Banimmo – Bond + Warrants

April 2010

AGENDA

- **Banimmo in a nutshell**
- **Business model**
- **Portfolio description**
- **Management**
- **Analysis of the results**
- **Forecasts**
- **Key features of the offer**
- **Investment case**

BANIMMO IN A NUTSHELL

1995 **1999**

Workout for Anhyp

ANHYP

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

2000 **2006**

Shareholdings
Mgnt: 4→12%

DEXIA PRICOA

Lend Lease

Belgium, France, Luxembourg
3 asset classes
2 platforms

2006 **2010**

Shareholdings
Affine: 50%
Mgnt: 29%

Affine

BANIMMO IN A NUTSHELL

- **Property company generating both capital gains and recurring income**
  - Capital gains from ‘asset redevelopment’
  - Rental income from diversified tenant base
  - Ownership / strategic management of conference centers
  - Financial income from stake in listed SICAFI Montea
  - Fee income

- **Strong track record since years**
  - More than 29 assets ‘restructured’ since spin-off in 2000 (3-5 assets/year)
  - Strong financial track record
  - Operation teams both in Brussels and France

- **Focus on diversified B2B property in Belgium, France & Luxembourg**
  - Offices
  - Retail
  - Conference centers

Banimmo vs. REITS

- **Banimmo is not a REIT-like Belgian SICAFI…**
  - fully liable to corporate tax (33.99% in Belgium)
  - actively involved in property redevelopment
  - no legal indebtedness ceiling
  - no minimum payout (80% of recurring cash flow)
- **… but still shows several similarities**
  - substantial and rising share of recurrent income
  - investment property (>< development property) marked-to-market & independently appraised (whilst development assets valued at cost)
  - low effective tax burden : tax shield from depreciation & sale of SPV's, financial costs deductible and 'notional interests'
  - indebtedness remains within 45-55% LTV (Loan To Value) range
  - good diversification of assets (<15%)
  - attractive dividend yield
- **… and offers attractive additional features**
  - similar yield but at a lower payout
  - higher intrinsic growth on top of development capital gains
  - international diversification

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BUSINESS MODEL

B2B Sectors

Niche Activity

Property repositioning & redevelopment

Offices	Retail	Conference Centers
Rents + capital gains	Rents + capital gains	Operating income + fees

BUSINESS MODEL

Property repositioning

ACQUIRE
6-12 months

- Identification of obsolete asset with redevelopment potential
- Extensive analysis & due diligence (including fiscal & financial)

TRANSFORM
3-5 years

- Technical upgrading → energy/carbon efficient
- Commercial repositioning → improved occupancy and lease conditions
- Financial & fiscal repositioning – ‘repackaging’ of asset

SELL
6-12 months

- Exit timing according to portfolio approach and P&L
- No hurry in order to optimize terms and conditions and anticipate on recycling opportunities

BUSINESS MODEL

Property repositioning

- **Sustained profitability**
  - High development margins in Belgium
  - Barriers of entry vs. traditional property investment (technical, financial, legal, tax local expertise)
  - Lower competition among investors for ‘complicated’ assets
  - Benefit from market cycle
  - Long ‘rotation’ period allowing for disposal timing
  - Low actual taxation

- **Moderate risk**
  - Lower capex requirements vs. pure redevelopment
  - Recurring income from tenants
  - Lower market exposure vs. buy & hold strategy

BUSINESS MODEL

Current requirements of durability of buildings create opportunities for Banimmo

- **Facts**
  - Priority of tenants and investors to reduce their costs (maintenance, energy, etc.)
  - Global awareness of our impact on the climate:
    - Construction phase: green materials, renewable energy, better isolation
    - During (operational) exploitation: lower energy requirements, lower maintenance costs, etc.
  - Regulations focusing on energy, efficient- buildings in order to reduce the Carbon impact
  - Important evolution of legislation (new norms, etc.)
  - Demand for “Green” buildings from investors higher than offer
  - Important stock of empty outdated and obsolete spaces
    - In Brussels, 60% of empty spaces in Brussels are outdated. *(Source: CBRE April 2010).*
    - In Paris, 30% of empty spaces are obsolete *(Source: Jones Lang LaSalle: April 2010)*

