



Boulevard de la Woluwe 58  
1200 Brussels  
BE 0426.184.049 RLE Brussels  
Limited liability company (*société anonyme/naamloze vennootschap*)  
and closed-end real estate investment company (*sicafi/vastgoedbevak*)  
incorporated under Belgian law

**€173.3 MILLION 3.125 % CONVERTIBLE BONDS DUE 2016**

Issue price: 100%

This securities note (the “**Securities Note**”) has been prepared in connection with (i) the priority allocation to the existing shareholders of Cofinimmo SA/NV (“**Cofinimmo**” or the “**Issuer**”) by way of a public offer in Belgium following a private placement and provisional allocation (subject to claw-back) to institutional investors outside the United States of America pursuant to Regulations S under the U.S. Securities Act (as defined below) and (ii) the admission to trading and listing on NYSE Euronext Brussels (“**Euronext Brussels**”) of the € 173.3 million 3.125 % senior unsecured convertible bonds due 28 April 2016 (the “**Convertible Bonds**”) of Cofinimmo. The public offer in Belgium is addressed to the existing shareholders of the Issuer who hold ordinary and/or preferential shares of the Issuer (the “**Existing Shareholders**”), to whom the entire issue of the Convertible Bonds is available by way of a priority allocation, subject to certain restrictions under applicable securities laws.

The Convertible Bonds will be issued at 100 % of their principal amount on 28 April 2011 (the “**Closing Date**”) and will bear interest at a rate of 3.125 % per annum, payable annually in arrear on 28 April in each year, commencing on 28 April 2012. Unless previously redeemed or purchased and cancelled, the Convertible Bonds will be redeemed in full at their principal amount on 28 April 2016. The Convertible Bonds may be redeemed prior to the maturity date in certain circumstances. The initial Conversion Price is equal to € 116.60 per Ordinary Share (as defined below). See “*Terms and Conditions of the Convertible Bonds*”. Subject to the provisions of Clause 6.4.14 (Cash Alternative Election) of the “*Terms and Conditions of the Convertible Bonds*” and otherwise as provided in the “*Terms and Conditions of the Convertible Bonds*”, each Convertible Bond shall entitle the holder to convert such Convertible Bond into existing and/or new Ordinary Shares, in each case credited as fully paid, at a conversion ratio of one Ordinary Share per Convertible Bond (subject to adjustment).

**PRIORITY ALLOCATION OF THE CONVERTIBLE BONDS TO EXISTING SHAREHOLDERS**  
**COUPON N° 19 FOR ORDINARY SHARES, COUPON N° 8 PREFERENTIAL SHARES 1, COUPON N° 7 PREFERENTIAL SHARES 2**

**1 BOND FOR 10 COUPONS**

The priority allocation will be open to Existing Shareholders only from 18 April 2011 to 5:00 p.m. (Brussels time) on 20 April 2011 (both dates inclusive) (the “**Priority Allocation Period**”), subject to applicable securities laws (see Section 3.5 “*Certain restrictions on the Offering*”).

Application has been made to admit the Convertible Bonds to trading and listing on Euronext Brussels. The ordinary shares (the “**Ordinary Shares**”) and the preferential shares (the “**Preferential Shares**”) of the Issuer are listed on Euronext Brussels. The Issuer has agreed to use all reasonable endeavours to ensure that the Ordinary Shares issued upon conversion of any Convertible Bonds will be admitted to listing on Euronext Brussels and will be listed, quoted or dealt in on any other stock exchange or securities market on which the Ordinary Shares may then be listed, quoted or dealt in. The closing price of the Ordinary Shares on Euronext Brussels on 14 April 2011 was € 101.10 per Ordinary Share.

**Investing in the Convertible Bonds involves risks. See Section 1 “Risk Factors” for a discussion of the factors that should be carefully considered in connection with an investment in the Convertible Bonds.**

Neither the Convertible Bonds, nor the Ordinary Shares that may be issued upon conversion of the Convertible Bonds, have been or will be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state within the United States. The Convertible Bonds are being offered and sold outside the United States in reliance on Regulation S (“**Regulation S**”) under the Securities Act and, unless the Convertible Bonds are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available, may not be offered, sold or delivered within the United States or to U.S. persons (as that term is defined in Regulation S).

The Issuer has not authorised any offer of the Convertible Bonds to the public in any Member State of the European Economic Area or elsewhere other than Belgium.

The Convertible Bonds will be issued in dematerialised form in accordance with Article 468 of the Belgian Company Code in denominations of € 116.60 in principal amount. The Convertible Bonds will be represented in the records of the clearing system operated by the National Bank of Belgium (the “**NBB**”) or any successor thereto (the “**X/N Clearing System**”) by book-entries and in the records of financial intermediaries authorised to hold dematerialised securities on behalf of third parties. The Convertible Bonds can be held by their holders through participants in the X/N Clearing System, including Euroclear and Clearstream, and through other financial intermediaries which in turn hold the Convertible Bonds through Euroclear and Clearstream or other participants in the X/N Clearing System (ISIN: BE0002176429 / Common Code: COFO). The Bondholders will not be entitled to exchange the Convertible Bonds into definitive Convertible Bonds in bearer form.

As of the date of this Securities Note, the current result and other financial data of the Issuer at end March 2011 are not yet available. The intermediate declaration comprising the results as at 31 March 2011 will be published on 3 May 2011.

*Joint Global Coordinators*

**J.P.Morgan**



*Joint Bookrunners*

**J.P.Morgan**



SECURITIES NOTE DATED 15 April 2011

This Securities Note constitutes, together with the Issuer's 2010 annual report approved by the FSMA as a registration document on 29 March 2011 (the “**Registration Document**”) and the summary dated of 15 April 2011 (the “**Summary**”), the prospectus (the “**Prospectus**”) relating to (i) the priority allocation (the “**Priority Allocation**”) of Convertible Bonds to Existing Shareholders by way of a public offer in Belgium following a private placement to institutional investors outside the United States of America pursuant to Regulations S under the U.S. Securities Act (the “**Private Placement**”) and (ii) the admission to trading and listing on Euronext Brussels of the Convertible Bonds (the “**Listing**” and, together with the Priority Allocation and the Private Placement, the “**Offering**”). The Securities Note can be distributed separately from the two other documents.

The Registration Document contains a description of the Issuer and the Securities Note contains a description of the Convertible Bonds and certain additional information relating to the Issuer. The Summary contains a summary of the main characteristics of the Convertible Bonds and the Offering, as well as a summary description of the Issuer. In case of inconsistency between the Summary and the Securities Note or the Registration Document, the latter documents shall prevail.

The Prospectus will be made available to investors at no cost at the registered offices of the Issuer. The Prospectus will also be made available to investors at no cost upon request from BNP PARIBAS Fortis at +32 (0)2 433 40 32 (French) and +32 (0)2 433 40 31 (Dutch), and KBC Securities at +32 (0)3 283 29 70 (Dutch) or +32 (0) 800 92 020 (French). Subject to certain conditions, this Prospectus is also available on the internet at the following website: [www.cofinimmo.com](http://www.cofinimmo.com).

The Securities Note has been prepared in English and has been translated into Dutch and French. The Issuer is responsible for the consistency between the English, Dutch and French versions. In connection with the public offering in Belgium and the admission to trading and listing of the Convertible Bonds on Euronext Brussels, in case of inconsistencies between the versions in different languages, the English version will prevail since it is the sole legally binding version.

**Any decision to invest in the Convertible Bonds should be based on an exhaustive analysis of the Prospectus by the investor.**

## CONTENTS

1.	RISK FACTORS.....	5
1.1	Risks relating to the Issuer and its business .....	5
1.2	Risks relating to the Convertible Bonds .....	5
2.	DEFINITIONS.....	12
3.	IMPORTANT INFORMATION AND CAUTIONARY STATEMENTS.....	15
3.1	Approval of the Prospectus.....	15
3.2	Person responsible for the Prospectus.....	15
3.3	No representation.....	15
3.4	Notices to Existing Shareholders and prospective investors.....	16
3.5	Certain restrictions on the Offering .....	16
3.6	Forward-looking statements .....	18
3.7	Rounding .....	18
3.8	Industry and other statistical information .....	18
3.9	Statutory auditor .....	19
3.10	Available information .....	19
4.	DOCUMENTS INCORPORATED BY REFERENCE.....	21
5.	INFORMATION ON THE OFFERING.....	22
5.1	Information related to the capital increase .....	22
5.2	Reasons for the Offering and use of proceeds .....	22
5.3	Terms and conditions of the Offering.....	23
5.4	Application procedure for the public offer in respect of the Priority Allocation.....	24
5.5	Minimum amount .....	24
5.6	Allocation of the Convertible Bonds .....	25
5.7	Cancellation of the Offering .....	25
5.8	Payment, settlement and delivery of the Convertible Bonds .....	25
5.9	Subscription Agreement .....	25
5.10	Lock-up.....	26
5.11	Listing and first trading.....	27
5.12	Financial service .....	27
5.13	Interest of natural and legal persons involved in the Offering .....	27
5.14	Expected timetable of the Offering.....	27
5.15	Rating.....	28
6.	TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS.....	29
6.1	Form, Denomination, Title and Status.....	29
6.2	Definitions and interpretation .....	30
6.3	Interest .....	38
6.4	Conversion of Convertible Bonds.....	39
6.5	Redemption and Purchase.....	52
6.6	Payments.....	53

