

**REGULATED INFORMATION**

EMBARGO UNTIL 31.01.2012 – 5:40 PM

**Establishment of an institutional sicafi as a co-investment with Senior Assist**

Brussels, 31.01.2012, 5:40 PM CET

Cofinimmo, the foremost Belgian listed public real estate investment company with fixed capital, specialising in rental property in particular in the healthcare sector in Belgium and France, and Senior Assist, the reference operator in the healthcare sector in Belgium, have just concluded a co-investment agreement relating to a portfolio of nursing homes run by Senior Assist with a total value of nearly € 150 million, of which € 80 million correspond to properties already owned today by Cofinimmo, € 24 million are new properties in operation and € 46 million relate to development projects.

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The company Maison Saint-Ignace, owner of the nursing home of the same name, of which Cofinimmo already held all the shares, has been registered as an institutional SICAFI since 13.12.2011<sup>1</sup> and was renamed Silverstone SA on 31.01.2012.

On 31.01.2012, through the contributions in kind made by Cofinimmo, Silverstone has become the owner of buildings Nos 2 to 9 below. It has also acquired from Cofinimmo all the shares of Hemera SA, owner of building No 10. The fair value of all these 10 properties comes to € 79,5 million, based on a valuation dated 30.09.2011. The initial rental yield is 6.66% in double net equivalent.<sup>2</sup>

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<sup>1</sup> Subject to compliance with the conditions set out in the SILVERSTONE registration decision which will be satisfied on 31.01.2012.

<sup>2</sup> To allow comparison with the yields from office buildings for which the maintenance costs are payable by the owner ('double net' lease), the yields relating to nursing homes for which maintenance is payable by the tenant are recalculated as 'double net equivalent'.

	Name of institution	Location	Beds	Owner
1.	MAISON SAINT-IGNACE	Laeken	146	Silverstone
2.	BELLEVUE	Forest	153	"
3.	HOF TER DENNEN	Vosselaar	65	"
4.	LES JOURS HEUREUX	Lodelinsart	92	"
5.	PARC	Nivelles	113	"
6.	BORSBEEKHOF	Borgerhout	118	"
7.	COLVERT	Ottignies	73	"
8.	SITELLES	Chastre	58	"
9.	CHARMILLES	Sambreville	62	"
10.	DE NIEUWE SEIGNEURIE	Rumbeke	75	Hemera
	<b>TOTAL</b>		<b>955</b>	

On 31.01.2012, Silverstone also acquired 90% from Cofinimmo (share transfer) and 10% from Senior Assist (contributions in kind) of the capital of the three companies owning buildings Nos 11, 12 and 13 below. Through partial divisions of companies belonging to the Senior Assist group, it also received buildings Nos 14, 15 and 16 as a contribution in kind. Buildings Nos 11 to 16 were valued at € 23.7 million in fair value at 30.09.2011 and their initial rental yield is 7.04% in double net equivalent.

	Name of institution	Location	Beds	Owner
11.	GRAND CERF	Spa	68	Vert Buisson
12.	CHATEAU DES MOINES	Bouillon	55	Saint-Charles Château des Moines
13.	CHENOY	Ottignies	115	Gerigroep
14.	DE FAKKEL, KAREN, VILLA VITAE, DE LAEK	Paal/Koersel	136	Silverstone
15.	FARNIENTANE	Fexhe-Slins	66	"
16.	CLAIRE DE VIE	Liège	74	"
	<b>TOTAL</b>		<b>514</b>	

All the above-mentioned buildings are already in use and have been rented to Senior Assist on long leases with an initial fixed term of 27 years.

