BNP Paribas Real Estate Annual Results

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

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

Breakdown of fees:

- **52% outside France** (including 23% in the UK – up from 19% in 2013), 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:

- **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.
- **Property Management**: fees of €97m, up by 6% and a managed portfolio stable at 35 million sq m.
- **Investment Management**: more than €1.7 billion in new cash collected and €20.3bn in assets under management in Europe.
- **Commercial Property Development**: a net banking income of €125M, up 22% and a 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 €503m, up by 19%. 1,453 lots launched, stable compared with 2013.

"Thanks to organic growth and the impact of our international development plan with particular focus on UK expansion, 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," explains Thierry Laroue-Pont, Chief Executive Officer of BNP Paribas Real Estate. "In 2015, we are reinforcing our range of Advisory services with the creation of Logistics and Retail investment platforms and an international occupier service, all of which will be based in London, demonstrating our ongoing commitment to the UK as a key business driver for the Real Estate Group. In addition, 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."

* 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. 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 the UK and a good performance in Spain and Ireland. Platforms in Asia and in the Gulf region added transaction deals of €3.5bn in 2014. In the UK, the transactions team also includes residential transaction which achieved a good level of growth in 2014.

2. Property Management

Fees for Property Management were stable in 2014 at €97m, up by 6% compared with 2013. As a result of organic growth and two acquisitions (Immoplan 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. 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. In the UK, in addition this business line includes rating and lease advisory (professional services), building consultancy and residential consulting activity.

4. 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.

5. 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.
6. Commercial Property Development

In 2014, the net banking income of Commercial Property Development was €125M, up 22%, and the volume of activity in 2014 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 19\textsuperscript{th}), 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 Citylites (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 Development 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 3,900 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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