6.7	Taxation .....	54
6.8	Events of Default .....	54
6.9	Undertakings .....	55
6.10	Prescription .....	57
6.11	Meetings of Bondholders, Modification and Waiver .....	57
6.12	Notices .....	58
6.13	Further Issues .....	59
6.14	Governing Law and Jurisdiction .....	59
7.	INFORMATION REGARDING THE ISSUER .....	60
7.1	General .....	60
7.2	Recent developments after the Annual Report 2010 .....	60
8.	DESCRIPTION OF THE ISSUER'S SHARES .....	62
8.1	General .....	62
8.2	Share capital and shares .....	62
8.3	Recent legislative changes affecting transactions on the Issuer's share capital .....	63
9.	TAXATION IN BELGIUM .....	66
9.1	Convertible Bonds .....	66
9.2	Ordinary Shares .....	69

## **1. RISK FACTORS**

Investing in the Convertible Bonds involves a high degree of risk. Investors should consider carefully the following risk factors, together with the other information contained in the Prospectus, before making any investment decision concerning the Convertible Bonds. If any risk set out below were to occur, the Issuer's business, future prospects, financial condition and/or results of operation could be negatively affected and this may have an impact on the trading price or value of the Convertible Bonds and the Ordinary Shares. These risks are not the only risks to which the Issuer is currently exposed and, in the future, may be exposed. The order in which the individual risks are presented is not indicative of their likelihood to occur nor of the severity or significance of the individual risks. One or more of the risks described below could affect the Issuer or the Convertible Bonds or the Ordinary Shares simultaneously. Additional risks or uncertainties not presently known to it or that it currently may consider immaterial or that may not specially relate to the Issuer or the Issuer's business may also have a negative effect on its business, future prospects, financial condition and results of operations and thus affect the trading price or value of the Convertible Bonds and/or the Ordinary Shares.

### **1.1 Risks relating to the Issuer and its business**

Reference is made to the risks described in the Registration Document, see p. 2 - 5.

### **1.2 Risks relating to the Convertible Bonds**

***Convertible Bonds are complex debt securities which may not be a suitable investment for all investors.***

Each potential investor in the Convertible Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- i. have sufficient knowledge and experience to make a meaningful evaluation of the Convertible Bonds, the merits and risks of investing in the Convertible Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- ii. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Convertible Bonds and the impact the Convertible Bonds will have on its overall investment portfolio;
- iii. have sufficient financial resources and liquidity to bear all of the risks of an investment in the Convertible Bonds, including where the currency for principal or interest payments may be different from the investor's currency;
- iv. understand thoroughly the terms of the Convertible Bonds and be familiar with the behaviour of any relevant financial markets; and
- v. be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Convertible Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Convertible Bonds will perform under changing conditions, the resulting effects on the value of the Convertible Bonds and the impact the investment will have on the potential investor's overall investment portfolio.

***The Issuer may not have the ability to repay the Convertible Bonds.***

The Issuer may not be able to repay the Convertible Bonds at their maturity. The Issuer may also be required to repay all or part of the Convertible Bonds in the event of a default. If the Bondholders were to ask the Issuer to repay their Convertible Bonds following an event of default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to repay the Convertible Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from its subsidiaries) at the time of the requested repayment. The Issuer's failure to repay the Convertible Bonds may result in an event of default under the terms of other outstanding indebtedness.

***There is no active trading market for the Convertible Bonds and one may not develop.***

The Convertible Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. The Issuer has filed an application to have the Convertible Bonds listed and admitted to trading on the regulated market of Euronext Brussels. If the Convertible Bonds are admitted to trading after their issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of Cofinimmo. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Convertible Bonds. Therefore, investors may not be able to sell their Convertible Bonds easily or at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Convertible Bonds. In the event that put options are exercised in accordance with Condition 6.5.4.1 of the Terms and Conditions of the Convertible Bonds, liquidity will be reduced for the remaining Convertible Bonds. Furthermore, it cannot be guaranteed that the admission to listing and trading once approved, will be maintained.

***The Convertible Bonds are exposed to market interest rate and other risks.***

An investment in the Convertible Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Convertible Bonds. The market value of the Convertible Bonds may be affected by the creditworthiness of Cofinimmo and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date of the Convertible Bonds and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Convertible Bonds and the Ordinary Shares are traded. The price at which a Bondholder will be able to sell the Convertible Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

***The Convertible Bonds may be redeemed prior to maturity.***

The Terms and Conditions of the Convertible Bonds provide that the Convertible Bonds are redeemable at the Issuer's option in certain circumstances and accordingly the Issuer may choose to redeem the outstanding Convertible Bonds at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security bearing an effective interest rate as high as that of the Convertible Bonds. If the Issuer elects to redeem the Convertible Bonds prior to maturity, it will give notice thereof at least 45 days in advance and Bondholders will be entitled to notify the Issuer with their request to convert their Convertible Bonds prior to the redemption, in accordance with the Terms and Conditions.

The Issuer will be entitled to redeem the Convertible Bonds prior to maturity (i) if 15% or less of the initial principal amount of the Convertible Bonds is still outstanding or (ii) if at any time on or after 19 May 2014 the Parity Value (as defined in the Terms and Conditions) exceeds € 151.58 during a certain period, as further set out in Condition 6.5.2. The Convertible Bonds shall be redeemed at their principal amount, together with accrued but unpaid interest.

***The temporary adjustment of the Conversion Price upon a Change of Control and the Bondholders' put option upon a Change of Control under the Convertible Bonds are subject to shareholders' approval.***

Each holder of Convertible Bonds will have the right to require the Issuer to redeem its Convertible Bonds following the occurrence of a Change of Control of the Issuer (as defined in Condition 6.2.1), at the nominal amount together with accrued but unpaid interest. In addition, the Conversion Price of the Convertible Bonds shall be temporarily adjusted following the occurrence of such a Change of Control. Bondholders should note that the exercise by any of them of the early redemption and the temporary adjustment of the Conversion Price will only be effective under the Belgian Company Code if, prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed take-over bid to the shareholders of the Issuer or (b) the occurrence of the Change of Control, (i) the terms of this early redemption and of the Conversion Price adjustment have been approved by the shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce / griffie van de rechtbank van koophandel*). The Issuer has undertaken to submit the Change of Control Resolutions (as defined in the Terms and Conditions of the Convertible Bonds) to the vote of the shareholders at a general meeting of shareholders of the Issuer scheduled to be held no later than on 28 October 2011 and, if such resolutions are then approved, to file a copy of the resolutions as aforesaid immediately thereafter.

If a Change of Control occurs prior to such approval and filing, Bondholders will not be entitled to exercise the option set out in Condition 6.5.4.1. However, if by 28 October 2011 the Change of Control resolutions have not been

approved by a shareholder's meeting of the Issuer and filed with the Clerk of the Commercial Court of Brussels, the Issuer shall redeem the Convertible Bonds 45 days later at 102% of the higher of the principal amount and the fair market value of the Convertible Bonds on 28 October 2011, together with accrued but unpaid interest.

***Existing Shareholders will experience dilution as a result of the Offering if they do not or could not exercise their Priority Allocation rights during the Priority Allocation Period.***

To the extent that an Existing Shareholder does not exercise its Priority Allocation rights to subscribe for the Convertible Bonds, such Existing Shareholder's proportionate ownership and voting interest in the Issuer is likely to be reduced, and the percentage that such shareholder held in the Issuer's share capital prior to the issuance of new Ordinary Shares as a result of the exercise of Convertible Bonds will accordingly be reduced. The extent of such dilution will depend on the number of Convertible Bonds which will be actually converted and, if such a conversion is requested, on whether the Issuer will opt to deliver existing Ordinary Shares or a corresponding cash amount in lieu of new Ordinary Shares, as it is entitled to do so pursuant to the Terms and Conditions.

An Existing Shareholder holding 1% of the share capital of the Issuer and who does not exercise its Priority Allocation right, would experience a maximal dilution of 9% in terms of voting rights if all Convertible Bonds are converted into new Ordinary Shares.

An Existing Shareholder who holds less than 10 Coupons or less than a multiple of 10 Coupons will not be able to subscribe for a Convertible Bond or, as the case may be, an additional Convertible Bond. Due to the features of the transaction, the Coupons representing the Priority Allocation right will not be listed on any market and Existing Shareholders will therefore not be able to buy such additional number of Coupons as required to hold 10 Coupons or a multiple thereof. As a result, Existing Shareholders could be prevented from subscribing an additional Convertible Bond that they would otherwise have been entitled to subscribe for if they held the required number of Coupons. This will not cause a financial dilution to such Existing Shareholders, given that the initial Conversion Price of the Convertible Bonds is set at a premium to the current stock price of the Ordinary Shares. It will cause a very limited dilution in terms of voting rights if the Convertible Bond is converted into new Ordinary Shares, to the extent that such Existing Shareholder will only be prevented from subscribing one (additional) Convertible Bond. The constraints of issuing the Convertible Bonds at a nominal amount even lower than the nominal amount currently set, would have offset the benefit for Existing Shareholders to be able to subscribe that (additional) Convertible Bond.

The number of coupons (representing the Priority Allocation right) required to subscribe for one Convertible Bond was determined based on the total number of shares issued by Cofinimmo (total number of outstanding Ordinary Shares and total number of outstanding Preferential Shares) and is the same for holders of Ordinary Shares and holders of Preferential Shares. As Preferential Shares give right to a fixed and capped yearly priority dividend as well as to a fixed priority dividend in case of liquidation (equal to their issue prices), this would imply that the holders of Preferential Shares are not affected by a financial dilution if they do not subscribe to the Convertible Bonds whilst the holders of Ordinary Shares could be slightly affected if they do not subscribe to the Convertible Bonds (provided the holders of Preferential Shares have not at that time converted their Preferential Shares into Ordinary Shares). It should also be noted that Preferential Shares and Ordinary Shares will be treated equally for the Priority Allocation Right, despite the fact that they have different economic rights.

