

REGULATED INFORMATION

EMBARGO UNTIL 11.02.2011 – 8:00AM

ANNUAL RESULTS 2010

- € Net current result per share (Group share), excluding IAS 39 impact: €8.02, a rise of 7.4% on the 2009 result (€7.47)
- € Disposals of investment properties: €100 million with a net gain of €7.3 million
- € Property portfolio value as determined by the real estate expert: -0.9%
- € Net asset value per share: €98.21 (portfolio in fair value)
- € Occupancy rate: 95.8%
- € Confirmation of the forecast for the gross dividend 2010 for the ordinary share of €6.50

Brussels, 11.02.2011, 8:00AM CET

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1. Summary and key figures

The net current result – Group share and excluding IAS 39 impact – comes to €119 million for FY 2010, an increase of 13.9% on the 2009 figure. Per share, this result comes to €8.02, compared to €7.47 for the previous FY, representing an increase of 7.4%. The number of shares entitled to a share in the profit has risen by 6.1% following the sale on the stock exchange of treasury shares for an amount of €69 million and an in-kind contribution received for a value of €11 million.

This net current result will enable the Board of Directors to propose to the shareholders at the General Meeting the distribution of an unchanged gross dividend of €6.50 per ordinary share for FY 2010 (payable in May 2011), in line with the forecast. This represents a pay-out of 81% of the aforementioned profit¹.

The result on portfolio is composed of a net realised gain on the disposal of properties for a total amount of €+7.3 million and a net change in fair value of investment properties of €-28.3 million (-0.9%). These figures compare respectively to the €+3.0 million and €-64.8 million (-2.1%) recorded in 2009. The last quarter of 2010 was marked by an appreciation of the assets as ascertained by the real estate experts of €3.0 million, after 9 consecutive quarters of depreciation. Per share, the result on portfolio works out at a loss of €1.45 compared to a loss of €4.28 in 2009.

The 2010 property disposals amount to €100 million and mainly concern office buildings. The proceeds have been reinvested in the nursing homes. Since 2005 Cofinimmo has gradually reduced its exposure to the office sector, which today represents 55.6% of its total portfolio as against almost 100% 5 years ago. Cofinimmo intends to further reduce the office part while maintaining a prime position and expertise in this specialty in Belgium. The occupancy rate for its office properties stands at around 93%; all other properties are 100% occupied.

The Sicafi legislation was amended by the Royal Decree of 07.12.2010, following proposals made as from 2007 by their association. The new regulation provides greater flexibility for access to the capital markets. It also authorises the subsidiaries of public (listed) Sicafi to solicit from the Banking, Finance and Insurance Commission the status of institutional Sicafi, which benefits from the same tax regime and from an adapted prudential framework. Pubstone SA will request the approval as institutional Sicafi in the near future.

¹ This dividend is higher than the amount as determined by the legal distribution obligation, i.e. 80% of the net profit as per Article 27 of the Royal Decree of 07.12.2010.

Global information

(x €1,000,000)	31.12.2010	31.12.2009
Portfolio of investment properties (in fair value)	3,041.9	3,040.7
(x €1,000)	31.12.2010	31.12.2009
Property result	214,320	214,294
Operating result before result on portfolio	184,996	185,186
Financial result	-72,094	-85,046
Net current result (Group share)	105,435	92,390
Result on portfolio (Group share)	-21,639	-59,940
Net result (Group share)	83,796	32,450
(in %)	31.12.2010	31.12.2009
Operating costs/average value of the portfolio under management ¹	0.80%	0.80%
Operating margin	86.32%	86.42%
Weighted residual lease term ² (in years)	11.5	11.0
Occupancy rate ³	95.77%	96.86%
Gross rental yield at 100% portfolio occupancy	6.98%	7.06%
Net rental yield at 100% portfolio occupancy	6.52%	6.68% ⁴
Average interest rate on borrowings ⁵	4.33%	4.91%
Debt ratio ⁶	47.50%	49.97%
Loan-to-value ratio ⁷	50.26%	52.81%

Information per share – fully diluted (in €)

Results	31.12.2010	31.12.2009
Net current result – Group share – excluding IAS 39 impact	8.02	7.47
IAS 39 impact	-0.93	-0.88
Net current result – Group share	7.09	6.59
Realised result on portfolio	0.49	0.21
Unrealised result on portfolio ⁸	-1.94	-4.49
Net result – Group share	5.64	2.31

Net asset value per share	31.12.2010	31.12.2009
Revalued net asset value in fair value ⁹ after distribution of dividend for the year 2009	98.21	93.51
Revalued net asset value in investment value ¹⁰ after distribution of dividend for the year 2009	102.56	98.06

¹ Average value of the portfolio + the value of the receivables sold on buildings of which the maintenance costs are still borne by the Group being the owner. These costs are covered through total liability insurance premiums.

² Until the first break option for the lessee.

³ Calculated according to the actual rents for the occupied buildings and the estimated rental value for unlet buildings. For the office properties alone, it stands at 92.85% as against 88.20% for the Brussels' office market (source: CB Richard Ellis).

⁴ The ratio published in the Annual Financial Report 2009 (6.79%) has been recalculated following the change in the calculation method in 2010.

⁵ Including bank margins and the amortisation charges of the cost of hedging instruments active during the period.

⁶ Legal ratio calculated according to the Sicafi regulation as financial and other debts/total assets.

⁷ Conventional ratio defined in the documents with the banks as net financial debt/fair value of the property portfolio and of finance lease receivables.

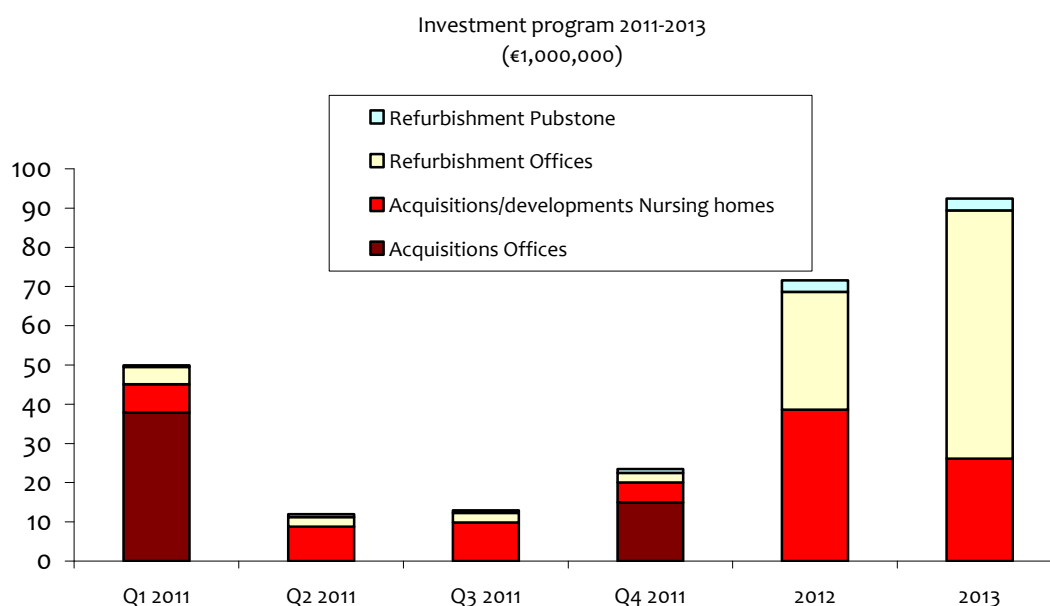
⁸ Changes in fair value of investment properties and exit tax.