In addition, by partial division of companies of the Senior Assist group, Silverstone acquired two buildings (Nos 17 and 18) on 31.01.2012, which it has undertaken to renovate and extend. It has also purchased for cash all the shares in the companies owning the Solva and De Mouterij sites on which it has undertaken to construct two buildings, Nos 19 and 20. The fair value of these 4 properties is € 10.8 million at 30.09.2011.<sup>1</sup>

	Name of institution	Location	Beds	Owner
17.	BRISE D'AUTOMNE – renovation and extension	Ransart	132	Silverstone
18.	7 VOYES – renovation and extension	Vedrin	85	Silverstone
19.	SOLVA – new institution	Aalst	114	Gerigroep
20.	DE MOUTERIJ – new institution	Aalst	127	DWC De Mouterij
	<b>TOTAL</b>		<b>458</b>	

<sup>1</sup> However, property No 18 has been valued at 31.12.2011 to take account of the works carried out in the 4th quarter of 2011.

These buildings for renovation and construction are the subject of long leases, the fixed term of which will be 27 years from the acceptance of the works. It is also planned that Silverstone will carry out works there, estimated at € 28.9 million. The initial rent will be increased on acceptance of the works so that it generates an average initial yield for Silverstone of 6.50% in double net equivalent.

Finally, Silverstone and Senior Assist have agreed that the former will subsequently acquire from Senior Assist, for € 7.2 million, the building Les Récollets as soon as it has been extended and renovated:

	Name of institution	Location	Beds	Future owner
21.	Les Récollets – renovation and extension	Buvrines	90	Silverstone

This building will also be let to Senior Assist on a long lease with an initial fixed term of 27 years, at a rent allowing an initial yield in double net equivalent of 6.67% to be generated.

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Following the purchase after works of building No 21 ‘Les Récollets’, the fair value of Silverstone’s consolidated portfolio, estimated as at 30.09.2011 but increased by the estimated cost of the works to be carried out, should reach € 150.1 million. Silverstone’s consolidated debt is expected to amount to approximately 35 to 40% of this fair value of the portfolio, all other things being equal.

Cofinimmo and Senior Assist are the sole shareholders of Silverstone, with holdings of 95.0% and 5.0% respectively. The two Silverstone shareholders’ rights in the company are identical and strictly proportional to their participation in the capital (subject to certain clauses relating to the transferability of the shares, the right to designate members of the Board of Directors and certain majority rules). After the operations carried out on 31.01.2012, Silverstone itself holds 100% of the capital of its own subsidiaries (Hemera, Vert Buisson, Gerigroep, Saint-Charles Château des Moines and DWC De Mouterij), some of which will be absorbed by Silverstone in the coming months in the interests of simplification.

Silverstone will benefit from a right allowing it to make a priority offer for any additional future project developed by Senior Assist.

The company Silverstone and its subsidiaries will be fully consolidated in the consolidated financial statements of Cofinimmo.

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#### Concerning Senior Assist

Senior Assist is a private group operating in the sector of the accommodation and assistance of dependent elderly people. It currently runs 33 nursing homes, service flats and day centres in Belgium, with total capacity for 2 500 residents. In addition to this network, Senior Assist has also developed a network of home care. The group was set up in 2006 and has grown rapidly, in particular by taking over existing nursing homes which it has renovated or extended. It currently has a workforce of 1 500 employees. Cofinimmo has been assisting it since 2008 by purchasing properties from it and developing certain projects according to its specifications. The group is owned by private shareholders. Its Chairman, Mr Bart Vandeschrick, will be a director of Silverstone, alongside three directors representing Cofinimmo.

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Since Senior Assist has been linked via a participating interest with three subsidiaries of Cofinimmo since 29.06.2011, the provisions of Articles 18 § 1 and 31 § 2 of the Royal Decree of 10.12.2010, on the prevention of conflicts of interest and on intervention of an independent valuer to establish fair value of properties, have been applied. The information required under Article 18 § 2, paragraph 4, of this Decree, is appended to this press release.

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Cofinimmo and Senior Assist welcome the establishment of the company Silverstone, which enables Senior Assist to consolidate and to accelerate its future developments in Belgium and Cofinimmo to continue its growth in the healthcare property sector in Belgium.