***Additional debts.***

In the future, the Issuer will remain free to take additional debts which may affect the capacity of the Issuer to fulfil its obligations concerning the Convertible Bonds (including but not limited to the ability of the Issuer to redeem the Convertible Bonds) and may therefore negatively affect the value and/or trading price of the Convertible Bonds. The Terms and Conditions of the Convertible Bonds do not limit the amount of unsecured debt that the Issuer can take.

***The Convertible Bonds are structurally subordinated to the secured obligations of the Issuer.***

The Convertible Bonds constitute direct, general, unconditional and, subject to Condition 6.1.3 (Negative Pledge) of the Terms and Conditions, unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are mandatory of general application. Upon a winding-up of the Issuer or if insolvency proceedings are brought in relation to the Issuer, the Convertible Bonds will be effectively subordinated to all of the Issuer's other secured indebtedness, to the extent of the value of the collateral securing such indebtedness.

***Issuer's insolvency and bankruptcy.***

The Issuer has been incorporated in Belgium under the laws of Belgium as a commercial company and is subject to Belgian insolvency legislation. There can be no legal assurance that the Issuer will not be declared insolvent or bankrupt. Furthermore, the Bondholders are unsecured obligations of the Issuer.

***Upon a request for conversion of a Convertible Bond, the Issuer is entitled to deliver to the Bondholders existing Ordinary Shares or a cash amount representing the value of the then prevailing share price of the Ordinary Shares, instead of delivering newly issued Ordinary Shares.***

Upon exercise of conversion rights by a Bondholder, the Issuer may make an election by giving notice to the relevant Bondholder by not later than the date falling 3 Brussels Business Days following the relevant Conversion Date to satisfy the exercise of the Conversion Rights in respect of the relevant Convertible Bonds by making payment to the relevant Bondholder of a cash amount representing the value in euros of the Ordinary Shares which the Issuer would otherwise have been required to deliver, instead of actually delivering such Ordinary Shares. The value is based on the then prevailing share price of the Ordinary Shares (as calculated pursuant to Condition 6.4.1). The Issuer could also opt to deliver to the Bondholder existing Ordinary Shares instead of issuing new Ordinary Shares, or a mix of new and/or existing Ordinary Shares and a cash amount, calculated as stated above (in respect of the Ordinary Shares not so delivered by the Issuer).

The Issuer cannot elect to pay a cash amount in respect of conversions requested either (i) by a Bondholder who is a retail investor or (ii) by a Bondholder who is a qualified investor and who subscribed the relevant Convertible Bonds during the Priority Allocation Period, provided that, in the latter case, the Bondholder requests to receive Ordinary Shares upon exercising its Conversion Right and submits to the Issuer the documents specified in Section 5.4. In addition, the Issuer cannot elect to deliver existing Ordinary Shares to a Bondholder who is a retail investor.

***There is a limited period for, and there are costs associated with, the exercise of Conversion Rights.***

A Bondholder will, subject as more fully described herein in the Terms and Conditions of the Convertible Bonds, have the right to convert his or her Convertible Bonds into Ordinary Shares. Convertible Bonds can be converted, subject as provided herein, at any time from 8 June 2011 until the close of business (at the place where the relevant Convertible Bond is delivered for conversion) on the date falling 7 business days prior to the Final Maturity Date (both days inclusive) or, if the Convertible Bonds have been called for redemption by the Issuer before the Final Maturity Date, until the close of business (at the place aforesaid), on the 7th business day (included) before the date fixed for redemption thereof. If the Conversion Rights are not exercised by Bondholders during this period, the Convertible Bonds will be redeemed at their principal amount on the Final Maturity Date, together with unpaid accrued interest, unless the Convertible Bonds are previously purchased and cancelled or redeemed in accordance with the Terms and Conditions. As indicated in Section 9.1.1 below, the exercise by a Bondholder of its Conversion Right may be treated as giving rise to the allocation to that Bondholder of taxable interest, if the Issuer opts for a Cash Settlement (as described in Condition 6.4.14 of the Terms and Conditions of the Convertible Bonds) or for the delivery of existing Ordinary Shares. Withholding tax may accordingly need to be withheld by the Issuer (or the NBB), unless a withholding tax exemption is applicable. In the absence of withholding at source, the Bondholder will need to report this interest income in his or her income tax return. No other costs will be associated with the conversion of the Convertible Bonds.



***Bondholders have limited anti-dilution protection.***

The Conversion Price at which the Convertible Bonds may be converted into Ordinary Shares will be adjusted in certain events set out in Section 6.4.2 and referred to in the Summary (under the section "*Conversion Price*"). Such events include, among others, a consolidation, reclassification or subdivision of the Ordinary Shares, capitalisation of profits, the payment of dividends above certain amounts or other distributions by the Issuer, rights issue or grant of other subscription rights or other event affecting the Ordinary Shares, but only in the situations and only to the extent provided under the Terms and Conditions. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. In that respect, Bondholders should note that there will be no adjustment in circumstances such as the issuance of Ordinary Shares as a result of a contribution in kind to the capital of the Issuer (including by way of merger). Events in respect of which no adjustment is made may adversely affect the value of the Ordinary Shares and, therefore, adversely affect the value of the Convertible Bonds.

The adjustment events and the way such adjustments are to be calculated are set out in Condition 6.4.2. Any such adjustment aims to neutralize or limit the dilution triggered by the relevant event and is therefore aimed to protect such Bondholders. It will be the responsibility of the Issuer alone, to monitor whether any event requires an adjustment of the Conversion Price.

***The market price of the Convertible Bonds will depend on numerous factors, including in particular the risk of fluctuation in the price of the Ordinary Shares.***

The market price of the Convertible Bonds is expected to be affected by fluctuations in the market price of the Ordinary Shares, and it is impossible to predict whether the price of the Ordinary Shares will rise or fall. Indeed, the value of the Convertible Bonds is directly influenced by the value of the underlying Ordinary Shares. The delta of the equity option embedded in the Convertible Bonds changes over time and measures the theoretical impact of a change in the share price on the convertible price. The actual market value of the Ordinary Share may not move according to this ratio and there could also be exogenous variables that move both the Ordinary Shares and Convertible Bonds of the Issuer in the same direction. Trading prices of the Ordinary Shares will be influenced by, among other things, the financial position of the Issuer, its results of operations and political, economic, financial and other factors. Any decline in the market price of the Ordinary Shares may have an adverse effect on the market price of the Convertible Bonds. In addition, because there will be a delay between when Conversion Rights are exercised and when Ordinary Shares are delivered, the value of the Ordinary Shares to be delivered may decline between the date on which Conversion Rights are exercised and the date on which such Ordinary Shares are delivered.

The future issue of Ordinary Shares by the Issuer or the disposal of Ordinary Shares by any substantial shareholders of the Issuer or the perception that such issues or sales may occur may significantly affect the trading price of the Convertible Bonds and the Ordinary Shares. Cofinimmo has agreed to certain restrictions on its ability to issue or dispose of Ordinary Shares or related securities during the period commencing on the date of the Subscription Agreement (which is expected to be 21 April 2011) and ending 90 days after the Closing Date (both dates inclusive). Except for such restrictions and the undertakings of the Issuer described in the Terms and Conditions there is no restriction on the Issuer's ability to issue Ordinary Shares, and there can be no assurance that the Issuer will not issue Ordinary Shares or that any substantial shareholder will not dispose of, encumber, or pledge its Ordinary Shares or related securities. The volatility of the Ordinary Shares, an increase of the applicable interest rate, any real or perceived changes in the credit risk, or an increase in dividend payments may also adversely affect the market value of the Convertible Bonds.

***Bondholders could modify certain Terms and Conditions of the Convertible Bonds.***

The Terms and Conditions of the Convertible Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

***The Convertible Bonds may be exposed to exchange rate risks and exchange controls.***

The Issuer will pay principal and interest on the Bonds in euros. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in

the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency-equivalent yield on the Convertible Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Convertible Bonds and (3) the Investor's Currency equivalent market value of the Convertible Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Certain payments in respect of the Convertible Bonds may be impacted by the EU Savings Directive.***

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, the Grand Duchy of Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). Until 31 December 2009, Belgium also operated a transitional withholding tax system as provided above. By two Royal Decrees dated 27 September 2009, the Belgian State elected to abandon the transitional withholding system and provides information in accordance with the EU Saving Directive since 1 January 2010.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. The European Parliament expressed its opinion on the proposal on 24 April 2009 and the Council adopted unanimous conclusions on 9 June 2009 relating to the proposal. If any of those proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above. If a payment were to be made or collected through a paying agent established in any state which applies the withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Agent nor any other person would be obliged to pay additional amounts to the Bondholders or to otherwise compensate Bondholders for the reductions in the amounts that they will receive as a result of the imposition of such withholding tax.

***No tax gross-up.***

The Issuer is not obliged to make any additional payments to Bondholders in the event that any payment in respect of the Convertible Bonds is required by applicable law to be withheld or deducted for taxation. Neither the Issuer nor the Bondholders has any right to require redemption of the Convertible Bonds in the event of such a withholding or deduction.