⁹ Fair value: after deduction of transaction costs (mainly transfer taxes) from the value of the investment properties.

¹⁰ Investment value: before deduction of transaction costs (mainly transfer taxes) from the value of the investment properties.

2. Forecast

The investment programme currently set for the years 2011 to 2013 runs to a total of €262 million and breaks down per sector as follows (in € million):



For the FY 2011 alone, the scheduled investments amount to €98 million. Sales of office properties in 2011 should approach a total of €119 million. These concern already agreed sales, their realisation being nevertheless subject to administrative authorisations. The amount of disposals should thus more than compensate that of the acquisitions.

Disposals of office properties will lead to a fall in rental income and in the operating result (before the result on portfolio) of around 6% (see forecast in appendix 2). After the financial result, taxes and minority interests and based on an unchanged number of shares, the net current result – Group share and excluding IAS 39 – would amount to €7.33 per share in 2011, compared to €8.02 in 2010.

The expected gains stemming from the disposals (compared to the investment values on 31.12.2010 of the properties disposed of) work out at around €0.54 per share.

The company is actively at the lookout for other investments to complement its investment programme and compensate the diminished rental income due to the disposals of office properties.

On the basis of its current predictions and in the absence of major unforeseen events, the company has fixed itself the objective of distributing a dividend per ordinary share for FY 2011 (payable in 2012) equivalent to that of FY 2010, i.e. €6.50 gross per share.

3. Important transactions and events in 2010

A. Investments, divestments and developments

Offices/Other properties¹

Investments

Cofinimmo has concluded an agreement with the Cordeel construction group concerning the **Police station in Dendermonde**. A Public-Private Partnership has been awarded for this Design-Build-Finance-Maintain project. Cordeel will be responsible for the construction of the building (>9,000m²) and after the delivery, which is scheduled for the fourth quarter of 2011, Cofinimmo will take over the property and let it for 18 years to the Buildings Agency (Belgian State). The investment price for Cofinimmo amounts to €15 million and the expected gross initial yield stands at 7%.

Divestments

Continuing its asset arbitrage policy aimed at composing an optimum portfolio from a sector and geographical point of view, but also to reap benefit from opportunities to make sales at appreciable prices, Cofinimmo has proceeded to the sales of several assets or assigned long leaseholds for a total gross amount of €99.73 million, which is on average 6.3% higher than their investment value as determined by the independent real estate expert.

This involves:

1. the disposal of **Kortrijksesteenweg 39** in 9000 Ghent, an office building of 5,755m² housing the regional offices of AXA Insurance, acquired by a private investor;
2. the disposal of **Luchthavenlaan 18-20-22** in 1800 Vilvoorde, a premises consisting of multiple-use buildings and land representing a total plot area of 9,472m², acquired by the same private investor;
3. the disposal of the building **Noorderlaan 75** in 2030 Antwerp, a commercial property of 24,300m², acquired by a family investment company;
4. the disposal of the office buildings **Allard 40-42** and **Régence 55-65**, which form a whole of 13,385m² and are situated in central Brussels, to a group of private investors;
5. the assignment of a long leasehold on the office building **Montoyer 40** (3,901m²) located in the Leopold district to the German investment fund Hansainvest GmbH; and
6. the assignment of a long leasehold on the office building **Louise 140** (4,133m²) to the German investment fund HFSB Metropolen Westeuropa managed by the German investment company Hansainvest GmbH.

The proceeds on these disposals were reinvested within the framework of the company's investment programme.

¹ Semi-industrial and retail buildings as well as a leisure club.

Developments

During 2010, the company has executed office construction and renovation works, the total sum of which comes to €14.34 million.

The main projects managed in 2010 were:

Property	Type of works	End of works	Occupancy rate at 31.12.2010
Bourget 44 Leopold Square, Brussels Decentralised	Middle-scale renovation	Q4 2010	45%
La Rasante ¹ , Brussels Decentralised	Transformation	Q2 2011	100%
Serenitas, Brussels Decentralised	Middle-scale renovation	Q2 2010	79%
Square de Meeûs 23, Brussels Leopold District	Structural renovation	Q2 2010	22%
Tervuren 270, Brussels Decentralised	Middle-scale renovation	Q1 2011	83%

The internal Project Management team has also accompanied the construction works on the properties **Avenue Building** and **London Tower** in Antwerp (13,035m² in total), in accordance with the acquisition protocol signed in May 2007. According to this agreement, Cofinimmo will acquire this year all shares of Amca SA, the owner of these properties. The properties are marketed since 2010 and the commercial outlook is promising.

Development and sustainable management policy

Cofinimmo has, for many years now, been applying a policy of renovation and rational construction of its existing buildings designed to significantly reduce their energy consumption.

Both for its development and redevelopment projects, the company scrupulously adheres to Belgian and European environmental requirements, with a desire to exceed current guidelines. It anticipates new regulations and also incorporates the expected requirements of future users in the planning of its works.

¹ In the sector reporting, this property is listed under the “Others” category of the portfolio.

Comparison between the maximum energy performance (E) imposed by Law on the introduction of the permit and that of the largest projects executed or planned

Projects executed recently	Calculated E	Authorised maximum E ¹
Offices		
Avenue Building	75	100
City Link	74 and 76 ²	100
London Tower (office part)	74	100
West-End	69	100

Ongoing or future projects	Planned E	Authorised maximum E ¹
Offices		
Livingstone I	70	90
Science 15-17	60	90
Tervuren 270	75 to 90	Not applicable ³
Service flats		
Weverbos	57 to 67 ⁴	80
Public-Private Partnership		
Police Station (Dendermonde)	<35	100

BREEAM certification

In recognition of its efforts towards improving the environmental efficiency of its assets, Cofinimmo has submitted an application for “BREEAM In-Use” certification for 4 office properties. These are the properties **Avenue Building** and the office part of the London Tower next to it, **City Link**, **West-End** and the company’s headquarters **Woluwe 58**. BREEAM In-Use is a sub-programme of BREEAM⁵, which certifies the cost reduction and the improvement of the environmental efficiency of existing buildings.

¹ According to Directive 2002/91/EC transposed to the 3 Belgian Regions.

² City Link is a business park of 4 properties; 2 of them have an E-level of 74, the 2 others a level of 76.

³ This renovation is not considered to be a structural renovation subject to European Directive 2002/91/EC.

⁴ Depending on their location.

⁵ BREEAM (which stands for ‘BRE Environmental Assessment Method’ being the method for assessing the environmental efficiency of buildings developed by the BRE, the British Building Research Establishment - www.breeam.org) is the reference standard for sustainable building being cautious with the use of natural resources. The BREEAM analysis of the building’s environmental efficiency evaluates many areas, including: Energy, Water, Materials, Transport, Waste, Pollution, Health and Well-Being, Management, Soil and Ecology.

Redevelopment opportunities

The company also seizes redevelopment opportunities, in response to market tendencies and offering the potential to upgrade the asset's value. These redevelopments enable the company to optimise the building's assigned use and its environmental integration.

In this context, in 2012 Cofinimmo will initiate the redevelopment of the office properties **Livingstone** and **Science 15-17** into mixed projects. The total budget of the works lies between €40 and €45 million (vat excluded).

Livingstone

The Livingstone site is comprised of 2 distinct buildings, Livingstone 1 and 2.

The **Livingstone 1** office building (16,000m²) is 10 storeys high. With its prime location at the heart of the European District and its easy access, the redevelopment of Livingstone 1 into a residential building meets the need for housing identified in this area. The property will be laid out in 4 separate apartment blocks providing a total of approximately 125 units (1, 2 or 3-room studios and apartments), which will all be put on sale.