➡ Significant opportunities for Banimmo to reposition and redevelop older buildings

BUSINESS MODEL

Case study: Repositioning of the Honeywell site (Da Vinci site)

- Location
  - Evere (next to NATO)
- Acquisition
  - Date: 2000
  - Amount: €14.1 mio
  - During first years, buildings were rented to Honeywell
- Specifications
  - Area of 43,600m²
  - 3 buildings with a total surface of 24,200 m²
- Renovation/repositioning
  - Complete repositioning of the site
    - Renovation of the Building 1 and rented to the European Commission with a long term lease contract
    - Demolition of building 2 and construction of the new headquarters of Mobistar (+/-30,000 m²), delivered in September 2009; at the end of November 2009, the building has been sold to Signa, à German Closed-end fund. The transaction value was €70 mio
    - Renovation of Builing 3 (H5) in progress. The building is already partially prelet.

BUSINESS MODEL

Conference centers

- **Ownership & management of 2 conference centers**
  - acquisition of Dolce Chantilly and
    grand opening of Dolce La Hulpe Brussels in March 2007
  - ‘sales & manage back’: ownership + full business risk & return retained
  - day-to-day management incl. HR, IT and booking trusted to Dolce as professional partner
  - ‘residential conference center’ concept: fully integrated hotel & catering facilities
  - ‘scenic’ out-of-town locations close to main cities and mass transportation
- **Management contract with Dolce International (established in 1981)**
  - 25 residential conference centers in North America and 6 in Europe
  - base management fees + cumulative incentive fees based on financial targets (EBITDA)
- **Exposure syndicated**
  - Both conference centers brought in Conferinvest
  - 51% of Conferinvest sold to private equity investors
  - Banimmo retains management control of Conferinvest and collects management fees

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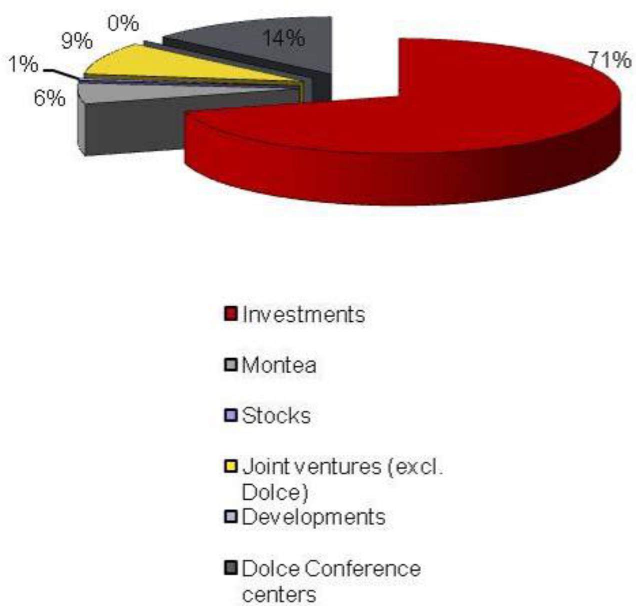
Portfolio Distribution

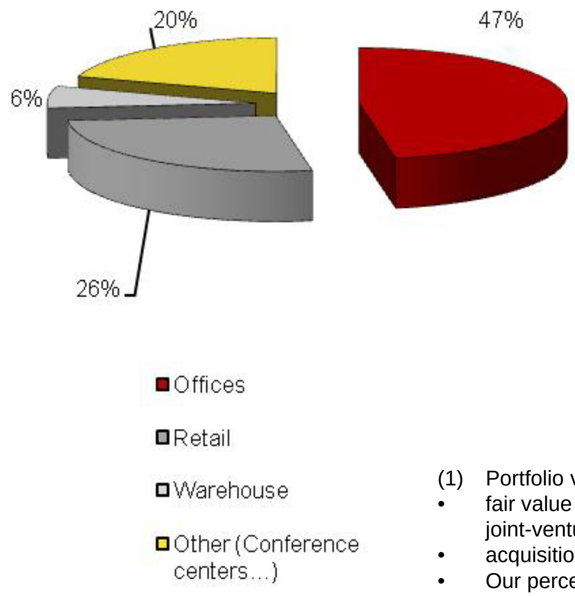
- Portfolio made up of 25 sites in Belgium and France (158,000 m² for the investment portfolio)
- Portfolio value: €341 mio(1) (at 31/12/2009 vs. €390 mio on 31/12/2008)
  - Target: €500 mio
  - NAV of €143 mio