As indicated in Section 9.1.1, the exercise by a Bondholder of its Conversion Right may be treated as giving rise to the allocation to that Bondholder of taxable interest, if the Issuer opts for a Cash Settlement or for the delivery of existing Ordinary Shares. Withholding tax may accordingly need to be withheld by the Issuer (or the NBB), unless a withholding tax exemption is applicable. However, the Issuer will not be entitled to opt for a Cash Settlement or to deliver existing Ordinary Shares (and will hence be required to issue new Ordinary Shares), if the Bondholder is a retail investor (*i.e.* an investor who has not indicated in the conversion notice that he is a qualified investor). For Bondholders who are qualified investors and who do not benefit from a withholding tax exemption, the tax consequences of an exercise of the Conversion Right can be different if they receive existing Ordinary Shares or a cash amount, as opposed to newly issued Ordinary Shares.

***Changes in governing law could modify certain Terms and Conditions of the Convertible Bonds.***

The Terms and Conditions of the Convertible Bonds are based on the laws of Belgium in effect as at the date of this Securities Note. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Belgium, the official application, interpretation or the administrative practice after the date of this Securities Note.

***The Agent and the Joint Bookrunners may engage in transactions adversely affecting the interests of the Bondholders and the Issuer may be involved in transactions with the Agent or the Joint Bookrunners.***

The Paying, Conversion and Domiciliary Agent (and such other agents as may be appointed in respect of the Convertible Bonds) and the Joint Bookrunners might have conflicts of interests which could have an adverse effect to the interests of the Bondholders (e.g. they could (i) underwrite a deal for a similar issuer that reduces the price of the Convertible Bonds due to oversupply (though unlikely in the current environment), (ii) in the normal course of secondary trading business, decide to sell a portion of Convertible Bonds that they own in their portfolio and the price of the Convertible Bonds could fall as a result, (iii) underwrite a debt offering that increases the leverage of the Issuer, increasing perceived credit risk and therefore negatively impacting the market price of the Convertible Bonds). Potential investors should be aware that the Issuer is or may be involved in a general business relation or/and in specific transactions with the Agent and/or any of the Joint Bookrunners and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should also be aware that the Agent and each of the Joint Bookrunners may hold from time to time debt securities (including the Convertible Bonds), shares or/and other financial instruments of the Issuer.

***Legal investment considerations may restrict certain investments.***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Convertible Bonds are legal investments for it, (ii) Convertible Bonds can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Convertible Bonds.

The investors should consult their legal advisers to determine the appropriate treatment of Convertible Bonds under any applicable risk-based capital or similar rules.

Applicable securities laws may limit the ability for certain investors to participate in the Offering or to own, purchase or sell the Convertible Bonds and/or the Ordinary Shares.

***Any downgrading in the credit rating of the Convertible Bonds or of the Issuer may affect the trading price of the Convertible Bonds***

The Convertible Bonds have been rated by Standard & Poor's. There can be no guarantee that this rating or the Issuer's rating will not be downgraded. The ratings provided by Standard & Poor's may be suspended, withdrawn or revised at any time. Any revision or downgrading in the above credit ratings may lower the value of the Convertible Bonds and may also affect the Issuer's ability to raise further debt.

## 2. DEFINITIONS

<b>Act of 16 June 2006</b>	The Belgian Act of 16 June 2006 concerning the public offerings of securities and the admission of securities to trading on a regulated market ( <i>Loi relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés / Wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereguleerde markt</i> )
<b>Board of directors or Board</b>	The board of directors of the Issuer.
<b>Centralising Agent</b>	Fortis Bank SA/NV.
<b>Clearstream</b>	Clearstream Banking, <i>société anonyme</i> .
<b>Closing Date</b>	The date on which the Convertible Bonds are issued, i.e. 28 April 2011.
<b>Convertible Bonds</b>	€ 173.3 million 3.125 % convertible bonds due 28 April 2016.
<b>Coupon</b>	The relevant coupon representing the right to Priority Allocation.
<b>EGM of 29 March 2011</b>	The extraordinary shareholders' meeting of the Issuer held on 29 March 2011.
<b>Euroclear</b>	Euroclear Bank SA/NV.
<b>Euronext Brussels</b>	NYSE Euronext Brussels.
<b>EU Savings Directive</b>	The EC Council Directive 2003/48/EC on the taxation of savings income.
<b>Existing Shareholders</b>	The existing shareholders of the Issuer who hold Ordinary and/or Preferential Shares of the Issuer on 15 April 2011, after closing of markets on Euronext Brussels.
<b>FSMA</b>	The Belgian Financial Services and Market Authority ( <i>Autorité des services et des marchés financiers / Autoriteit financiële diensten en markten</i> ), formerly the CBFA.
<b>Issue Price</b>	The issue price of the Convertible Bonds.
<b>Issuer or Cofinimmo</b>	Cofinimmo SA/NV, Boulevard de la Woluwe 58, 1200 Brussels, BE 0426.184.049 RLE Brussels, a limited liability company ( <i>société anonyme/naamloze vennootschap</i> ) and closed-end real estate investment company ( <i>sicafi/vastgoedbevak</i> ) incorporated under Belgian law.
<b>ITC 1992</b>	The Belgian Income Tax Code 1992.

<b><i>Joint Bookrunners or Underwriters</i></b>	J.P. Morgan Securities Ltd., Fortis Bank SA/NV, Barclays Bank PLC, Daiwa Capital Markets Europe Limited and KBC Securities NV.
<b><i>Joint Global Coordinators</i></b>	J.P. Morgan Securities Ltd. and Fortis Bank SA/NV.
<b><i>Listing</i></b>	The admission to trading and listing on Euronext Brussels of the Convertible Bonds.
<b><i>Long-stop Date</i></b>	28 October 2011.
<b><i>Member State</i></b>	A member state of the European Economic Area (or a member state of the European Union as regards the EU Savings Directive).
<b><i>N-account</i></b>	A non-exempt securities account in the X/N Clearing System.
<b><i>NBB</i></b>	The National Bank of Belgium.
<b><i>Offering</i></b>	The Priority Allocation following a Private Placement and the Listing of the Convertible Bonds.
<b><i>Ordinary Shares</i></b>	The ordinary shares issued by the Issuer.
<b><i>Paying, Conversion and Domiciliary Agent</i></b>	BNP PARIBAS Securities Services, Brussels branch.
<b><i>Preferential Shares</i></b>	The preferential shares issued by the Issuer.
<b><i>Priority Allocation</i></b>	The priority allocation of Convertible Bonds to Existing Shareholders of the Issuer only by way of a public offering in Belgium.
<b><i>Priority Allocation Period</i></b>	From 18 April 2011 to 5:00 p.m. (Brussels time) on 20 April 2011.
<b><i>Private Placement</i></b>	The private placement of Convertible Bonds to institutional investors in Belgium and elsewhere outside the United States of America pursuant to Regulation S under the Securities Act, which took place on 15 April 2011.
<b><i>Prospectus</i></b>	This Securities Note, the Registration Document and the Summary.
<b><i>Prospectus Directive</i></b>	The EU Directive 2003/71 of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination and advertisements
<b><i>Registration Document</i></b>	The Issuer's 2010 annual report approved by the FSMA as a registration document on 29 March 2011.
<b><i>Regulation S</i></b>	Regulation S under the Securities Act.

<b><i>Relevant Member State</i></b>	Each Member State that has implemented the Prospectus Directive.
<b><i>Royal Decree of 14 November 2007</i></b>	The Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a regulated market ( <i>Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis à la négociation sur un marché réglementé / Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een gereguleerde markt</i> ).
<b><i>Section</i></b>	Any section in this Securities Note.
<b><i>Securities Act</i></b>	The United States Securities Act of 1933, as amended.
<b><i>Securities Note</i></b>	This securities note approved by the FSMA on 13 April 2011.
<b><i>Subscription Agreement</i></b>	The subscription agreement which is expected to be entered into on 21 April 2011 by the Joint Bookrunners and the Issuer.
<b><i>Summary</i></b>	The summary approved by the FSMA on 13 April 2011.
<b><i>Underwriters</i></b>	The Joint Bookrunners.
<b><i>X-account</i></b>	An exempt securities account in the X/N Clearing System.
<b><i>X/N Clearing System</i></b>	The clearing system operated by the NBB or any successor thereto.

### **3. IMPORTANT INFORMATION AND CAUTIONARY STATEMENTS**

#### **3.1 Approval of the Prospectus**

On 13 April 2011, the FSMA approved this English-language Securities Note for the purpose of the Offering in accordance with Article 23 of the Act of 16 June 2006.

This Securities Note has been prepared in accordance with chapter II of the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing the Prospectus Directive.

The FSMA's approval does not imply any judgement on the merits or the quality of the Offering, the Convertible Bonds or the Issuer.

The Securities Note has been prepared in English and has been translated into Dutch and French. The Issuer is responsible for the consistency between the English, Dutch and French versions. In connection with the public offering in Belgium and the admission to trading and listing of the Convertible Bonds on Euronext Brussels, in case of inconsistencies between the versions in different languages, the English version will prevail since it is the sole legally binding version.

The Offering and this Securities Note have not been submitted for approval to any supervisory body or governmental authority outside Belgium.

#### **3.2 Person responsible for the Prospectus**

The Issuer, Cofinimmo SA/NV, with registered office Boulevard de la Woluwe 58, 1200 Brussels, represented by its Board of directors, assumes responsibility for the content of this Securities Note and the Summary. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note and in the Summary is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

#### **3.3 No representation**

Neither the Joint Bookrunners, nor their affiliates or any person acting on their behalf make any representation or warranty, express or implied, as to the accuracy or completeness of the information in this Securities Note or in the Summary, and nothing in this Securities Note or in the Summary is, or shall be relied upon as, a promise or representation by any of the Joint Bookrunners and their advisors.