On the energy front, Cofinimmo endeavours to obtain level **K 30**¹ and level **E 70** for this property. To do this, the company has opted for:

- a building shell with a very high insulation level;
- a D-type ventilation system, i.e. with high-performance heat recovery (min. 90%);
- a very high-performance central heating system (condensing boilers);
- an ultra-efficient frame and pane assembly;
- a structure providing external solar protection;
- separate meters and energy accounting;
- a green roof;
- an interior park;
- a rainwater recovery tank;
- electric vehicle recharging terminals.

The Livingstone 1 redevelopment works are scheduled to start in the first quarter of 2012 as soon as the required permit is issued.

The **Livingstone 2** property has an office floor area of ±17,000m² on 7 floors and will be completely renovated and restructured. A new entrance hall will be built at the corner of Rue Joseph-II and Rue Philippe le Bon directly in front of the metro station. On the ground floor, a flexible space perfectly adapted to an office or large meeting room layout will be designed.

The Livingstone 2 works are scheduled to start in the 4th quarter of 2011 and should last 12 months.

¹ I.e. the global thermal insulation of the building.

Science 15-17

The company has chosen to demolish the existing property and reconstruct a mixed project, building a flagship property in Rue Belliard.

Hence, during the design phase, it has fixed the following objectives:

- 1. The creation of a property with a sustainable¹ construction and low energy consumption**
The company has planned a very low energy level (**maximum E 60**) and also a **'very good'** **BREEAM** certification for the property.
- 2. Improvement of the appearance on Rue Belliard**
The architectural monotony that dominates in Rue Belliard will be broken with the creation of a forecourt at the corner of Rue Belliard and Rue de la Science. With a 5-storey, transparent atrium serving as entrance to the property, the interior garden, which is located behind the building, will be visible from the road and will fit perfectly into the new urban vision planned. The building will be multi-functional: the lower floors will be given over to commercial or cultural activities whereas the upper floors will continue to be office space.
- 3. The construction of a symbolic building, providing top-of-the-range office space, in a prime district**
Its integration along the length of Rue Belliard guarantees optimum accessibility. The offices will have excellent acoustics, protected against ambient noise, and a superior gross/net office floor area ratio. The spaces will also be dividable into 1.35-m modules and will provide great flexibility. The company will apply the most modern cooling, heating and ventilation techniques, with discretionary management possible.

Works will start after the departure of the current tenant (European Commission) and on the obtaining of the various permits required. They should develop over the years 2012 – 2013.

¹ I.e. with the highest respect for the environment.

Nursing homes/clinics**Investments***Belgium*

On 05.10.2010, Cofinimmo received the contribution in kind and for €11 million of all shares in the SA **Prinsenpark**, owner of the care home with the same name located in 3600 Genk - Belgium. The property has a total area of 8,169m² and accommodates 120 beds. It was valued at €11.4 million, which is in line with the expert's value. An extension of 7,510m² to the existing building will be built comprising 34 beds and 40 service flats. This new construction will be financed by Cofinimmo for an estimated budget of €8.2 million. The works are expected to commence at the end of the 1st quarter of 2011. The total property will offer a gross rental yield of 6.60% in double net equivalent¹.

The contributing company, Senior Living Group SA, with whom Cofinimmo has concluded a triple net² long lease for a term of 27 years, has received in consideration 113,577 new Cofinimmo ordinary shares. Their issue price stood at €97.13 and they have the right to a share in the results with effect from 01.01.2010.

On 22.12.2010 and 23.12.2010 correspondingly, Cofinimmo acquired all shares of the SA Maison Saint-Ignace, and SA Epris, owners of the nursing homes **Saint-Ignace** and **Lucie Lambert** located in Brussels and in Buizingen (Flemish Brabant) respectively. These 2 nursing homes have a total area of approximately 14,000m² and accommodate 299 authorised beds.

The properties are valued at €33.4 million, in line with the investment value determined by the independent real estate expert. They will offer an average gross rental yield of 6.43% in double net¹ equivalent.

Cofinimmo concluded triple net² long-term leases for both properties. The nursing home Saint-Ignace is let to the operator Senior Assist SA, a Cofinimmo client since 2007. The nursing home Lucie Lambert is operated by Orpea Belgium SA. Hence, Cofinimmo also welcomes a new Belgian nursing home operator, diversifying its pool of tenants-operators in the healthcare segment. At the end of October 2010, the Orpea Group acquired a capital stake in the Méditer Group (100%) and in Medibelge (49%) (see www.orpea.biz), both existing tenants-operators of Cofinimmo.

¹ The yield expressed in double net equivalent allows comparison with yields for offices.

² Implicating that all the costs, including those relating to the property structure, are borne by the operator.

Developments

In 2010 the company has executed building and renovation works in the nursing homes/clinics segment for a total amount of €35.21 million, i.e. €29.79 million in Belgium and €5.42 million in France.

The main projects managed in 2010 were:

Belgium

Property	Operator	Type of works	Number of (additional) beds	(Additional) floor area	(Expected) end of works
Heiberg, Beerse	Armonea	Extension	+65 beds and +60 service flats	+7,009m ²	Q2 2011
L'Orchidée, Ittre	Armonea	Renovation and extension	+29 beds	+2,265m ²	Q2 2011
Millegem, Ranst	Armonea	Extension	+27 beds	+1,651m ²	Q4 2010
Parc, Biez	Armonea	Renovation	+49 beds	/	Q3 2010
Weverbos, Gentbrugge	Calidus	New Construction	100 rooms	5,387m ²	Q2 2011
Zevenbronnen, Walshoutem	Calidus	Extension	+68 beds and +26 service flats	+4,804m ²	Q1 2012
Top Senior, Tubize	Medibelge	Extension	+23 rooms	+1,496m ²	Q3 2011
Bellevue, Brussels	Senior Assist	Conversion of offices into a nursing home	153 beds	7,500m ²	Q1 2010
Hof ter Dennen, Vosselaar	Senior Assist	Extension	/	+955m ²	Q2 2011
Damiaan, Tremelo	Senior Living Group	Renovation and Extension	+52 beds	+5,452m ²	Q3 2012

France

Property	Operator	Type of works	Number of (additional) beds	(Additional) floor area	(Expected) end of works
Lo Solelh, Béziers	Korian	Renovation	+13 beds	/	Q3 2011
Pays de Seine, Bois le Roi	Korian	Extension	+26 beds	+1,860m ²	Q4 2010
Le Clos Saint Sébastien, Saint Sébastien sur Loire	Orpea/ Méditer	Renovation and extension	+12 beds	+870m ²	Q3 2012

The occupancy rate stands at 100% for each of these properties.

These investments have enabled the company to improve its portfolio's risk profile and have a positive impact on the overall occupancy rate.

Pubstone

Investments

Belgium

The pub **L'Escalier** situated in Liège has been acquired for a sum of €0.49 million, less than the value determined by the independent real estate expert.

Divestments

Belgium

In 2010, Cofinimmo sold 3 pubs for a total sum of €0.79 million, i.e. above their total investment value.

Developments

In 2010, the Pubstone property was also subject to renovations works for a total amount of €2.59 million, of which €2.0 million in Belgium and €0.59 million in the Netherlands.

B. Management of financial resources

In order to gather financial resources to finance its investments and bolster its balance sheet, in 2010 Cofinimmo successively:

- sold treasury shares for a total net amount of €69.03 million;
- privately placed a 3-year bond loan of €50 million;
- arranged a new bilateral 5-year bank loan for €30 million;
- extended until 2019 a bilateral credit line for an amount of €100 million, initially maturing in 2017;
- issued 113,577 new shares, against the contribution in kind of the shares of a nursing home company, for €11.0 million.