- Value underestimated:
  - Accounting value of conference centers (IAS 16) based on acquisition cost (+ capex) (versus DCF methodology for expert)
  - Fair market value (IAS 40) not suited for buildings being refurbished

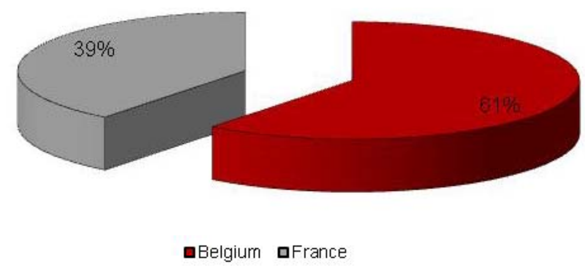
Distribution by investment type



Distribution by type of asset



Geographical distribution



(1) Portfolio value based on:
- fair value for investment properties, stocks and properties held in joint-venture
- acquisition cost for the conference centers and developments
- Our percentage (23.26%) in shareholders funds of Montea

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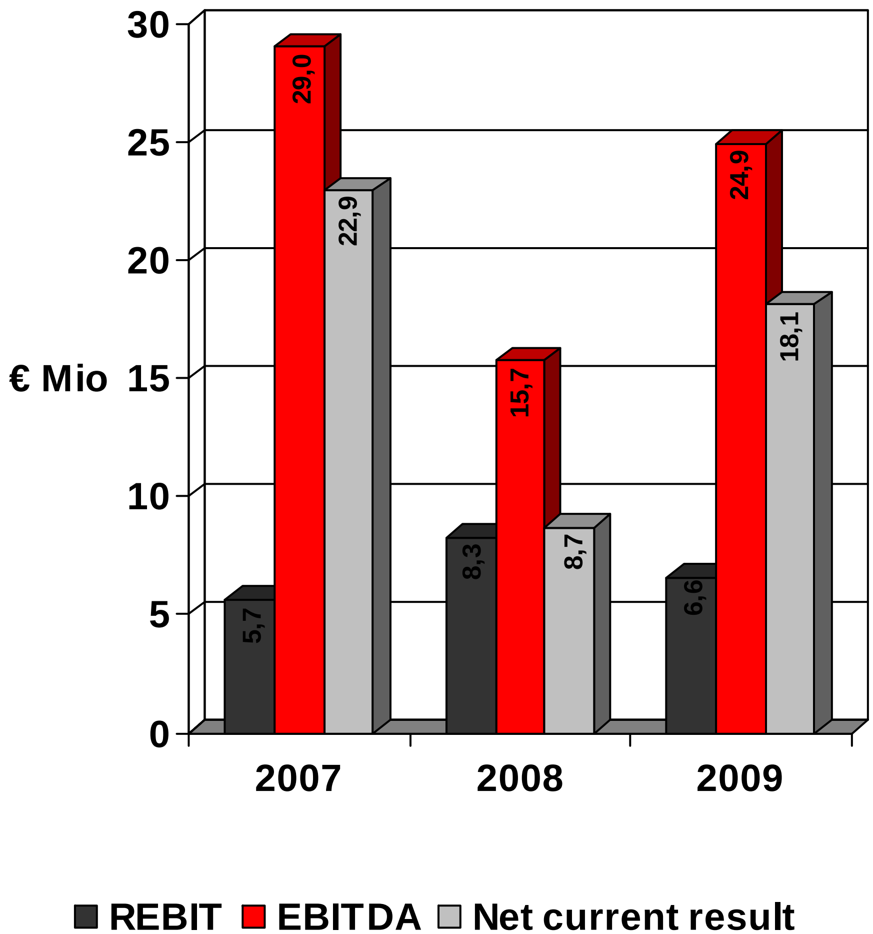
INCOME STATEMENT

