BNP Paribas Real Estate Annual Results

2014: growth driven by all business lines as well as by international development

- €752m of fees, up by 8%* -
- €172m in net profit before tax, up by 16% -

Breakdown of fees:

- **52% outside France** (including 23% in the UK, 15% in Germany and 6% in Italy) and **48% in France**, compared with 46% outside France and 54% in France in 2013.
- **66% for Property Services** (Transaction, Consulting, Valuation, Property Management and Investment Management) and **34% for Property Development** (Commercial and Residential Property Development), stable compared with 2013.
- **39% in recurring income**: Consulting, Valuation, Property Management and Investment Management, stable compared with 2013.
- Business dominated by **commercial real estate**: 87%, stable compared with 2013.

2014 key figures:

- **Investment Management**: more than €1.7 billion in new cash collected and €20.3bn in assets under management in Europe.
- **Property Management**: fees of €97m, up by 6% and a managed portfolio now stable at 35 million sq. m.
- **Advisory (Transaction, Consulting and Valuation)**: fees of €296m, up by 10.5%. Platforms in Dubai and Hong Kong have generated transaction volumes of €3.5bn in 2014.
- **Commercial Property Development**: Net banking income of €125M, up 22% and volume of activity of €948m, up by 11%. 364,000 sq. m of offices under construction in 2014 in Europe.
- **Residential real estate**: a volume of activity of €503m, up by 19%. 1,453 lots launched, stable compared with 2013.

"Thanks to organic growth and the impact of our development plan, in 2014 BNP Paribas Real Estate achieved fees of €752m, up 8%, and net profit before tax of €172m, up 16% compared with 2013, a strong performance across the whole business. Property Development volume of activity amounted to €1.4bn, up by 13.5% compared with 2013," explains Thierry Laroue-Pont, Chief Executive Officer of BNP Paribas Real Estate. "In 2015, Commercial Property Development is set to launch new projects in the Greater Paris region, in the largest French cities, as well as in London and Germany. Our Investment Management ambition is to achieve €30bn in assets under management and to consolidate our position in the European top five. We are also reinforcing our range of Advisory services with the creation of two Logistics and Commercial investment competence platforms and a leasing management business."

* The fees (or turnover) include: - for the services, corresponding to Transaction, Consulting, Valuation, Property Management and Investment Management fees. - For Property Development corresponding to management fees and margins for co-payments to the progress of sales operations. Application of IFRS 11 as of 01/01/2014: joint promotion operations previously included in turnover, now appear as non-operating income. Therefore, the €716m turnover published in 2013 corresponds to €696m after the application of IFRS 11.
Review of 2014 by business line

1. Investment Management

With fees of €106.5m, up by 20% on 2013, this business line collected more than €1.7bn in new cash in 2014. At the end of the year, it managed €20.3bn in assets in Europe, 79% of which on behalf of institutional investors. Overall, the business line has over 100,000 clients.

The business line’s 2014 highlights include the launch in June of a second pan-European fund, Next Estate Income Fund II (NEIF II) with €230m currently invested. In Italy, we won major mandates on behalf of Anglo-Saxon funds and in 2014 REIM France doubled its investments and inflows.

2. Property Management

In 2014, fees for Property Management came to €97m, up by 6% compared with 2013. As a result of organic growth and two acquisitions (Imoplan in Germany and Aberdeen Asset Management's Dutch Property Management business), BNP Paribas Real Estate now manages 35 million sq. m, 61% of which are offices.

With a leadership position in continental Europe, the Property Management business line has excellent geographical coverage in Europe, with a presence in 14 countries and 50 cities.

3. Transaction – commercial property (lettings, sale and investment)

In 2014, the Commercial Property Transactions teams achieved fees of €215m, up by 15.4% compared with 2013, as a result of a record performance in France and good results in the UK, Spain and Ireland. Platforms in Asia and in the Gulf region have generated transaction volumes of €3.5bn in 2014.

4. Consulting

In 2014, fees for Consulting came to €42m, up by 4% on 2013. This business line includes three types of services: Real Estate Strategy for occupiers, Project Management (feasibility and opportunity studies) and Occupier Management (outsourcing of property departments), as well as the creation and management of databases for investors.

5. Valuation

In 2014, the Valuation business line achieved fees of €39m, stable compared with 2013. This turnover shows the predominance of France (44%), followed by the United Kingdom (19%). The value of properties valued in the 12 countries where the business line is present stands at €250bn, representing more than 230 million sq. m.
6. Commercial Property Development

In 2014, the Net Banking Income of Commercial Property Development was €125M, up 22%, and the volume of activity was €948m, up by 11% (€855m in 2013). 364,000 sq. m of offices were under construction in Europe in 2014. The year featured three emblematic deliveries: MAC 19 (Paris 19th), occupied by BNP Paribas – Retail Banking in France, Zenora (Issy-les-Moulineaux), occupied by Yves Rocher and Coca Cola as the new site for their head offices, and Art & Fact 1 (Rueil-Malmaison), occupied by Schneider. Also worth noting is the sale of Ecowest (Levallois-Perret) to ADIA and Citylights (Boulogne-Billancourt) to BNP Paribas Cardif in April 2014 and Gecina in February 2015.

7. Residential Property (Development, Transaction and management of Studélites and Hipark residences)

In 2014, the Residential business line achieved volume of activity of €503m, up by 19% compared with 2013. In an unsettled legislative and difficult economic climate, the business line judiciously readjusted its range of services, adopting a sensible pricing policy. New construction projects were also tailored to the market with 1,453 lots started, stable compared with 2013. 1,674 housing units were delivered in 2014.

About BNP Paribas Real Estate

BNP Paribas Real Estate, one of the leading international real estate providers, offers its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management. BNP Paribas Real Estate has local expertise on a global scale through its presence in 37 countries with more than 180 offices and 3,800 employees (16 wholly owned and 21 by its Alliance network that represents today more than 3,000 people). BNP Paribas Real Estate is a subsidiary of BNP Paribas.

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