Treasury shares

On 13.04.2010 Cofinimmo acquired 6,671 own shares as part of its stock option plan, running since 2006, and which is intended for Executive Committee members and management. The acquisition took place within the framework of the authorisation to acquire own shares granted to the Board of Directors by shareholders at the Extraordinary General Meeting of 21.02.2009. The 6,671 shares were purchased on Euronext Brussels at an average net price of €104.90/share, 2009 dividend coupon attached.

Between June and August 2010 Cofinimmo, through its 100-% owned subsidiary Leopold Square, sold on the stock market 747,500 own ordinary shares at an average net price of €92.35 per share¹.

By means of these transactions on treasury shares, the Group's consolidated shareholders' equity was increased by €68.3 million in 2010.

Furthermore, on 06.10.2010 Leopold Square sold its 23,562 remaining shares to Cofinimmo for a price of €97.13.

The number of treasury shares held by the Cofinimmo Group on 31.12.2010 thus stood at 52,607 (exclusively held by Cofinimmo SA), which represents a level of 0.35%.

Private placement

On 06.09.2010, Cofinimmo successfully closed a private placement of a 3-year non-convertible bond for an amount of €50 million with a coupon of 2.936%, i.e. a premium of 1.45% over the interbank rate ("SWAP" rate).

¹ The closing stock market price on 30.06.2010 stood at €92.42; the intrinsic value of the share, at fair value, at €91.83.

Debt structure

The average maturity of the Cofinimmo debt works out at 3.8 years with an average cost¹ of 4.33% in 2010. The long-term confirmed financial credit lines (bank lines, bonds, commercial paper of over one year's duration and capital leases), with outstanding totalling €1,953.73 million at 31.12.2010, display a uniform and evenly spread maturity profile up to 2019. In 2011, 10.3% of these outstanding will mature and in 2012 12.1%. On 31.12.2010 the undrawn portion of confirmed long-term credit lines stand at €424.61 million, after deduction of the amount necessary to hedge 100% of the short-term commercial paper in circulation. This available volume, increased by the realised gains on the foreseen disposals in 2011 (€119 million), cover the total investment commitments up to mid-2012 (€127 million) and the refinancing of credit lines maturing before this date (€375 million).

On 31.12.2010 Cofinimmo is in full compliance with the debt ratios, both statutory and conventional. Cofinimmo's regulatory debt ratio² stands at 47.50% (vs. 49.97% at 31.12.2009) and is coherent with the moderate risk profile of the assets and cash flow. As a reminder, the legal limit on debt for Sicafis is 65%. The conventional financial debt ratio³, as defined in the documents with the banks, stood, at the end of FY 2010 at 50.26% (vs. 52.81% in 2009). If the Group came to exceed the threshold of 57.5%, it is agreed that it will return to below this threshold within the following 6 months. Cofinimmo's financial policy is aimed at maintaining a financial debt ratio close to 50%.

On 18.01.2011 the rating agency Standard & Poor's rated Cofinimmo as BBB/outlook stable for the long term and A-2 for the short term. This improvement in rating will facilitate its access to capital markets and commercial paper investment.

¹ Including bank margins and amortisation costs of hedging instruments active during the period.

² Financial and other debts/total assets, see Royal Decree of 07.12.2010.

³ The financial debt rate is calculated by dividing the net financial debts by the fair value of the property portfolio and of financial lease receivables.

4. **Summary of the results and consolidated accounts at 31.12.2010**

The Statutory Auditor, Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises, represented by Mr. Ludo De Keulenaer, completed the plenary audit work and confirmed not to have any reservation with respect to the accounting information included in this press release and that it corresponds with the financial statements as approved by the Board of Directors. The accounting methods and principles adopted for the establishment of the financial statements are identical to those used for the annual financial statements regarding the year 2009.

A. Consolidated income statement – Analytical form (x €1,000)

	31.12.2010	31.12.2009
A. NET CURRENT RESULT		
Rental income, net of rental-related expenses	195,092	197,860
Writeback of lease payments sold and discounted (non-cash)	21,108	17,655
Taxes and charges on rented properties not recovered	-258	-101
Redecoration costs, net of tenant compensation for damages	-1,622	-1,120
Property result	214,320	214,294
Technical costs	-3,269	-3,856
Commercial costs	-1,357	-1,475
Taxes and charges on unlet properties	-3,334	-1,806
Property result after direct property costs	206,360	207,157
Property management costs	-15,031	-15,602
Property operating result	191,329	191,555
Corporate management costs	-6,333	-6,369
Operating result (before result on portfolio)	184,996	185,186
Financial income (IAS 39 excluded) ¹	6,036	21,376
Financial charges (IAS 39 excluded) ²	-64,373	-94,121
Revaluation of derivative financial instruments (IAS 39)	-13,757	-12,301
Taxes	-7,224	-7,283
Net current result³	105,678	92,857
Minority interests	-243	-467
Net current result – Group share	105,435	92,390
B. RESULT ON PORTFOLIO		
Gains or losses on disposals of investment properties	7,253	2,956
Changes in fair value of investment properties	-28,288	-64,850
Exit tax	-205	1,482
Result on portfolio	-21,240	-60,412
Minority interests	-399	472
Result on portfolio – Group share	-21,639	-59,940
C. NET RESULT		
Net result – Group share	83,796	32,450

	31.12.2010	31.12.2009
Number of shares		
Number of ordinary shares issued (own shares included)	13,667,092	12,705,070
Number of preference shares issued and not converted	1,249,310	1,326,693
Number of outstanding ordinary shares	13,614,485	12,682,696
Number of preference shares entitled to share in the result of the period	1,249,310	1,326,693
Total number of shares entitled to share in the result of the period	14,863,795	14,009,389

¹ IAS 39 included, at 31.12.2010 and 31.12.2009, financial income stands at K€7,530 and K€21,376 respectively.

² IAS 39 included, at 31.12.2010 and 31.12.2009, financial charges stand at K€-79,624 and K€-106,421 respectively.

³ Net result excluding gains or losses on disposals of investment properties, changes in fair value of investment properties and exit tax.

Comments on the consolidated income statement – Analytical form

The cumulated rental income as at 31.12.2010 amounts to €195.1 million, down 1.4% compared to one year earlier (€197.9 million). Concurrently, the property result remains stable at €214.3 million. With a constant portfolio (like-for-like), the level of rents fell by 1.6% over the past 12 months, essentially due to rental vacancy. At 31.12.2010 the occupancy rate stands at 95.77% for the entire portfolio and at 92.85% for the office portfolio alone.

Overall, all direct and indirect operating costs remain stable at 0.80% of the average value of the portfolio as at 31.12.2010.

The operating result (before result on portfolio) is also almost unchanged at €185.0 million.

The financial result, however, improves from €-85.0 million at 31.12.2009 to €-72.1 million at 31.12.2010, mainly stemming from the falling interest charges between those 2 periods. These charges stood at €-79.7 million and €-63.3 million respectively. This improvement can be explained by, on the one hand, the lower average debt level (€1,577.0 million at 31.12.2010 as against €1,713.1 million one year earlier) and, on the other hand, the declining average interest rate on borrowings, including bank margins and the amortisation cost of hedging instruments active during the period, standing at 4.33%¹ in 2010, as against 4.91% in 2009.