€ '000		Audited 2007	Audited 2008	Audited 2009
Net rental income		10,937	15,178	*16,159*
Other income (commissions on JV)		2,729	831	*1,300*
Share in the result of companies accounted by the equity method		169	(427)	*(2,442)*
	Recurrent income	**13,835**	**15,582**	**15,017**
Operational costs		(8,175)	(7,301)	(8,421)
	(Recurring current result) REBIT	**5,660**	**8,281**	**6,597**
Net result of sale on real estate operations & companies accounted EM		23,117	7,075	18,011
	(Current result) EBIT	**28,777**	**15,357**	**24,608**
Net financial costs		(5,431)	(6,119)	(7,063)
	EBT	**23,346**	**9,238**	**17,545**
Taxes		(404)	(526)	571
	Net current result	**22,943**	**8,712**	**18,117**
Deferred taxes	*(IAS Non cash)*	862	930	6,671
Variations of fair value on investment buildings	*(IAS Non cash)*	(1,544)	(3,477)	(11,649)
Variations of fair value on hedging instruments	*(IAS Non cash)*	474	(1,917)	(2,134)
	Net Result	**22,734**	**4,248**	**11,006**

KEY P&L FIGURES AND RATIOS

Key P&L figures



Key P&L ratios

	2007	2008	2009
Margin on assets sales	62%	51%	19%
Revenue mix (recurr. Rev. vs. capital gains)	37/63	69/31	45/55
ROE (Net current result on average equity)	18%	6%	13%
Net result / share A (in €)	1.98	0.30	0.76

FINANCIAL STRUCTURE

❑ Key figures

Key ratios	31/12/2007	31/12/2008	31/12/2009
Net debt (€ M)	47.4	**172.8**	**145.3**
Net debt / shareholders equity	0.30	**1.20**	**1.02**
Fin. debt / Total assets	21.0%	**51.3%**	**46.3%**

- Current resources:
  - €190 mio syndicated bank credit
  - €50.4 mio specific asset financing loans
  - €50 mio commercial paper program (included in syndicated bank credit). Back stop facility extended to 2012
  - **Total resources of € 240.4 mio**
- Maturities:
  - No debt maturity in 2010
  - Syndicated bank credit: September 2011 (€140 mio) and September 2012 (€50 mio)
  - Specific asset financing loans: €16.4 mio in 2012 - € 9.0 mio in 2014 - € 25.0 mio in 2016
- If all credit lines are drawn with this new debt structure, the average credit margin on financial debt is 143bps
- At the end of 2008 and during 2009, a new hedging strategy has been put in place with maturities till 2014 and with cap rates between 2.50% and 4% (depending on maturity)

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FORECASTS

- Appealing (economical) return on equity of 16.1% despite depressive real estate and bank market conditions
- Strong capacity to develop new projects in a buyer's market
  - Objective: > €100 mio
- Strong pipeline under study **with greater focus in the retail segment**. Office segment for first time lower than 50% of our portfolio
- Recovery of operating result of the conference centers. New opportunities under study to develop one or two new centers in Europe
- Increasing opportunities to reposition existing assets, resulting in increasing legal constraints to promote "green" assets

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KEY FEATURES OF THE OFFER

➢ Size of the offer	Maximum €75 mio
➢ Denomination	€ 1,000 with 35 warrants each
➢ Coupon	5.15 % paid annually on June 10th from June 2011
➢ Yield to Maturity	4.78%
➢ Maturity	June 10th, 2015
➢ Warrants	35 warrants per bond
	right to subscribe to a new share of Class A each
	Strike price of € 19.45
➢ Warrants exercise periods	From May 26th, 2014 to June 6th, 2014 or
	from May 25th, 2015 to June 5th, 2015
➢ Joint Lead Managers	ING and Petercam
➢ Co-Lead Managers	KBC and Degroof
➢ Subscription period	From May 3th , 2010 to May 7th, 2010(1)
➢ Payment date	May 12th, 2010