The Prospectus is intended to provide information to the Existing Shareholders in the context of and for the sole purpose of evaluating a possible investment in the Convertible Bonds. It contains selected and summarised information, does not express any commitment or acknowledgement or waiver and does not create any right, expressed or implied, towards anyone other than a potential investor. It cannot be used except in connection with the Offering. The content of this Prospectus is not to be construed as an interpretation of the rights and obligations of the Issuer, of the market practices or of contracts entered into by the Issuer.

The Joint Bookrunners and their affiliates are acting exclusively for the Issuer and no one else in connection with the Offering and will not be responsible to any other person for providing the protections afforded to their client or for providing advice in relation to the Offering.

### **3.4 Notices to Existing Shareholders and prospective investors**

In making an investment decision, Existing Shareholders and prospective investors must rely on their own examination of the Issuer and the terms of the Offering, including the merits and risks involved as described in the Prospectus. Existing Shareholders and prospective investors should rely only on the information contained in the Prospectus. Neither the Issuer nor any of the Joint Bookrunners have authorised any other person to provide Existing Shareholders or other prospective investors with different information. If anyone provides different or inconsistent information, it should not be relied upon.

None of the information in this Securities Note should be considered as an investment, legal or tax advice. Investors should consult their own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding purchasing the Convertible Bonds. Neither the Issuer nor any of the Joint Bookrunners make any representation to any offeree or purchaser regarding the legality of an investment in the Convertible Bonds by such offeree or purchaser under applicable investment or similar laws.

The information appearing in this Securities Note should be assumed to be accurate as of the date on the front cover of this Securities Note only. In accordance with Belgian law, if a significant new fact, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the Convertible Bonds and which arises or is noted between the time when the Securities Note is approved and the Closing Date of the Offering, or as the case may be, prior to the start of the trading of the Convertible Bonds on the relevant market, the same will be set out in a supplement to the Prospectus. Any supplement is subject to approval by the FSMA, and must be made public, in the same manner as the Prospectus.

If a supplement to the Prospectus is published on or prior to the Closing Date, subscribers in the Offering shall have the right to withdraw their subscriptions made prior to the publication of the supplement. Such withdrawal must be done within the time limits set forth in the supplement (which shall not be shorter than two business days after publication of the supplement).

### **3.5 Certain restrictions on the Offering**

#### ***General***

The Offering is conducted as a public offering in Belgium in respect of a priority allocation of Convertible Bonds to Existing Shareholders of the Issuer only. Neither the Offering nor the Securities Note have or will be submitted for approval to any supervisory authority outside Belgium.

The Securities Note does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of the Securities Note or the Prospectus and the offering, sale and delivery of Convertible Bonds and the Ordinary Shares to be issued or delivered upon conversion of the Convertible Bonds in certain jurisdictions may be restricted by law. Therefore, no steps may be taken that would constitute or result in a public offering of the Convertible Bonds outside Belgium. Accordingly, the Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction where such an offer or solicitation is not authorised or is unlawful.

Persons into whose possession the Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. Neither the Issuer nor any of the Joint Bookrunners assume any responsibility in respect thereof.

Investors must comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer or sell the Convertible Bonds or possess or distribute the Securities Note or the Prospectus and must obtain any consent, approval or permission required for the purchase, offer or sale of the Convertible Bonds under the laws and regulations in force in any jurisdiction in which any purchase, offer or sale is made.

#### ***Notice to prospective investors in the United States***

Neither the Convertible Bonds, nor the Ordinary Shares that may be issued upon conversion of the Convertible Bonds, have been or will be registered under the Securities Act or with any securities regulatory authority of any state within the United States. The Convertible Bonds may not be offered, sold or delivered within the United States or to or for the account or benefit of US persons as defined in Regulation S, except pursuant to an exemption from, or in a transaction



not subject to, the registration requirements of the Securities Act. Accordingly, the Convertible Bonds are being offered and sold outside the United States to non US persons in accordance with Regulation S under the Securities Act. There will be no public offering of the Convertible Bonds in the United States.

***Notice to prospective investors in the European Economic Area***

The Issuer has not authorized any offer to the public of Convertible Bonds in any Member State, other than Belgium. With respect to each Relevant Member State other than Belgium, no action has been undertaken or will be undertaken to make an offer to the public of Convertible Bonds requiring a publication of a prospectus in that Relevant Member State. As a result, the Convertible Bonds may only be offered in a Relevant Member State under the following exemptions of the Prospectus Directive, if they have been implemented in that Member State:

- i. to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- ii. to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than € 43,000,000; and (3) an annual net turnover of more than € 50,000,000, as shown in its last annual or consolidated accounts;
- iii. to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or
- iv. in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Convertible Bonds shall result in a requirement for the publication by the Issuer or any Joint Bookrunner of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this paragraph, the expression an “offer to the public” of Convertible Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Convertible Bonds to be offered so as to enable an investor to decide to purchase or subscribe to any such securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” includes any relevant implementing measure in each Relevant Member State.

***Notice to prospective investors in the United Kingdom***

This Prospectus is being distributed only to and is directed solely at (i) persons outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) high net worth entities and other persons to whom it may otherwise lawfully be communicated falling within Article 49(2)(A) to (D) of the Order (all such persons together being referred to as “**Relevant Persons**”). Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

***Notice to prospective investors in Italy***

Neither the Offering nor the Convertible Bonds have been registered, pursuant to Italian securities legislation, with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”), the public authority responsible for regulating the Italian securities market.

Accordingly, the Convertible Bonds may not be offered, sold or delivered, and copies of this Prospectus or any other document relating to the Offered Shares may not be distributed in Italy except to “Qualified Investors” (*Investitori Qualificati*), defined as the following among the qualified investors under No. (i), (ii) and (iii) of Article 2, paragraph 1, letter (e) of the Prospectus Directive (excluding : (i) management companies authorised to manage individual portfolios on behalf of third parties (*Società di gestione del risparmio*); (ii) fiduciary companies managing portfolio investments, also on the base of fiduciary registration, regulated by article 60, paragraph 4, of Legislative Decree 415 of 23 July 1996 (*società fiduciarie*); and legal entities of Article 2, paragraph 1, letter (e) No. (iii) of the Prospectus Directive who does not meet at least two of the following criteria: (a) a total balance sheet equal at least to Euro 20,000,000; (ii) an annual net turnover equal at least to Euro 40,000,000; and (iii) a net equity of at least Euro 2,000,000).

Any such offer, sale, delivery of the Convertible Bonds, distribution of copies of this Prospectus or any other document relating to the Convertible Bonds or any provision of advice in respect to any investment in the Convertible Bonds within Italy must (i) be made in accordance with any relevant limitations or procedural requirements that the

Bank of Italy of CONSOB may impose upon the offer or sale of the securities; and (iii) be made either by registered securities dealers (*Società di intermediazione mobiliare*), authorised banks, investment firms - as defined in the Legislative Decree No. 58 of February 24, 1998, as amended - or financial companies enrolled on the special register provided for under Article 107 of the Legislative Decree no. 385 of 1 September 1993, as amended, to the extent such entities are authorised to engage in the placement and/or underwriting of securities in Italy in accordance with the relevant provisions of the Legislative Decree No. 58 of February 24, 1998.

#### ***Notice to prospective investors in Canada, Australia or Japan***

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Convertible Bonds in Canada, Australia, or Japan and is not for distribution in or into any of these countries.

### **3.6 Forward-looking statements**

The Prospectus includes forward-looking statements. By their nature, forward-looking statements are subject to inherent risks and uncertainties, both general and specific, and the predictions, forecasts, projections and other forward-looking statements contained in the Prospectus could be materially different from what actually occurs in the future.

In addition, the Prospectus contains estimates of growth in the markets in which the Issuer operates that have been obtained from independent, third party studies and reports. These estimates assume that certain events, trends and activities will occur. Although the Issuer believes that these estimates are generally indicative of the matters reflected in those studies and reports, these estimates are also subject to risks and uncertainties and investors are cautioned to read these estimates in conjunction with the rest of the disclosure in the Prospectus, particularly Section 1, “*Risk Factors*”.

Although the Issuer believes that its expectations with respect to forward-looking statements are based on reasonable assumptions within the bounds of its knowledge of its business and operations at the date of the Prospectus, Existing Shareholders and prospective investors are cautioned that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Some of these factors are discussed in Section 1, “*Risk Factors*” and elsewhere in the Prospectus.

The forward-looking statements contained in the Prospectus speak only at the date of the Prospectus or, if obtained from third party studies or reports, the date of the corresponding study or report and are expressly qualified in their entirety by the cautionary statements included in the Prospectus. Without prejudice to the Issuer’s obligations under Belgian law in relation to disclosure and ongoing information, the Issuer does not undertake any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in the Prospectus might not occur.

### **3.7 Rounding**

Certain amounts that appear in the Securities Note or the Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

### **3.8 Industry and other statistical information**

Unless otherwise mentioned in the Prospectus, industry data and market size/share data provided in the Prospectus are derived from independent publications by leading organisations, from reports by market research firms and from other independent sources or from the Issuer’s management own estimates, believed by management to be reasonable. When information has been derived from third parties, the Prospectus refers to such third parties.

The information provided by third parties has been accurately reproduced with their agreement and as far as the Issuer is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Issuer and its advisors have not independently verified any of the abovementioned information.