The revaluation of optional financial instruments induces to a latent net loss of €13.8 million at 31.12.2010, compared to a latent net loss of €12.3 million at 31.12.2009. The balance-sheet heading under shareholders' equity "Reserve for the balance of changes in fair value of financial instruments"², which registers the changes in effective value of optional as well as non-optional financial instruments, evolves considerably from €-47.1 million at 31.12.2009 to €-60.1 million at 31.12.2010, under the impact of the fall in future interest rates between these 2 periods. This item is not registered in the income statement but has a negative impact on the shareholders' equity and the intrinsic share value. The amount will be progressively reversed over future years in case of rising interest rates or at the latest when the hedging instruments become active.

Taxes (€-7.2 million) comprise the corporate income taxes payable by subsidiaries (mainly Pubstone SA) not covered by the Sicafi tax regime and the tax on non-deductible costs of the Sicafi (primarily the office tax in the Brussels-Capital Region).

The net current result – Group share at 31.12.2010 comes to €105.4 million, as against €92.4 million on 31.12.2009 (+14.1%). If the negative impact of IAS 39 is excluded, it comes to €119.2 million as against €104.7 million respectively (+13.9%). Per share it works out at €8.02 as against €7.47 on 31.12.2009 (+7.4%), the number of shares participating in the results having risen by 6.1% between those 2 dates.

¹ The average interest rate is calculated by dividing, on an annual basis, the interest charges on the financial debt (€63.3 million) and the amortisation cost of hedging instruments (€5.0 million) by the average debt for the period (€1,577.0 million).

² The heading "Reserve for the balance of changes in fair value of financial instruments" is shown in the balance sheet under the heading "Reserve".

The result on portfolio remains negative but in a smaller extent evolving from €-59.9 million at 31.12.2009 to €-21.6 million at 31.12.2010. It comprises a realised gain on disposals of €7.3 million, as against €3.0 million at 31.12.2009, as well as a negative change in fair value of the portfolio (unrealised loss) of €28.5 million¹, compared to a negative change of €63.4 million at 31.12.2009. In Group share, this change in fair value of the portfolio stands at €-1.94 per share at 31.12.2010, compared to €-4.49 for the same period in 2009.

The net result – Group share at 31.12.2010 results in a gain of €83.8 million compared to €32.5 million one year earlier. Per share this amounts to €5.64, compared to €2.31.

¹ Changes in provision for exit tax included.

B. Consolidated balance sheet (x €1,000)

	31.12.2010	31.12.2009
Non-current assets	3,304,794	3,308,866
Goodwill	164,012	163,924
Intangible assets	1,427	1,984
Investment properties	3,041,916	3,040,736
Other tangible assets	539	723
Non-current financial assets	38,522	34,470
Finance lease receivables	58,349	66,956
Trade receivables and other non-current assets	29	73
Current assets	77,112	93,818
Assets held for sale	170	755
Current financial assets	9,227	8,603
Finance lease receivables	2,780	2,762
Trade receivables	18,864	12,490
Tax receivables and other current assets	22,137	46,730
Cash and cash equivalents	3,265	2,343
Deferred charges and accrued income	20,669	20,135
TOTAL ASSETS	3,381,906	3,402,684
Shareholders' equity	1,466,878	1,409,057
Shareholders' equity attributable to shareholders of parent company	1,459,781	1,400,904
Capital	796,528	750,715
Share premium account	513,093	479,541
Reserves	66,364	138,198
Net result of the financial year	83,796	32,450
Minority interests	7,097	8,153
Liabilities	1,915,028	1,993,627
Non-current liabilities	1,448,760	1,587,615
Provisions	19,234	17,766
Non-current financial debts	1,226,815	1,381,474
Other non-current financial liabilities	69,693	51,522
Deferred taxes	133,018	136,853
Current liabilities	466,268	406,012
Current financial debts	313,730	244,659
Other current financial liabilities	62,780	63,233
Trade debts and other current debts	62,631	69,555
Accrued charges and deferred income	27,127	28,565
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,381,906	3,402,684

Comments on the consolidated balance sheet

The fair value of the property portfolio¹, recorded in the consolidated balance sheet, in application of IAS 40, is obtained by deducting the transaction costs from the investment value. At 31.12.2010, the fair value stands at €3,041.9 million, as compared to €3,040.7 million at 31.12.2009.

The investment value of the property portfolio¹ comes to €3,153.2 million at 31.12.2010 as compared to €3,151.0 million at 31.12.2009 (see also the table hereafter under "Property portfolio").

¹ Including assets held for own use and the development projects.

5. Property portfolio

GLOBAL PORTFOLIO OVERVIEW		
<i>Extract from the report by the independent real estate expert Winssinger & Associates based on the investment value</i>		
(x €1,000,000)	31.12.2010	31.12.2009
Total estimated investment value of the portfolio	3,153.17	3,150.96
Projects and development sites	-43.72	-61.77
Total marketable properties	3,109.45	3,089.79
Contractual rents	207.93	211.18
Gross yield on marketable properties	6.69%	6.83%
Contractual rents and estimated rental value on unlet space at the valuation date	217.12	218.02
Gross yield at 100% portfolio occupancy	6.98%	7.06%
Occupancy rate of marketable properties¹	95.77%	96.86%

As at 31.12.2010, the caption *Projects and development sites* mainly includes projects or extensions in the nursing home segment, more precisely in Grez-Doiceau, Oud-Turnhout and Gentbrugge.

Segment	Fair value			Property result after direct costs	
	(in €1,000)	(in %)	Changes over the period ²	(in €1,000)	(in %)
Offices	1,690,983	55.6%	-3.6%	121,188	58.7%
Brussels Leopold/Louise districts	454,455	14.9%	-5.9%	31,364	15.2%
Brussels Centre/North	238,508	7.8%	-0.3%	32,514	15.8%
Brussels Decentralised	633,043	20.8%	-4.8%	35,970	17.4%
Brussels Periphery & Satellites	149,350	4.9%	-0.7%	9,538	4.6%
Antwerp	107,108	3.5%	-3.6%	3,576	1.7%
Other Regions	108,518	3.6%	0.9%	8,226	4.0%
Nursing homes/clinics	910,889	29.9%	3.5%	53,447	25.9%
Belgium	554,079	18.2%	2.0%	29,509	14.3%
France	356,810	11.7%	5.8%	23,938	11.6%
Pubstone	395,557	13.0%	0.7%	27,536	13.4%
Belgium	249,954	8.2%	0.9%	18,474	9.0%
Netherlands	145,603	4.8%	0.3%	9,062	4.4%
Others	44,487	1.5%	-1.2%	4,189	2.0%
TOTAL PORTFOLIO	3,041,916	100.0%	-0.9%	206,360	100.0%

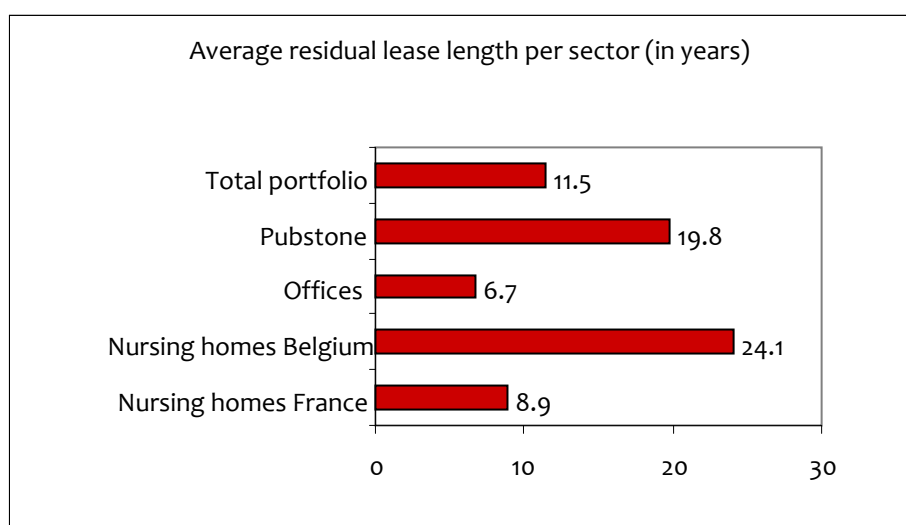
¹ Calculated on the basis of rental income.

