

PRESS RELEASE

Regulated information
31 August 2009

INCREASE OF RENTAL INCOME AND STRENGTHENING OF FINANCIAL STRUCTURE

Synthesis

Positive development of net rental income, reflecting an increase of 31% in comparison with 30 June 2008.

Rental takeup of 10,976 m² in the portfolio and historically high occupancy rate of the portfolio as at 30 June 2009.

Strengthening of the financial structure.

No sale on the portfolio as at 30 June which has an impact on the negative net current result of 1,019 K€ compared with a profit of 3,711 K€ as at 30 June 2008.

Several sales and acquisitions in negotiation for the second half of the year.

1. ACTIVITIES ON THE PORTFOLIO

A. Rentals

Despite a context that is very unfavourable in general, expressed by a historical low rental take-up both in Belgium and in France (that is, 76% below the level of the last five years in Belgium, and 30% in France), Banimmco managed to conclude the rental of 8,581 m² in Belgium and 2,395 m² in France. In Belgium, the most important rental concerns 4,652 m² in the Alma Court building (decentralised), consequently 95% of this building is occupied. In France, the most important rentals concerned the retail centres of Clamart and Bordeaux, having reached a respective occupancy rate of 87% and 82%.

On the contrary, the rental situation of the North Plaza building will gradually worsen during the second half of the year, in line with the expectations existing at the moment of its acquisition. The gradual renovation of this building will be started.

The net rental income reached 8,343 K€, a 31% increase in comparison with 30 June 2008. The occupancy rate of the portfolio reached 90% as at 30 June 2009.

B. Acquisitions

As at 30 June 2009, no transaction was completed. In general, investment transactions on the Belgian and French markets were practically non-existent; the real estate markets were paralysed, either because of a lack of available bank financing, or due to a severe drop in values on certain markets, which is inhibiting sellers, or finally due to generalised apathy on the part of the market players.

A slight recovery seems to be emerging in the major property markets.

In accordance with its business model, Banimmo is working on several sales and acquisitions (see below "Post-closure elements").

C. Developments

In the course of the first half of the year, Banimmo concentrated on the delivery of the Sirius (29,500 m²) and Arts 27 (3,734 m²) buildings scheduled for September/October. The Sirius building was pre-leased to Mobistar by the terms of an operational leasing contract for a fixed 15 years at an annual gross rent of 4,654 K€ payable as of April 2010.

The commercialisation of the renovated areas of Arts 27 has begun.

Currently, certain smaller-scale works are carried out on the Atlantic House building, on the building located at Prins Boudewijnlaan in Kontich leased to Agfa Gevaert and the Antwerp Expo building.

In France, the most important renovation under way is the restructuring of the Vaugirard Gallery, at the ground floor of a building located in the city centre (Paris). An important number of tenants have been evicted and the works will start.

The financial commitments arising from these different programmes amount to 15,987 K€.

Regardless any transaction to come, Banimmo has adequate financial resources to complete these programmes successfully.

2. COMMENTS ON THE RESULTS

The table of key figures covers the presentation adopted since the publication of the annual accounts for 2008.