Certain market share information and other statements in the Prospectus regarding the industry and the Issuer's position relative to its competitors may not be based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect the Issuer's best estimates based upon information obtained from trade and business organisations and associations and other contacts within the industry. This information from the Issuer's internal estimates and surveys has not been verified by any independent sources.

Market information is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of primary data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent to any statistical survey of market information. As a result, prospective investors should be aware that market share, ranking and other similar data in the Prospectus, and estimates and beliefs based on such data, may not be reliable.

### **3.9 Statutory auditor**

Deloitte Réviseurs d'Entreprises SC s.f.d. SCRL, a civil company having the form of a co-operative company with limited liability (*Burgerlijke coöperatieve vennootschap met beperkte aansprakelijkheid/ société civile sous forme de société cooperative à responsabilité limitée*) organized and existing under the laws of Belgium, and represented by Mr. Ludo De Keulenaer has been reappointed as statutory auditor of the Issuer on 25 April 2008 for a term ending immediately after the closing of the annual shareholders' meeting to be held on 29 April 2011.

The statutory standalone financial statements of the Issuer for the years ended on 31 December 2008, 31 December 2009 and 31 December 2010 were prepared in accordance with International Financial Reporting Standards ("IFRS"). They have been audited by Deloitte Réviseurs d'Entreprises, who delivered an unqualified opinion.

The consolidated financial statements of the Issuer for the year ended on 31 December 2008, 31 December 2009 and 31 December 2010 were prepared in accordance with IFRS. They have been audited by Deloitte Réviseurs d'Entreprises, who delivered an unqualified opinion.

### **3.10 Available information**

#### ***Prospectus***

The Prospectus, which is composed of this Securities Note, the Summary and the Registration Document, is available in English, Dutch and French. The English, French and Dutch versions of the Prospectus and the documents incorporated by reference therein (including the Registration Document) will be made available to investors at no cost at the registered offices of the Issuer. The Prospectus will also be made available to investors at no cost upon request from BNP PARIBAS Fortis at +32 (0)2 433 40 32 (French) and +32 (0)2 433 40 31 (Dutch) and KBC Securities at +32 (0)3 283 29 70 (Dutch) or +32 (0) 800 92 020 (French). Subject to certain conditions, this Prospectus is also available on the internet at the following website: [www.cofinimmo.com](http://www.cofinimmo.com).

#### ***Company documents and other information***

The Issuer must file its (amended and restated) articles of association and all other deeds that are to be published in the Annexes of the Belgian Official Gazette with the Clerk's office of the Commercial Court of Brussels, where they are available to the public. A copy of the most recently restated articles of association (as amended further to the EGM of 29 March 2011 - see Section 7.2) and the corporate governance charter will also be available on the Issuer's website.

In accordance with Belgian law, the Issuer must also prepare annual and consolidated audited statutory financial statements. The annual and consolidated statutory financial statements and the reports of the board of directors and statutory auditor relating thereto are filed with the National Bank of Belgium, where they are available to the public. Furthermore, as a company listed on a regulated market, the Issuer publishes an annual financial report, a half-yearly financial report and interim management statements. A summary of these documents is made publicly available to the Belgian financial press in the form of a press release. Copies thereof are also available on the Issuer's website.

The Company has to disclose price sensitive information, information about its shareholders' structure, and certain other information to the public. In accordance with the Royal Decree of 14 November 2007), such information and documentation is made available through press releases, the financial press in Belgium, the Issuer's website, the communication channels of Euronext Brussels or a combination of these media.

The Issuer's website can be found at [www.cofinimmo.com](http://www.cofinimmo.com) and the Issuer can be reached at +32 (0) 2 373 00 00.

#### 4. DOCUMENTS INCORPORATED BY REFERENCE

The extracts listed below of the Issuer's annual reports for the financial years ended 31 December 2009 and 31 December 2008 have been incorporated by reference in this Securities Note. The information so incorporated by reference herein, shall form an integral part of the Prospectus, save that any statement contained in a document which is incorporated by reference herein, shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The table below sets out the relevant pages of the Issuer's annual reports for the financial years ended 31 December 2009 and 31 December 2008 that are incorporated by reference in this Prospectus:

**Annual report for the financial year ended on 31 December 2009<sup>1</sup>:**

Notes to consolidated annual accounts	pp 94 - 131
Statutory auditor's report	pp. 132

**Annual report for the financial year ended on 31 December 2008<sup>2</sup>:**

Notes to consolidated annual accounts	pp 86 - 119
Statutory auditor's report	pp. 120

Any information not listed in the table above but included in the document incorporated by reference is given for information purpose only.

Copies of these documents incorporated by reference, together with the Prospectus, are available free of charge at the registered office of the Issuer and on the Issuer's website ([www.cofinimmo.com](http://www.cofinimmo.com)).

---

<sup>1</sup> The page numbers refer to the English version of the Issuer's annual report.

<sup>2</sup> The page numbers refer to the English version of the Issuer's annual report.

## **5. INFORMATION ON THE OFFERING**

### **5.1 Information related to the capital increase**

On 14 April 2011, the Board of directors approved the issue of the Convertible Bonds. Pursuant to an authorisation granted by the Issuer's EGM of 29 March 2011 and article 6.2 of the Issuer's articles of association, the Board has the authority to issue Convertible Bonds within the framework of the authorized capital. At the same meeting, the Board also decided - pursuant to article 6.2 of the Issuer's articles of association and article 13 of the Royal Decree of 7 December 2010 on REIT (sicafi / vastgoedbevaks) - to cancel the preferential subscription rights of the Existing Shareholders upon issuance of the Convertible Bonds and to grant a priority allocation right to the Existing Shareholders for the subscription of the Convertible Bonds. Pursuant to the new REIT legislation applicable to the Issuer, the priority allocation right must comply with the following conditions:

- it pertains to the total amount of the new securities to be issued;
- it is granted to the Existing Shareholders *pro rata* their stake in the share capital of the Issuer at the launch of the Offering;
- the public offer period may not be shorter than three (3) business days; and
- the maximum issue price per security (*i.e.* the maximum conversion price in case of convertible bonds) is announced at the latest the day before the start of the public offer.

Finally, the Board has given a special delegation to two directors, acting jointly, to determine the Issue Price, the interest rate and the Initial Conversion Price of the Convertible Bonds and has also given a special delegation to any Board member (with power of sub-delegation) to enact the issue of the Convertible Bonds effectively placed.

Furthermore, the exercise by any of the Bondholders of the option to demand an early redemption in the event of a Change of Control as set out in Condition 6.5.4.1 will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed take-over bid to the shareholders of the Issuer, and (b) the occurrence of the Change of Control, (i) the provisions of Condition 6.5.4.1 have been approved by the shareholders of the Issuer in a general meeting and (ii) such resolution has been filed with the Clerk of the Commercial Court of Brussels. The Issuer has undertaken to submit the Change of Control Resolutions to the vote of the shareholders at a general meeting scheduled to be held no later than on 28 October 2011. The resolution to approve the provision requires an approval of more than 50 per cent of the votes cast at the general meeting and does not have a quorum requirement. There can be no assurance that such approval will be granted at such meeting. If by not later than 28 October 2011 the Change of Control Resolutions are not adopted at a general meeting of the shareholders of the Issuer and filed with the Clerk of the Commercial Court of Brussels, the Issuer shall redeem each Convertible Bond, on the date falling 45 days after 28 October 2011 at 102 per cent. of the higher of (i) its principal amount and (ii) the fair market value of the Convertible Bonds as of 28 October 2011, together with accrued but unpaid interest. See also the risk factor "*The temporary adjustment of the Conversion Price upon a Change of Control and the Bondholders' put option upon Change of Control under the Convertible Bonds is subject to shareholders' approval*" in Section 1 "Risk factors".

### **5.2 Reasons for the Offering and use of proceeds**

The net proceeds from the sale of the Convertible Bonds are expected to amount to approximately € 171.1 million.

The net proceeds will be used by the Issuer as part of a broader plan to fund capital expenditure and diversify its sources of funding by refinancing existing or maturing credit lines. Immediately after the issuance of the Convertible Bonds, the net proceeds will be entirely affected by the Issuer to the early and partial repayment of amounts currently drawn-down under confirmed credit lines. The Issuer's debt ratio will therefore remain unchanged. The committed credit lines can then be re-used at a later stage to finance the development program of the Issuer and for general corporate purposes.

### 5.3 Terms and conditions of the Offering

#### *Size and nature of the Offering*

The Offering size amounts to € 173,311,791.40 senior unsecured Convertible Bonds due 2016, with a denomination of € 116.60 each.

The Offering is comprised of (i) the Priority Allocation of the Convertible Bonds to the Existing Shareholders by way of a public offering in Belgium following a private placement to institutional investors outside the United States of America pursuant to Regulation S under the Securities Act (the “**Private Placement**”) and (ii) the admission to trading and listing on Euronext Brussels of the Convertible Bonds (the “**Listing**”).

#### *The Private Placement*

The Private Placement took place on 15 April 2011 through an accelerated bookbuilding conducted by the Joint Bookrunners.

Pursuant to the Private Placement, the Issuer received firm orders for a principal amount of € 173,311,791.40 from institutional investors who have been provisionally allotted subject to claw-back pursuant to the Priority Allocation. In practice, this means that the subscriptions made by Existing Shareholders with the relevant Coupon will benefit from a Priority Allocation and Convertible Bonds will be allotted in full without reduction to Existing Shareholders having subscribed on that basis. As a result thereof, the institutional investors who have been provisionally allotted will see their orders reduced *pro rata* to the exercise by the Existing Shareholders of their Priority Allocation right and will only be delivered the Convertible Bonds that were not subscribed by the Existing Shareholders having exercised their Priority Allocation right in the Offering.