² With unchanged portfolio composition.

At 31.12.2010, the consolidated property portfolio has a total rental area of 1,718,312m² in superstructure. The offices (94 buildings) account for 55.6% of the portfolio in fair value, the nursing homes (102 properties) 29.9% and the Pubstone portfolio (1,066 properties) 13.0%. The other business sectors represent 1.5%. The great majority of the portfolio is located in Belgium (83.5%). The properties located abroad relate on the one hand to the healthcare sector in France (11.7%) and on the other hand to the Dutch Pubstone portfolio (4.8%).

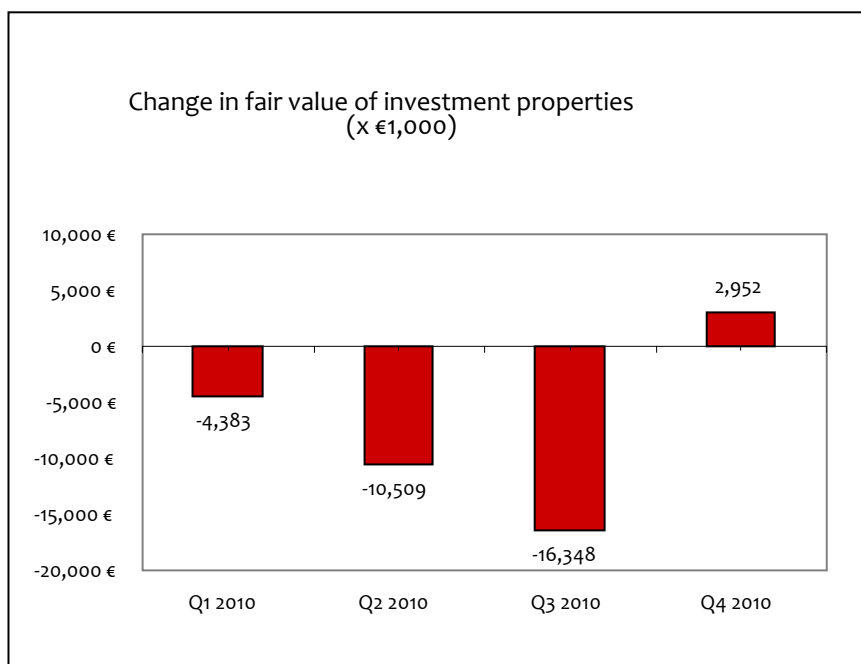
The **occupancy rate**, which only applies to buildings of suitable condition for occupancy on the calculation date (marketable properties), stands at 95.77% for the **consolidated portfolio** (vs. 96.86% on 31.12.2009) and at 92.85% for the office buildings alone. The average occupancy rate on the Brussels' office market as at 31.12.2010 is reckoned to be 88.20% (source: CB Richard Ellis).

As at 31.12.2010, the **average residual lease length** stands at **11.5 years for the consolidated property portfolio** and at 6.7 years for the office portfolio of the Group. Offices are generally leased for an initial term of 3-6-9 years (private sector) or 15 years (public sector). Initially, in 2007, the average lease duration of the Pubstone portfolio was 23 years, today it stands at 20 years. For the care homes it stands at 12 years for the properties located in France and at 27 years for the Belgian properties. At 31.12.2010, the residual average lease length of the nursing home lease contracts stands at 8.9 years in France and at 24.0 years in Belgium. All leases are index-linked annually.



At 31.12.2010, Cofinimmo's 5 major **clients** in terms of contractual rents are the AB InBev Group (13.5%), the Belgian State (11.6%), the Korian Group (8.9%), the European Commission (7.3%) and Armonia (6.6%). In the office segment, the public sector accounts for 37.7% of the portfolio, hence emphasising the stability of the rental income.

The **valuation of the properties in the portfolio** by the independent real estate experts resulted in a negative change in fair value, based on the actual portfolio composition, of 0.9%. The average gross yield dropped from 7.06% on 31.12.2009 to 6.98% a year later for the portfolio as a whole. Over the year, the total portfolio lost €28.3 million in fair value. Unlike the first 3 quarters of the year, the change in the portfolio value was positive in the fourth quarter.



This depreciation for the year is made up as follows:

- the Offices and Others segments record a negative change in fair value of €61.7 million and €0.5 million respectively;
- the segments Nursing homes Belgium, Nursing homes France and Pubstone record a positive change in fair value of €11.2 million, €20.9 million and €1.6 million respectively.

The reason behind the depreciation of the office portfolio is two-fold:

- the over-supply of rental area prohibits an increase in rents and leads to an extension of the vacancy period before renting and a lengthening of rent free periods claimed by future clients before signing the transaction;
- the value of properties requiring a significant renovation in short term future is penalised: this is the case for the Livingstone and Science 15-17 buildings.

At global portfolio level, this depreciation is compensated by:

- the indexation of the leases;
- a high occupancy rate of the total portfolio: 95.77% at 31.12.2010;
- an average residual lease length which has risen from 6.7 years (at the end of 2004) to 7.7 years (at the end of 2006) and then to 11.5 years at the end of 2010 for the entire portfolio, an outstanding figure among the European real estate companies.

Yield per segment	Offices	Nursing homes/clinics Belgium	Nursing homes/clinics France	Pubstone	Others	Total
Gross rental yield at 100% portfolio occupation	7.44%	6.10%	6.54%	6.61%	7.15%	6.98%
Net rental yield at 100% portfolio occupation	6.69%	6.07%	6.52%	6.50%	5.60%	6.52%

Between 31.12.2007 and 31.12.2010, the **gross yield**¹ of the total portfolio expanded from 6.75% to 6.98%. The difference between the yield for the nursing homes in France and in Belgium is due to the length of the leases, there being a very strong correlation between the lease term and the value of the property.

At unchanged portfolio, **rents** fell by 1.6% over the year, mainly due to rental vacancy in the office sector. The somewhat weak indexation over the year did not offset the effects of the current climate in this segment.

Three elements are nevertheless limiting this reversion:

- the office occupancy rate, which is still relatively high (92.85%);
- the tenant rotation rate over the entire portfolio, which remains limited at 5%;
- the healthcare and Pubstone portfolios enjoy a positive indexation of the leases and their income is also protected by their long duration.

Real estate experts

Within the framework of the new Royal Decree on Sicafis of 07.12.2010 recommending the rotation of the property valuers, Cofinimmo appointed, in addition to DTZ Winssinger, Pricewaterhouse Coopers to value its properties. The latter will start its contract for the results as per 31.03.2011, subject to the preliminary approval by the Banking, Finance and Insurance Commission.

¹ Gross rental yield at 100% portfolio occupation.

6. Important events and transactions after 31.12.2010

See point 7 Corporate Governance below.

7. Ordinary share dividend for the financial year 2010, payable in 2011

The **dividend** forecast of €6.50 gross per ordinary share remains confirmed. The Board of Directors will propose to the Ordinary General Shareholders' Meeting on 29.04.2011 the payment of a gross dividend of €6.50 per ordinary share. The gross dividend of €6.50 corresponds to a pay-out ratio of 81.0% on the net current result for 2010, excluding the impact of IAS 39 (€8.02 per share). For the year 2009, the pay-out ratio stood at 87.0%

8. Preference share dividend and conversion

A gross preference dividend capped at €6.37 per preference share, also payable in May 2011, will be proposed to the Ordinary General Meeting.