| CONSOLIDATED INCOME STATEMENT | | | |
|---|--------------------------|----------------------|---|
| | K € | K € | K € |
| | 1st semester 2008 | 1st semester 2009 | Conference in IAS 40 1st semester 2009 (non audited) |
| Recurrent income | 7,175 | 5,956 | 12,604 |
| of which net rental income from investment buildings | 6,376 | 8,343 | idem |
| Gross rental income | 7,775 | 10,243 | idem |
| Rental costs | -1,399 | -1,900 | idem |
| of which management fees and commissions | 347 | 743 | idem |
| of which share in the result of companies accounted by the equity method | 452 | -3,130 | 3,518 |
| Other operational costs on buildings | -70 | -242 | idem |
| Operational and administrative costs | -3,843 | -4,095 | idem |
| Other income | 0 | 0 | idem |
| Recurring operating result (REBIT) | 3,262 | 1,619 | 8,267 |
| Net result of transfers on real estate operations | 0 | 254 | idem |
| Net result of transfers on participations of companies accounted by the equity method | 3,424 | 0 | idem |
| Operating result (EBIT) | 6,686 | 1,873 | 8,521 |
| Net financial costs | -2,787 | -3,817 | idem |
| Dividends | 191 | 81 | idem |
| Result before taxes | 4,090 | -1,863 | 4,785 |
| Taxes | -379 | 844 | idem |
| Net current result | 3,711 | -1,019 | 5,629 |
| Variations of fair value on investment buildings | -2,798 | -8,318 | idem |
| Variations of fair value on hedging instruments | 1,015 | -1,008 | idem |
| Deferred taxes | 270 | 4,390 | idem |
| Result of the financial year - continued activities | 2,198 | -5,955 | 693 |
| Result of the financial year - activities abandoned | 0 | 0 | idem |
| Result of the financial year | 2,198 | -5,955 | 693 |
| Attributable to: | | | |
| - Company shareholders | 2,198 | -5,955 | 693 |
| - Minority interests | 0 | 0 | 0 |
| Number of shares (weighted average) | 11,356,544 | 11,356,544 | 11,356,544 |
| KEY FIGURES | | | |
| | 1st semester 2008 | 1st semester 2009 | |
| Coverage ratio of recurring revenue to operational costs | 1.83 | 1.37 | |
| Gross rental yield of investment buildings | 7.8% | 8.2% | |
| Gross rental yield of investment buildings as if they were rented 100% | - | 9.9% | |
| Average interest rate on borrowings | - | 4.3% | |
| Debt ratio (financial debt on total assets) | 44.8% | 56.2% | |
| | <u>Figures per share</u> | | |
| Net current result per share | 0.33 | -0.09 | |
| Net result per share | 0.19 | -0.52 | |
| BALANCE SHEET | | | |
| | 31/12/08 | 30/06/09 | |
| Total Balance Sheet | 364,649 | 369,615 | |
| of which investment buildings | 251,881 | 247,991 | |
| of which fixed assets | 29,491 | 44,647 | |
| of which investments in companies accounted by equity method | 36,812 | 38,069 | |
| of which long-term financial assets | 18,084 | 16,889 | |
| of which inventory | 894 | 894 | |
| of which cash | 14,279 | 3,527 | |
| <u>Equity Capital (before allocation)</u> | 143,896 | 125,528 | |
| Long-term financial debts | 155,866 | 142,609 | |
| Short-term financial debts | 31,216 | 65,234 | |

The **net rental income** amounts to 8.343 K€ versus 6.376 K€.

This increase is attributable to the commercialisation of existing spaces, in particular in Atlantic House in Antwerp rented for 91%, but also to the buildings acquired in the course of 2008 and therefore included for 100% in the current financial year.

These buildings are the Diamond Building (March 2008), North Plaza (June 2008), Fontenay-sous-Bois, Clamart, the Vaugirard Gallery in Paris and Saran II in Orléans (summer 2008).

The contribution of these assets to the result of the first six months amounts to 2,746 K€.

On the contrary, the commercial complex of Verviers, sold in December 2008, generated a net rental income of 227 K€ in the first half of 2008 and is no longer included.

The net rental income of the first half year cannot be extrapolated to the second half of the year not only because of potential sales that are in process, but also further to certain fixed situations, namely:

- The sale of the Atlantic House building: contribution to the first half year of 939 K€.
- The planned departure of certain tenants from North Plaza: reduction of rent of around 400 K€.
- Finalisation of the evictions and other adjustments to the Vaugirard gallery: estimated cost of 250 K€.

The **fees and commissions** amount to 743 K€ versus 347 K€. This line covers the fees of “project management” for certain assets on behalf of third parties and the fees related to the follow-up of investments in the Conference Centres.

The **share in the result of companies accounted by the equity method** is highly negative and amounts to -3130 K€ in comparison with 452 K€.

This line covers the participations in the companies Montea, Les Jardins des Quais (Bordeaux), Conferinvest and The Loop.