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## Annex

**Communication made on 27.01.2012 to the FSMA pursuant to Article 18 of the Royal Decree of 07.12.2010 on Sicafis**

Pursuant to Article 18 of the Royal Decree of 07.12.2010 on Sicafis (the ‘Sicafi Decree’), COFINIMMO SA hereby wishes to inform the Financial Services and Markets Authority (‘FSMA’) of the fact that Silverstone SA (currently Maison Saint-Ignace, the change of company name of which will take place on 31.01.2012), subsidiary of COFINIMMO SA and registered as institutional Sicafi subject to compliance with certain conditions laid down in the Sicafi legislation,<sup>1</sup> is planning to carry out the following transactions with COFINIMMO SA, COFINIMMO SERVICES SA, SENIOR ASSIST SA and some of the latter’s subsidiaries:

1. COFINIMMO SA will make a contribution in kind to the capital of SILVERSTONE SA of eight of its properties used as nursing homes (and/or nursing and care homes) let on a long lease to the operating companies concerned belonging to the SENIOR ASSIST SA group. The conditions of this contribution and the interest for SILVERSTONE SA are detailed in the report drawn up by the company’s Board of Directors by application of Article 602 of the Company Code.
2. SENIOR ASSIST SA will make a contribution in kind to the capital of SILVERSTONE SA of its participating interest (i.e. 10%) in the companies Saint-Charles Château des Moines SA, Vert Buisson SA and Gerigroep NV, 90% of which is already owned by COFINIMMO SA. The conditions of this contribution and the interest for SILVERSTONE SA are detailed in the report drawn up by the company’s Board of Directors by application of Article 602 of the Company Code.
3. The companies MANOIR DE LA QUIETUDE SPRL, GERISART SA, CLAIRE DE VIE SPRL, RESIDENTIE DE LAEK NV and RESIDENTIE KAREN BVBA (which will be fully owned by SENIOR ASSIST SA on 31.01.2012) will be divided and their real estate assets transferred to SILVERSTONE SA. The conditions of these contributions and the interest for SILVERSTONE SA are detailed in the reports drawn up by the company’s Board of Directors by application of Articles 602 and 730 of the Company Code. The goods contributed to SILVERSTONE SA in the context of the partial divisions of the above-mentioned companies are also detailed in the division plans dated 2 November 2011 and filed with the registries of the competent commercial courts. A division plan of 02.11.2011 had also been prepared and filed with the registries of the competent commercial courts by RESIDENCE LES RECOLLETS SA and by SILVERSTONE SA, but for reasons specific to SENIOR ASSIST, it was decided that the partial division by RESIDENCE LES RECOLLETS SA would be undertaken at a later stage.
4. SENIOR ASSIST SA will sell to COFINIMMO SA the SILVERSTONE SA shares issued in its favour, subject to SENIOR ASSIST SA retaining a participating interest in SILVERSTONE SA of 5%.
5. SILVERSTONE SA will let on a long lease to the operating subsidiaries concerned of the SENIOR ASSIST group, the properties it acquires as a result of the partial division of the five companies of that group.
6. SILVERSTONE SA will conclude with COFINIMMO SERVICES SA a contract for the provision of services relating to the financial, administrative, accounting, legal and IT services and for the property management of the company, so that its operational management is carried out by COFINIMMO SERVICES SA in accordance with Article 11 of the Royal Decree of 07.12.2010 and the applicable provisions of the Law on Undertakings for Collective Investment of 20.07.2004.
7. COFINIMMO SA will sell on 31.01.2012, after transactions 1 t 3, to SILVERSTONE SA the participating interests (90% and 100% respectively) consisting of the shares it holds in five property companies, the assets of which are let on a long lease to the operational subsidiaries concerned of the SENIOR ASSIST SA group.

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<sup>1</sup> These conditions will be met on 31.01.2012.



Transactions 1 to 7 referred to above will be carried out on 31.01.2012, following the approval by the FSMA of the change in the Articles of Association of SILVERSTONE SA, which has become necessary on account of the capital increases associated with transactions 1 to 3. Prior to these transactions, Silverstone will proceed to adopt its new Articles of Association to reflect its status of institutional sicafi.