In accordance with Article 10bis of the Articles of Association, the 1,499,766 preference shares issued by Cofinimmo in 2004 are convertible on the basis of one ordinary share for one preference share during the last 10 days of each civil quarter. Since the opening of the conversion procedure (01.05.2009), 250,456 preference shares have been converted into ordinary shares. Hence, 1,249,310 preference shares are still outstanding. The resulting changes to the composition of the capital are communicated in the media and in the company articles of association, as well as under the heading "*Investor Relations & Media/Share Information/Types of Share + Shareholder Structure*" on the company's website (www.cofinimmo.com).

For the record, the next opportunity for conversion will be offered from 22.03.2011 to 31.03.2011. Preference shareholders who convert their preference shares before 31.03.2011 will be entitled to the gross dividend of the ordinary share of €6.50 for 2010, payable in May 2011.

9. Corporate Governance

Amendment of articles

On 12.02.2011 Cofinimmo will call an Extraordinary General Meeting of shareholders to amend several points of the company articles of association. This meeting will be held on this coming 11 March at 14:30 hours and, if it does not reach the necessary quorum, which is likely, a second meeting is already scheduled for 29.03.2011 at 10:00 hours. This may deliberate validly whatever the number of shares present or represented.

The shareholders will be proposed to bring the articles into line with the new Royal Decree on Sicafis of 07.12.2010. The main changes concern:

- Cofinimmo's capacity, as public Sicafi, to request the Sicafi institutional regime for its subsidiaries;
- the capacity to limit or annul the preference right on the issuing of new shares as long as an irreducible allocation right is granted to existing shareholders;
- the capacity to issue convertible bonds;
- the capacity to offer shareholders the choice of receiving their dividend in cash or in shares;
- the reconstitution of the authorised capital at the level of the issued share capital.

It will also be proposed to the Shareholders' Meeting, following the provisions foreseen in the Company Code, to reduce the non-distributable reserve item "Share premium account" by transfer to the "Result carried forward from previous years" item for an amount of €214,087,000. The reason for this transfer is that Cofinimmo has, on its mergers by absorption of other companies since 2004 and up to 2010, transferred not only the capital and share premium account of the absorbed companies to the corresponding shareholders' equity items (capital and share premium account) of the absorber Cofinimmo, but also the gains made at this time by the absorbed companies.

The advantage of this accounting method was that it kept the Cofinimmo share's par value unchanged. A more classic accounting method for mergers (applied up to 2003) was to allocate the balance sheet items of the absorbed companies to the same balance sheet items of Cofinimmo, the absorber. Looking back, the method followed since 2004 has raised the minimum threshold below which, by virtue of Article 617 of the Company Code (and its interpretation in the new Royal Decree on Sicafis), a dividend distribution cannot lower the net asset value.






Following this transfer and after the scheduled distribution of the FY 2010 result, which stands at €97 million, the company's distributable reserves will reach €351 million.

Appointments

Mr Jean Franken, Director, Member of the Executive Committee and Chief Operating Officer, of Cofinimmo has expressed his desire to retire at the end of next June. Mr Jean Franken joined Cofinimmo in 1997 and has made a notable contribution to the operations and development of the company, whose assets have quintupled since then. The Board of Directors would like to thank him for his valuable collaboration and accedes with regret to his request.

Subject to the preliminary approval by the Banking, Finance and Insurance Commission, Mr Jean Franken will be replaced as Chief Operating Officer and Member of the Cofinimmo Executive Committee by Mr Xavier Denis, who will also be proposed as Director of the company to shareholders at the Ordinary General Meeting of 29.04.2011. Mr Xavier Denis, of Belgian and French nationalities, aged 38, is a civil engineer architect (Université Catholique de Louvain) and Master of Business Administration (Insead). After working initially at the Chapman Taylor and HOK Sport architectural practices in London, he joined Cofinimmo in 2002 as Development & Area Manager. Mr Xavier Denis is also Director of Pubstone and Chairman of the Investors Committee of UPSI (Union Professionnelle du Secteur Immobilier).

10. Financial calendar 2011

Publication Annual Financial Report 2010 (on the website)	31.03.2011 (after stock market)
Ordinary General Meeting for 2010	29.04.2011
Intermediate declaration: results at 31.03.2011	03.05.2011
Dividend payment date (ordinary and preference shares) ¹	
 Coupon detach date (Ex date) ²	04.05.2011
 Record date ³	06.05.2011
 Dividend payment date	As of 11.05.2011
 Financial service	Bank Degroof (principal paying agent) or any other financial institution
 Coupons	
– Ordinary share	Coupon No 19
– Preference share	Coupons No 7 (COFP2) and No 8 (COFP1)
Half-yearly Financial Report: results at 30.06.2011	01.08.2011
Intermediate declaration: results at 30.09.2011	02.11.2011

As a reminder, following changes made to the French SIIC regime, it is no longer a regulatory requirement to have a listing on a domestic stock exchange. Therefore, Cofinimmo has decided to delist its shares from NYSE Euronext Paris. This delisting has no impact on Cofinimmo's day-to-day operations in France, where the company remains highly active. Furthermore, Cofinimmo continues to benefit from the French SIIC tax regime.

¹ Subject to approval of the Ordinary General Meeting of 29.04.2011.

² Date from which the share is traded without a right to payment of future dividends.

³ Date on which positions are closed in order to identify the shareholders who qualify to receive a dividend.

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About Cofinimmo

Cofinimmo is the foremost listed Belgian real estate company specialising in rental property. The company owns a property portfolio worth over €3 billion, representing a total area of 1,700,000m². Its main investment segments are office property and care homes. Cofinimmo is an independent company, which manages its properties in-house. It is listed on Euronext Brussels (BEL20) and benefits from the Belgian fiscal Sicafi regime and the French SIIC regime. At 31.12.2010, its total market capitalisation stands at €1.5 billion.

www.cofinimmo.com

together in real estate

This English Annual press release is a translation of the French Annual press release. Only the French Annual press release forms legal evidence.

Appendix 1: Global result – Form Royal Decree of 07.12.2010 (x €1,000)

	31.12.2010	31.12.2009
A. NET RESULT		
Rental income	195,387	200,572
Writeback of lease payments sold and discounted	21,108	17,655
Rental-related expenses	-295	-2,712
Net rental income	216,200	215,515
Recovery of property charges	795	209
Recovery income of charges and taxes normally payable by the tenant on let properties	35,279	46,144
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-2,417	-1,329
Charges and taxes normally payable by the tenant on let properties	-35,537	-46,215
Property result	214,320	214,294
Technical costs	-3,269	-3,856
Commercial costs	-1,357	-1,475
Taxes and charges on unlet properties	-3,334	-1,806
Property management costs	-15,031	-15,602
Property charges	-22,991	-22,739
Property operating result	191,329	191,555
Corporate management costs	-6,333	-6,369
Operating result before result on portfolio	184,996	185,186
Gains or losses on disposals of investment properties	7,253	2,956
Changes in fair value of investment properties	-27,331	-64,299
Other portfolio result	-957	-550
Operating result	163,961	123,293
Financial income	6,036	20,869
Net interest charges	-63,280	-82,123
Other financial charges	-1,093	-11,491
Changes in fair value of financial assets and liabilities	-13,757	-12,301
Financial result	-72,094	-85,046
Pre-tax result	91,867	38,247
Corporate tax	-7,224	-7,283
Exit tax	-205	1,482
Taxes	-7,429	-5,801
Net result	84,438	32,446
Minority interests	-642	4
Net result – Group share	83,796	32,450
Net current result – Group share	105,435	92,390
Result on portfolio – Group share	-21,639	-59,940

B. OTHER ELEMENTS OF THE GLOBAL RESULT		
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-468	1,301
Change in the effective part of the fair value of authorised cash flow hedging instruments	-12,979	-16,396
Other elements of the global result	-13,447	-15,095
Minority interests	25	-22
Other elements of the global result – Group share	-13,422	-15,117
C. GLOBAL RESULT	70,991	17,351
Minority interests	-617	-18
Global result – Group share	70,374	17,333

Appendix 2: Forecast 2011

Assumptions

Valuation of assets

The fair value, which is the investment value of the properties of which the transaction costs are deducted, is taken over in the consolidated balance sheet. For the 2011 provisional balance sheet, this valuation is entered as an overall figure for the portfolio, increased by major renovation expenses.