#### *Priority Allocation to Existing Shareholders*

The public offering in Belgium in respect of the Priority Allocation will take place from 18 April 2011 to 5:00 p.m. (Brussels time) on 20 April 2011 (the “**Priority Allocation Period**”).

The aggregate principal amount of the Convertible Bonds is reserved for priority allocation in favour of the Existing Shareholders, and is available to all Existing Shareholders who can lawfully take part in it under the laws applicable to them. The right to Priority Allocation is represented by a coupon, which is made available in book-entry form for holders of dematerialised Ordinary Shares and Preferential Shares, in bearer form for holders of bearer Ordinary Shares and Preferential Shares and by way of record in the shareholders' register of the Issuer for the holders of registered Ordinary Shares and Preferential Shares.

The relevant coupon representing the right to priority allocation (the “**Coupon**”) is:

- coupon n° 19 for Ordinary Shares (ISIN BE6218508321);
- coupon n° 8 for Preferential Shares 1 (ISIN BE6218509337);
- coupon n° 7 for Preferential Shares 2 (ISIN BE6218510343);

The Coupon for dematerialised Ordinary Shares was detached on 15 April 2011 (after trading hours).

Holders of the Coupons will be entitled to subscribe for Convertible Bonds, without reduction, at a ratio of 1 Convertible Bond for 10 Coupons, provided that their subscription is accompanied by the required number of Coupons.

The Coupons are not negotiable during the Offering and the Issuer has not made any application for the listing of such Coupons. The Coupons will only be valid during the Priority Allocation Period and, if not submitted as part of a subscription order, will expire at the end of the Priority Allocation Period.

All Convertible Bonds corresponding to unexercised Priority Allocation rights will be subscribed for pursuant to the Private Placement.

#### *Issue Price*

The issue price of the Convertible Bonds (the “**Issue Price**”) is equal to 100% of the nominal amount of the Convertible Bonds. The Issue Price applies to all investors, whether retail or institutional.

No tax on stock exchange transactions is due upon subscription of the Convertible Bonds.

The issue price results from the Private Placement that took place on 15 April 2011 through an accelerated bookbuilding conducted by the Joint Bookrunners.

#### **5.4 Application procedure for the public offer in respect of the Priority Allocation**

The public offer shall be open from 18 April 2011 to 20 April 2011 at 5:00 pm (Brussels time) (both dates inclusive). No early closing of the Priority Allocation Period is possible.

Subject to restrictions under applicable securities laws, subscriptions may be submitted free of charge during the Priority Allocation Period to BNP PARIBAS Fortis, which is acting as centralising agent of the Priority Allocation (the "**Centralising Agent**"), and to KBC Securities, KBC Bank and CBC Banque. Existing Shareholders wishing to subscribe through other intermediaries should inquire on the costs which these intermediaries may charge them.

To be valid, subscriptions must be submitted at the latest by 5:00 p.m. (Brussels time) on 20 April 2011, together with the Coupons. Coupons must be presented in accordance with the subscription ratio of 10 Coupons for 1 Convertible Bond. Such subscription orders may be placed for the full amount of Convertible Bonds that such Existing Shareholder is entitled to pursuant to the Priority Allocation or a lesser amount.

Subject to restrictions under applicable securities laws, Existing Shareholders holding registered shares and wishing to benefit from the Priority Allocation must submit their subscription orders exclusively with the Centralising Agent. Registered Existing Shareholders will only benefit from the Priority Allocation if they were recorded in the shareholders register on 15 April 2011 (after trading hours).

All subscriptions orders are irrevocable, without prejudice to the right of Existing Shareholders to withdraw their subscriptions in the event of a publication of a supplement to the Prospectus as a result of important new developments, material errors or inaccuracies that could affect the assessment of the Convertible Bonds and which occurs prior to the Closing Date of the Offering. Such withdrawal must be notified within two business days after the publication of the supplement.

The Issuer cannot elect to pay a cash amount in respect of conversions requested either (i) by a Bondholder who is a retail investor or (i) by a Bondholder who is a qualified investor and who subscribed the relevant Convertible Bonds during the Priority Allocation Period, provided, in the latter case, the Bondholder requests to receive Ordinary Shares upon exercising its Conversion Right and submits to the Issuer the following documents it will receive from its financial intermediary, in addition to the conversion notice:

- a copy of its securities account statement evidencing the number of Coupons that it had upon detachment at the start of the Priority Allocation Period, or
- a copy of its securities account statement evidencing the number of Convertible Bonds subscribed by way of orders submitted during the Priority Allocation Period.

The concept of "qualified investor" has the meaning conferred to it by article 10 of the Act of 16 June 2006 and a retail investor means a person who is not a "qualified investor".

If an Existing Shareholder having subscribed Convertible Bonds during the Priority Allocation Period has not received the securities accounts statements set out above, he/she should contact his/her financial intermediary to obtain these.

#### **5.5 Minimum amount**

The minimum amount of subscription corresponds to the subscription price of one Convertible Bond (*i.e.* € 116.60), which requires that an Existing Shareholder presents 10 Coupons to subscribe for one Convertible Bond.



## 5.6 Allocation of the Convertible Bonds

In accordance with the terms of the Prospectus, subscriptions made by Existing Shareholders with the relevant Coupon will benefit from a Priority Allocation and Convertible Bonds will be allotted in full without reduction to Existing Shareholders having subscribed on that basis.

For subscriptions made by institutional investors in the Private Placement, the allocation will be determined (i) primarily based on the number of Convertible Bonds that have not been subscribed to for Existing Shareholders in accordance with the Priority Allocation right and (ii) on the quantitative and the qualitative analysis of the order book, including but not limited to the number of subscriptions and the quality of the subscribers.

The results of the Offering will be published in the Belgian financial press on or about 22 April 2011.

## 5.7 Cancellation of the Offering

The Offering size may not be modified.

The Offering may be cancelled up to the Closing Date in the event of termination of the Subscription Agreement (as defined below) in certain circumstances (see Section 5.9). In such case, subscription orders and allocations will automatically be cancelled.

## 5.8 Payment, settlement and delivery of the Convertible Bonds

The Issue Price must be paid up in full in euros. Investors shall authorise their financial institutions to debit their bank account with such amount for value on the Closing Date. The Closing Date is set 3 trading days after the date of final allocations and is expected to occur on 28 April 2011.

On the Closing Date, all Convertible Bonds will be delivered to the investors (or their financial intermediaries on their behalf) in book-entry form through the settlement system operated by the NBB, *i.e.* the X/N Clearing System.

## 5.9 Subscription Agreement

The Underwriters (and each one an “Underwriter”) are expected to enter into a subscription agreement on 21 April 2011 with the Issuer (the “**Subscription Agreement**”).

The Subscription Agreement will provide, subject to the conditions and events stipulated therein, that each Underwriter agrees, severally but not jointly, in its own name but for the account of the investors, with the Issuer to subscribe for the aggregate principal amount of the Convertible Bonds as set out opposite its names in the table below at the Issue Price:

Underwriters	Underwriting Commitment (€)
J.P. Morgan Securities Ltd.	60,659,167.80
Fortis Bank SA/NV	60,659,167.80
Barclays Bank PLC	25,996,786.20
Daiwa Capital Markets Europe Limited	12,998,334.80
KBC Securities NV	12,998,334.80
<b>Total</b>	173,311,791.40

The Issuer has agreed to reimburse the Underwriters for certain of their expenses incurred in connection with the management of the issue of the Convertible Bonds. The Underwriters will be entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement up to the Closing Date.

The Underwriters' commitment to subscribe and deliver the Convertible Bonds is subject to the fulfilment of certain conditions on or prior to the Closing Date, including:

- the receipt of certain documents, including legal opinions from the Issuer's counsel and the Underwriters' counsel, closing certificates, comfort letters from the Issuer's statutory auditor and evidence of the approval of the Prospectus by the FSMA;
- the execution of the agency agreement with the Paying, Conversion and Domiciliary Agent;
- no material adverse effect having occurred, since the entering into the Subscription Agreement, on the business, properties, management, financial position, shareholders' equity, results of operations or prospects of the Issuer and its subsidiaries and their respective investments taken as a whole;
- the representations and warranties by the Issuer in the Subscription Agreement being true and correct;

provided, however, that the Joint Global Coordinators may, at their discretion, waive satisfaction of any of these conditions.

In addition, the Joint Global Coordinators may terminate the Subscription Agreement on or prior the Closing Date, in certain conditions set out in the Subscription Agreement, including upon the occurrence of certain events since the time of execution of the Subscription Agreement. These events include (among others):

- certain changes in the financial markets, in national or international monetary, political, financial or economic conditions, in each case as would be likely to prejudice the success of the offering and distribution of the Convertible Bonds or the effect of which is such as to make it impracticable or inadvisable to market the Convertible Bonds or to enforce contracts for the issue of the Convertible Bonds;
- there has occurred any outbreak of hostilities or escalation thereof, incident of terrorism or other calamity, in each case the effect of which is such as to make it impracticable or inadvisable to market the Convertible Bonds or to enforce contracts for the issue of the Convertible Bonds;
- trading in any securities of the Issuer has been suspended or materially limited by Euronext Brussels (for reasons other than the announcement of the offering of the Convertible Bonds), or trading generally on the New York Stock Exchange, the London Stock Exchange or Euronext Brussels has been suspended or limited, or a material disruption has occurred in the commercial banking or securities settlement or clearance services in certain countries; or
- a general banking moratorium has been declared by certain national regulatory authorities.

