginning of 2009 Banimmo has completed the rental of 4,652 m² in the Alma Court building. This building is nearly fully occupied now and ready for sale.

Banimmo has strengthened its financial resources by the confirmation of a tranche of €140 million till September 2011 of its credit line and by the extension of a complementary tranche of €70 million till September 2012. Banimmo is in compliance with all the financial ratios stipulated in its syndicated credit and has a reasonable margin in relation to them.

On a consolidated level, the LTV (Loan To Value) was 52% at year-end.

Moreover, the group is finalising refinancing outside the framework of the syndicated credit in order to diversify its sources of financing and to raised additional resources.

The current economic conditions should prompt us to be cautious. The current uncertainties regarding the property market, the availability of financing and the solidity of the banking institutions constitute a very unstable environment. Banimmo has concentrated its efforts on the stabilisation and the sustainability of its financing, which will allow it to take advantage of likely acquisition opportunities. Banimmo intends moreover finalising certain sales that are in process since the second half-year of 2008 at conditions that preserve the value of the shareholder.

4. DIVIDEND

The Board of Directors will propose to the Shareholders Meeting the payment of an ordinary gross dividend of €1.00 per share representing a gross yield of 6.7% based on the average of the stock market values of the last 30 sessions.

5. ATTESTATION OF THE AUDITORS

The statutory auditors jointly confirmed that their audit of the draft consolidated balance sheet and income statement (profit of EUR'000' 4.248) is substantially completed and has not to date revealed any significant misstatements. The statutory auditors also jointly confirmed that the financial accounting information included in the enclosed press release is in all material aspects in accordance with the draft financial statements from which the information is derived. They draw attention to the fact that the non-audited data that are presented in the third column of the consolidated income statement ("conference centers based on IAS 40 - year 2008") are not derived from the consolidated financial statements that are the subject of their audit.

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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 29 real estate properties representing a total value of more than € 390 million. Belgium constitutes the predominant market, with nearly 70% of the portfolio in terms of market value. France represents a little more than 25% 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 (28.4%); the remainder, that is 21.6%, is in the hands of the public.