Note: (1) Unless anticipated closing

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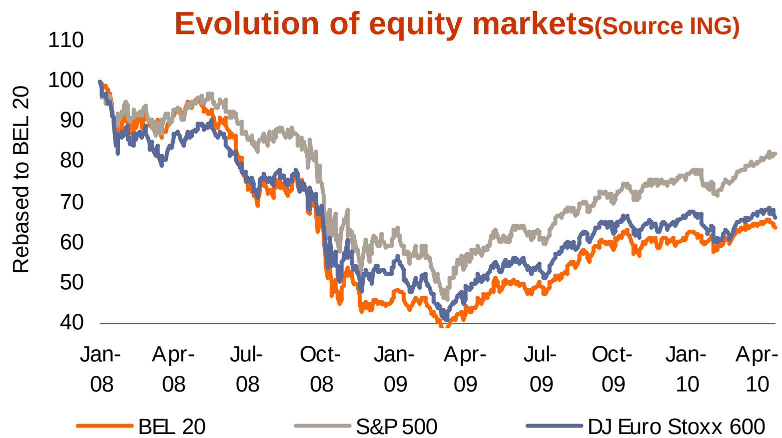
Advantages for the investors of the Bond cum warrants

- **Advantages of the bond…**
  - Fixed income guaranteed for 5 years, with a large appetite from private investors
  - Increasing number of bond issues

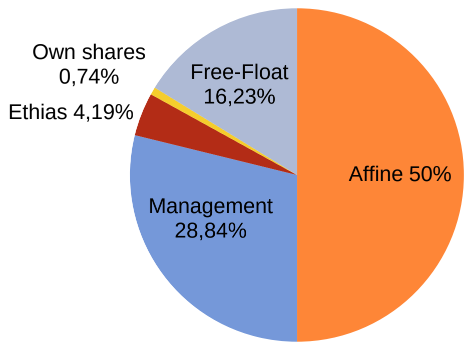
- **…linked to warrants**
  - Progressive turnaround of stock markets
  - Indexes have rebounded above levels of September 2008 but still far behind highs of 2007
  - Sentiment on equity markets is improving
  - Warrant is a long term call option, giving the right to benefit from continuing market appreciation at fixed price during 5 years



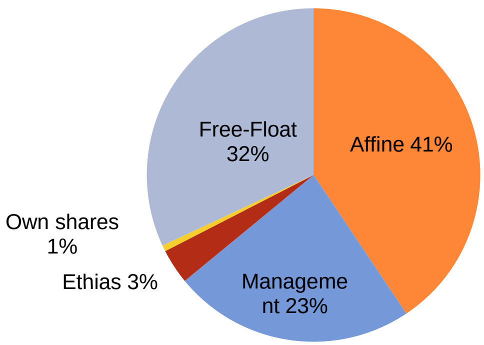
REASONS FOR BANIMMO

- Further diversification of financing sources
- Reduce weight of syndicated credit of which a tranche of €140 mio has a maturity in September 2011
- Possible capital increase in 2014 and/or 2015 allowing new equity
- Capacity to achieve a portfolio of € 400 million under management
  - Financial world-crisis has restrained this capacity
- Fixed rate bond is a natural hedge against interest rate volatility
- Possible capital increase will improve the free-float of Banimmo

Current Shareholder structure



Potential Shareholder structure after full exercise of warrants



USE OF PROCEEDS

- Banimmo intends to invest around € 100 mio in new assets
  - Mainly in the retail segment
  - Both in France and Belgium
- First acquisition in retail in France made public in March 2010
- Three other acquisitions under advanced study
- Large pipeline of opportunities under investigation
- Total available facility line will be reduced from € 190 mio to € 170 mio

Banimmo

Turning obsolescence into sustainable excellence

www.banimmo.be