These results are strongly impacted by the booking of non-cash elements imposed by the IFRS standards that are not necessarily of a durable nature and which are not in phase with the assumed detention period of these assets.

i. Montea

Montea has been consolidated by the equity method since 31 March 2008. Since that date, Banimmo has incorporated its share of the IFRS result of Montea in its accounts, a share that has been substantially reduced since the second half of the year due to the downward adjustment of the value of the real estate assets and the derivative hedging instruments.

The share of Banimmo in Montea's results is negative and amounts to 1,775 K€ in comparison with a profit of 446 K€ as at 30 June 2008, or a difference of 2,221 K€ from one period to the other.

While the current net half-year result of Montea amounts to 4,063 K€, the net result reveals a loss of 7,472 K€. This difference derives from adjustments of value on the portfolio, in particular in France, of 9,837 K€ and on derivatives for 1,703 K€.

Montea paid a dividend of 2.09€ per share in 2009, that is 1,743 K€ to Banimmo.

ii. Grondbank The Loop

The positive impact in the accounts is marginal.

After the opening of Ikea at the end of December, Grondbank The Loop is preparing a second viabilisation phase of the site. The permits required for the construction of two bridges meant to connect the roads on both sides of the Pégoudlaan have been applied for and delivered. The feasibility study for the retail and leisure development has been finalised. The development plans for field 5 East and for the development of a parking facility on field 8 have been elaborated.

iii. SNC Les Jardins des Quais

The contribution of the commercial development of Bordeaux is negative and amounts to 483 K€ compared with a loss of 585 K€ as at 30 June 2008.

The commercialisation is advancing favourably, 82% of the space having been rented. The investment phase is finished.

The impact of fair market values (negative) of the hedging derivative instruments (-440 K€ on a basis of 100%) and the stabilisation of the fair market value of the asset at 42.5 million € lead to a rather stable contribution in Banimmoo's accounts, while from an economic and real estate perspective, there is an effective progress since September, 1st 2008.

iv. Conferinvest

The contribution of the conference centres (La Hulpe and Chantilly) to the accounts amounts to -960 K€.

By once again withdrawing the non-cash elements (amortisation/fair market value of the hedging instruments/other residual IFRS lines), the contribution of these assets to Banimmoo's results would be 593.4 K€, which is a difference of 1,553.4 K€.

These figures amounted respectively to 372 K€ and 1,033 K€ in June 2008.

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

Base 100%/ K€

| | DLHulpe | | Chantilly | | Consolidated |
|---|---------|-------|-----------|--------|--------------|
| | 2008 | 2009 | 2008 | 2009 | 2009 |
| Turnover | 10,300 | 9,550 | 8,356 | 6,964 | 16,514 |
| Earnings before interest, taxes, depreciations and amortisations (EBITDA) (1) | 2,605 | 1,853 | 2,037 | 1,105 | 2,958 |
| EBITDA (rental income included) (2) | | 2,330 | | 1,105 | 3,435 |
| Evolution Turnover | | -7.3% | | -16.6% | -11.5% |
| Evolution EBITDA | | -29% | | -46% | -36% |

(1) Results after deduction of the provisions for the renewal of equipment and hotel furnishings.

(2) The revenues of Dolce La Hulpe must be increased by the rental income from the additional office areas, currently fully rented which represent 899 K€ over a full year.

Dolce La Hulpe and Dolce Chantilly are experiencing a reduction in activities, reflected in the lower occupancy rate (La Hulpe 58% compared with 62%; Chantilly 64% compared with 69%) and the ADR (Average Daily Rate) which decreased on average with 7 to 10%.

The budgets for company seminars are either postponed, or negotiated more aggressively by companies.

The Leisure segment is showing resistance to the crisis and constitutes a confirming development axis. The new SPA in La Hulpe contributes here to.

Different measures for a better cost management have been established.

Due to the weakness of the first half year, the level achieved in 2008 will not be realised.

According to the IAS 40 standard, Banimmo would record a result in the equity method of 5,688 K€ instead of a loss of 960 K€.

The **net result of transfers** includes the payment of a price supplement of 254 K€ on the sale of Verviers.