Maintenance and repairs – Major renovations works¹

The forecasts by building include both the repairs and maintenance costs, which are entered under operating costs, and major renovation costs, which are capitalised and met from self-financing and borrowing. The upkeep and repair expenses taken into account in the forecast are respectively €11.7 million for office properties and €2.7 million for the pubs.

Investments¹ and divestments

The following investment and divestment projects are taken into account in the forecast:

- the acquisition during the second quarter of 2011 of the office buildings **Avenue Building** and **London Tower** located in Anvers for an approximate value of €38.0 million;
- the acquisition during the fourth quarter 2011 of the **Dendermonde Police Station** for an approximate value of €15.0 million;
- the **acquisition of nursing homes** in Belgium and France for a total of €31.0 million resulting from the delivery of new units or extension of existing units;
- the **disposal of office properties** for a total amount of €119.1 million during the first half of 2011.

Pubstone – exit tax

The promulgation of the Belgian Royal Decree of 07.12.2010 on Sicafis introduces the institutional Sicafi status, enabling Cofinimmo's subsidiaries to opt for this status against payment of an exit tax. The forecast takes this possibility into account during the first half of 2011 for the company Pubstone SA, owner of the Group's pubs in Belgium. The amount of the exit tax is estimated at €50 million.

Rents

Rent forecasts include assumptions for each lease as to tenant departures, analysed on a case-by-case basis, and, in the event of departure of tenants, refurbishment costs, a period of rental vacancy, rental charges and taxes on unlet space plus agency commission when the space is relet. Letting forecasts are based on the present market situation, without assuming either a possible upturn or deterioration in the market. Property result also incorporates the writeback of lease payments sold and discounted relating to the gradual reconstitution of the full value of buildings for which the leases have been sold to a third party. A variation of 1% either way in the occupancy rate leads to a cumulative increase or reduction in the net current result per share per annum of €0.13. Current contracts are index-linked.

¹ This hypothesis is under the company's control, pursuant to Regulation 809/2004 of the European Commission.

Inflation

The inflation rate used for the evolution of rents is 2.0% for the leases being indexed in 2011. The sensitivity of the forecast to variations in the inflation rate is small over the period considered. A variation of 0.5% either way from the predicted inflation rate leads to a cumulative increase or reduction in the net current result per share per annum of €0.07.

Financial expenses

The calculation of financial charges is based on the assumption that interest rates will start to rise again, as anticipated by the future rate curve, and takes into account the current loan contracts. Considering the hedging instruments in place for future years, the cost of debt estimated in 2011 is 4.13% (margins and costs of hedging instruments included).

Consolidated income statement – Analytical form (x €1,000)

	31.12.2010	31.12.2011
A. NET CURRENT RESULT		
Rental income, net of rental-related expenses	195,092	183,492
Writeback of lease payments sold and discounted (non-cash)	21,108	20,494
Taxes and charges on rented properties not recovered	-258	527
Redecoration costs, net of tenant compensation for damages	-1,622	-906
Property result	214,320	203,607
Technical costs	-3,269	-4,720
Commercial costs	-1,357	-2,097
Taxes and charges on unlet properties	-3,334	-2,651
Property result after direct property costs	206,360	194,139
Property management costs	-15,031	-14,389
Property operating result	191,329	179,750
Corporate management costs	-6,333	-6,268
Operating result (before result on portfolio)	184,996	173,482
Financial income (IAS 39 excluded)	6,036	3,428
Financial charges (IAS 39 excluded)	-64,373	-63,142
Revaluation of derivative financial instruments (IAS 39)	-13,757	
Taxes	-7,224	-4,151
Net current result¹	105,678	109,617
Minority interests	-243	-660
Net current result – Group share	105,435	108,957
Average number of outstanding shares entitled to share in the result of the period	14,863,795	14,863,795
Net current result per share – Group share	7.09	7.33
Net current result per share – Group share – exc. IAS 39 impact	8.02	7.33

A forward projection of the future market values of the properties is uncertain, so that no reliable assessed forecast can be given at the present time for the result on portfolio. This result will depend on the tendencies on the rental market, the capitalisation rates as well as the anticipated renovation costs of the buildings.

¹ Net result excluding gains or losses on disposals of investment properties, changes in fair value of investment properties and exit tax.

The disposal, already agreed and for cash, of several assets to various counterparties, of which the realisation is nevertheless subject to administrative authorisations, could lead to a realised result on portfolio of €0.54 per share, compared to €0.49 realised in 2010.

Shareholders' equity will evolve depending on the current result, the result on portfolio and the dividend distribution.

Shareholders' equity is presented before distribution of the FY's dividends.

Consolidated balance sheet (x €1,000)

	31.12.2010	31.12.2011
Non-current assets	3,304,794	3,224,932
Goodwill	164,012	136,949
Investment properties	3,041,916	2,991,158
Financial lease receivables	58,349	56,307
Other non-current assets	40,517	40,517
Current assets	77,112	73,906
Assets held for sale	170	
Financial lease receivables	2,780	2,780
Cash and cash equivalents	3,265	3,265
Other current assets	70,897	67,861
TOTAL ASSETS	3,381,906	3,298,838
Shareholders' equity	1,466,878	1,425,524
Shareholders' equity attributable to shareholders of parent company	1,459,781	1,418,011
Minority interests	7,097	7,514
Liabilities	1,915,028	1,873,314
Non-current liabilities	1,448,760	1,425,897
Non-current financial debts	1,226,815	1,278,143
Other non-current liabilities	221,945	147,754
Current liabilities	466,268	447,417
Current financial debts	313,730	321,727
Other current liabilities	152,538	125,690
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,381,906	3,298,838
Debt ratio	47.50%	50.05%

Dividends

The policy on distribution is proposed by the Board of Directors to the General Meeting at the end of each financial year.

Based on its existing estimates and in the absence of major and unforeseen events, the company has set the objective of distributing a dividend for the year 2011 (payable in 2012) equivalent to that of FY 2010, i.e. €6.50 gross per share.

Caveat

The forecast consolidated balance sheet and income statement are projections, the achievement of which depends, more particularly, on trends in the property and financial markets. They do not constitute a commitment on the part of the company, and have not been certified by the company's statutory auditor.

However, the auditor, Deloitte Company Auditors SC s.f.d. SCRL represented by Ludo De Keulenaer, has confirmed that the forecasts have been drawn up properly on the indicated basis and that the accounting basis used for the purposes of this forecast are in conformity with the accounting methods employed by Cofinimmo SA in preparing its consolidated accounts using accounting methods in accordance with IFRS as executed by the Belgian Royal Decree of 07.12.2010.