It should be stressed that that acquisition of the properties by SILVERSTONE SA (referred to in transactions 1 and 3) will be undertaken on the basis of a valuation of the properties concerned at 'fair value' at 30.09.2011, as determined by DTZ Winssinger & Associates, a property valuer designated by COFINIMMO SA (with the exception of one of the properties acquired under the partial division of MANOIR DE LA QUIETUDE, which will be undertaken on the basis of a valuation by the surveyor in fair value at 31 December 2011 rather than at 30.09.2011 in order to reflect the increase in value of the property following the works carried out at this property between 30.09.2011 and 31.12.2011).

This fair value is shown in the special reports prepared by the board of directors of SILVERSTONE SA. The partial division plans prepared by the administrative bodies of SILVERSTONE SA and of the companies concerned and filed with the registries of the competent commercial courts had been drawn up with due regard for the values fixed by agreement between the parties in a framework agreement signed on 29.06.2011, i.e. at a time when SENIOR ASSIST SA, controlling shareholder of the companies to be divided, held no participation in either COFINIMMO SA or SILVERSTONE SA, or in any company linked to COFINIMMO SA or SILVERSTONE SA. The administrative bodies of the companies concerned consequently had not considered having to take account of the requirements of the sicafi legislation under which the transfer value may not exceed the fair value of the properties. Since then, and until 31.01.2012, SENIOR ASSIST SA has held 10% and COFINIMMO SA 90% of the capital of the companies Saint-Charles Château des Moines SA, Vert Buisson SA and Gerigroep NV. The administrative bodies of SILVERSTONE SA and the companies concerned agreed, in accordance with the conditions set out in the decision to register SILVERSTONE SA as an institutional Sicafi, to establish all the reference values of the planned transactions, including the partial divisions which are the subject of this report, at fair value as determined by the valuer.

The purchase price of the shares of the companies acquired by SILVERSTONE SA under transactions 2 and 7 will be calculated on the basis of the net asset value of the companies concerned (always determined on the basis of a fair value valuation of the property assets), minus the exit tax and determined on 30.09.2011.

In return for the contributions made under transactions 1 to 3, the SILVERSTONE shares will be issued at a price equal to the net asset value of SILVERSTONE SA, as calculated on 30.09.2011 (i.e. less than 4 months prior to the capital increase). Part of these SILVERSTONE SA shares will then be sold by SENIOR ASSIST SA to COFINIMMO SA under transaction 4, at the same price as the issue price, which corresponds to their fair value.

The terms and conditions of the long leases referred to in point 5 have been agreed at normal market conditions.

All the transactions planned and their financing will be carried out at normal market conditions and are of obvious interest to COFINIMMO SA and SILVERSTONE SA. They consist in the implementation of a contract relating to the transfer of ownership of properties and the investment in SILVERSTONE SA concluded between COFINIMMO SA and companies of the SENIOR ASSIST SA group on 29.06.2011.

In addition, these transactions obviously form part of the investment policy of SILVERSTONE SA. In fact, the object and investment policy of SILVERSTONE SA consist of collective investment in properties as defined in the sicafi legislation, in particular in Article 2 of the Royal Decree of 07.12.2010 adopted under the Law of 20.07.2004, anywhere within the limits of the European Union: i.e. mainly in properties in the healthcare sector in Belgium and Europe which constitute 'immovable properties' within the meaning of the sicafi legislation (as defined in Articles 34, §1 of the Sicafi Decree).

Finally, these immovable properties form part of COFINIMMO SA's investment policy, since they are immovable properties intended for the accommodation of persons.

This operation as a whole enables COFINIMMO SA, through its participating interest of 95% in the capital of SILVERSTONE SA, to add nursing homes in operation and several pre-let projects to its portfolio. In view of the initial yield conditions and the length of the leases, these operations as a whole are definitely of indirect interest for COFINIMMO SA's shareholders.

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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 1,800,000m<sup>2</sup>. 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 30.09.2011, its total market capitalisation stood at €1.35 billion.

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