The **administrative and operational costs** amounted to 4,095 K€ versus 3,845 K€, a difference basically attributable to the automatic indexation of wages in Belgium. The second factor is the internalisation of the Property Management function previously sub-contracted to an external service provider. The corresponding profit is booked under "Other income" and leads to a better cost control.

From a **financial point of view**, several operations took place in the first half of 2009:

- Banimmo extended a part of its syndicated credit, from 2011 to 2012, for an amount of € 50 million over a total of € 190 million;
- Two new credit facilities were obtained for respectively € 48.5 million due in 2010 and € 16.4 million due in 2012.

The object of the first credit facility is the financing of the turnkey project Sirius. This credit will be extended if the building is still in the portfolio in May 2010.

The average interest rate of the debt, including cost of hedging instruments (0.5%) amounted to 4.8%.

Since the indebtedness is hedged only for 27%, this average cost should continue to drop during the second half of the year.

Benefiting from the current low level of interest rates, Banimmo covered its debt for an amount equivalent to 97% of its debt as at 30 June via different instruments starting in 2010.

The hedged maturity dates go to mid-2012 and the hedges cover the cost of debt within a range between a minimum of 1.50% for 2010 and 2.65% for 2012 and an absolute maximum of 3.15%.

The **taxes** comprise a current tax profit of 844 K€, of which 1,064 K€ constitutes an exceptional non-recurrent contribution.

The **net consolidated result** (IFRS) amounts to -5,955 K€ compared with 2,198 K€ as at 30 June 2008.

This result is strongly influenced by the adjustments of fair market value on the real estate portfolio for an amount of 8,318 K€ and on the hedging instruments for an amount of 1,008 K€. In the course of the first six months of 2009, Banimmob's statutory expert has registered a temporary value decrease of 3.3%.

The average rental return of the portfolio, based on the last fair market value, amounts to 8.2%. This return would be 9.9% if considering the same portfolio rented at 100%. Due to the constant transformation of a major part of the real estate assets, those valuations have a very temporary character.

In addition, the lack of transactions noted on the markets has complicated the experts' task. In view of the uncertainty and the lack of comparables, the experts have adopted a prudent attitude.

3. FORECASTS AND POST-CLOSURE ELEMENTS

The second half of the year will prove to be determinant for the annual result, in view of the operations realized post-closure or that are likely to be carried out.

- At the beginning of July, Banimmob sold the Atlantic House building to a pool of Belgian private investors by issuing real estate certificates. This model could be reproduced in the future.
The transaction amounted to 30.81 million €, generating a capital gain.
Post operation, the "Loan to Value" or ratio "Financial indebtedness on Total Balance Sheet" amounted to 52%. Considering this value and the two financing operations concluded, Banimmob generated 95.71 million € of new financial resources, hereby consolidating its financial soundness.
- Banimmob has signed a contract for the turnkey renovation of the currently vacant "H5" building on the Da Vinci site in Evere. The new complex, with 3,637 m², will be delivered in summer 2010.
- Banimmob signed a commitment to buy a 3,235 m² commercial complex located in the heart of Paris in the Faubourg Saint Germain district.
Subject to the finalisation of the bank financing, the operation will be realised in the course of the third quarter.
The commercial complex is leased, but its rental situation should be reworked.
A specific press release will give the details of this operation.
- Despite the current economic context and as far as two pending operations would be finalised before year-end, Banimmob could generate a similar operating result (EBIT) as previous years.

Even though certain signs allow us to hope for the beginning of a recovery, the evolution of the real estate market remains uncertain, and is still closely linked to the resolution of the banking crisis.

In this context, Banimmob is concentrating its efforts on the preservation and stabilisation of its financial structure focussed on a prudent debt ratio and the covering of its operational and financial costs by its recurrent rental revenues.

4. HALF-YEAR FINANCIAL REPORT ACCORDING TO THE IAS34 standard

This financial report in accordance with the IAS 34 standard including the intermediate management report as well as the auditor's report will be available on the Internet site www.banimmo.be at the date when the present press release appears.

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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 € 399 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.