## **5.10 Lock-up**

The Issuer has undertaken in the Subscription Agreement that during the period commencing on the date of the Subscription Agreement (which is expected to be 21 April 2011) and ending 90 days after the Closing Date (both dates inclusive) it will not, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld), directly or indirectly (including through its subsidiaries or affiliate companies), (i) issue, offer, sell, transfer, pledge, lend or otherwise dispose of any shares of the Issuer, whether directly or indirectly, or enter into any agreement to do so, (ii) issue or offer any other securities which confer a right to shares of the Issuer (or any interest therein) or which represent the shares of the Issuer (or any interest therein), including any right to convert or exchange into Ordinary Shares, or enter into any agreement to do so, (iii) enter into any agreement that transfers or might transfer any of the economic consequences of ownership of the shares of the Issuer (including, but not limited to, stock lending, derivative or hedging and swap transactions) (iv) issue any shares through its board of directors, propose, or if proposed by others not to vote, or implement capital increases, or issues of securities that are convertible into or exchangeable for Ordinary Shares or issues of any instrument, in each case of the Issuer, that has the aim or effect of delivery or transferring, directly or indirectly,

the ownership of Ordinary Shares or the right to acquire any Ordinary Shares or any securities which are convertible into or exchangeable for Ordinary Shares or which carry rights to acquire Ordinary Shares or such securities (or any interest in any Ordinary Shares or such securities)). The foregoing limitations shall not apply to (i) the issue of the Convertible Bonds, (ii) the granting of options over Ordinary Shares by the Issuer pursuant to the stock option plan launched by the Issuer in 2006 and the transfer of any Ordinary Shares necessary to satisfy the early exercise of such options, (iii) the Issuer's obligations arising upon conversion of any Convertible Bond in accordance with the Terms and Conditions, (iv) the conversion of the Preferential Shares 1 and the Preferential Shares 2 of the Issuer which may be converted into Ordinary Shares during certain conversion periods, (v) the issue of Ordinary Shares by the Issuer within the framework of a capital increase of the Issuer by contribution in kind (including by way of merger) of real estate assets or real estate companies or (vi) the issue of a stock dividend.

## **5.11 Listing and first trading**

An application has been made for the Convertible Bonds to be admitted to trading and listed on Euronext Brussels as of the Closing Date, which is expected to be 28 April 2011. The Convertible Bonds are expected to be listed under the symbol "COFO" and ISIN BE0002176429 on Euronext Brussels.

## **5.12 Financial service**

BNP PARIBAS Securities Services, Brussels Branch, has been appointed as Domiciliary Agent and as Paying and Conversion Agent in relation to payments and conversions to be effected in respect of the Convertible Bonds.

## **5.13 Interest of natural and legal persons involved in the Offering**

Fortis Bank SA/NV has entered into loan agreements, a commercial paper program and interest swaps with the Issuer. KBC Bank has provided and may provide in the future various banking services. In addition, each of the Joint Bookrunners and each of their affiliates have or may have, in the past, performed investment banking and advisory services for the Issuer and the Cofinimmo group, for which they have received customary fees and expenses. They may, from time to time, engage in further transactions with, and perform services for, the Issuer and the Cofinimmo group in the ordinary course of their businesses.

## **5.14 Expected timetable of the Offering**

Private Placement – Bookbuilding commences	15 April 2011
Bookbuilding closes	15 April 2011
Pricing	15 April 2011
Provision allocations to institutional investors (subject to claw-back)	15 April 2011
Separation of the Coupon representing the Priority Allocation right	15 April 2011 (after closing of markets)
Availability to the public of the Prospectus	15 April 2011 (after closing of markets)
Publication of the placard announcing the availability of the Prospectus and opening of the Priority Allocation Period	16 April 2011
Opening of the Priority Allocation Period	18 April 2011
Closing of the Priority Allocation Period	20 April 2011 at 5:00 p.m. (Brussels time)
Centralization	21 April 2011
Final allocations	21 April 2011
Announcement of the results of the Offering	21 April 2011
Payment of the Issue Price / Closing Date	28 April 2011
Delivery of the Convertible Bonds to the subscribers	28 April 2011

### **5.15 Rating**

Since the autumn of 2001, Cofinimmo has had a long and short-term finance rating awarded by the rating agency Standard & Poor's. Currently, this rating is a BBB for long-term debt and A-2 for short-term debt, *i.e.* a rating in the "investment-grade" category.

The Convertible Bonds have been awarded a BBB rating by the rating agency Standard & Poor's.

The classification of the ratings can be found on the website of Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)).

## 6. TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

The issue of the € 173.3 million 3.125 per cent. convertible bonds due 2016 (the "**Convertible Bonds**", which expression shall, unless otherwise indicated, include any Further Convertible Bonds) was (save in respect of any Further Convertible Bonds) authorised by a resolution of the board of directors of Cofinimmo (the "**Issuer**") passed on 13 April 2011.

The Convertible Bonds are also the subject of a paying and conversion agency agreement expected to be dated 28 April 2011 (the "**Agency Agreement**") relating to the Convertible Bonds between the Issuer, BNP PARIBAS Securities Services, Brussels Branch (the "**Paying, Conversion and Domiciliary Agent**", which expression shall include any successor as Paying, Conversion and Domiciliary Agent under the Agency Agreement).

Certain provisions of these Conditions are summaries of the Agency Agreement and subject to their detailed provisions. Copies of the Agency Agreement are available for inspection at the specified office of the Paying, Conversion and Domiciliary Agent.

### 6.1 Form, Denomination, Title and Status

#### 6.1.1 Form, Denomination and Title

The Convertible Bonds are convertible bonds in accordance with Article 489 *et seq.* of the Belgian Company Code, and are in dematerialised form in accordance with Article 468 *et seq.* of the Belgian Company Code. The Convertible Bonds will be represented by a book entry in the records of the clearing system operated by the NBB or any successor thereto, *i.e.* the **NBB System**". The Convertible Bonds can be held by their holders through participants in the NBB System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Convertible Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB System. The Convertible Bonds are accepted for clearance through the NBB System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Clause, in each case as modified or replaced from time to time, being referred to herein as the "**NBB System Regulations**"). Possession of the Convertible Bonds will pass by account transfer.

Payments of principal, interest and other sums due under the Convertible Bonds will be made in accordance with the NBB System Regulations through the NBB, and any payment so made will constitute good discharge for the Issuer. Bondholders are entitled to claim directly against the Issuer any payment which the Issuer has failed so to make, and to exercise their voting rights and other associative rights (as defined for the purposes of Article 474 of the Belgian Company Code) against the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear or another participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Convertible Bonds (or the position held by the financial institution through which their Convertible Bonds are held with the NBB, Euroclear or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

The Convertible Bonds may not be exchanged for convertible bonds in bearer or registered form.

The Convertible Bonds have a denomination of EUR 116.60, and can only be settled through the NBB System in nominal amounts equal to that denomination or integral multiples thereof.

#### 6.1.2 Status

The Convertible Bonds constitute direct, unconditional, unsubordinated and (subject to Clause 6.1.3) unsecured obligations of the Issuer ranking *pari passu* and rateably, without any preference among

themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer but, in the event of a winding-up, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

### 6.1.3 *Negative Pledge*

So long as any Convertible Bond remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any Security Interest for the benefit of any one or more creditors, upon assets representing in aggregate 30% or more of the consolidated gross assets of the Group (measured on the basis of the latest available consolidated financial statement of the Issuer), unless the benefit of such Security Interest is extended to secure the Convertible Bonds equally and rateably.

The provisions of this Clause 6.1.3, however, do not apply to Security Interests arising pursuant to mandatory provisions of law.

## 6.2 **Definitions and interpretation**

### 6.2.1 *Definitions*

In these Clauses, unless otherwise provided:

**"Additional Ordinary Shares"** means the additional Ordinary Shares (if any) issued by way of a retroactive adjustment pursuant to Clause 6.4.3.

**"Bondholder"** means, in respect of any Convertible Bond, the person entitled thereto in accordance with the NBB System Regulations.

**"BSE"** means Euronext Brussels.

**"Business day"** means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

**"Capital Distribution"** has the meaning provided in Clause 6.4.2.3 (a).

**"Cash Alternative Amount"** means an amount calculated in accordance with the following formula and which shall be payable to a Bondholder upon an exercise of a Conversion Right if a Cash Alternative Election is applicable to such exercise:

$$CAA = \sum_{n=1}^N 1/N \times S \times P_n$$

where:

CAA = the Cash Alternative Amount;

S = the number of Ordinary Shares (including, for this purpose, any fraction of an Ordinary Share but rounded, if necessary, to five decimal places, with 0.000005 being rounded up) to which the relevant Bondholder would have been entitled upon exercise of the Conversion Right in the absence of a Cash Alternative Election being applicable to such exercise, minus (if applicable) the Fixed Number of Ordinary Shares;

P<sub>n</sub> = the Volume Weighted Average Price of an Ordinary Share on the n<sup>th</sup> dealing day of the Cash Alternative Calculation Period; and

N = 10, being the number of dealing days in the Cash Alternative Calculation Period, provided that if any Dividend or other entitlement in respect of the Ordinary Shares is announced and the Effective Date relating to such Dividend or entitlement is after the relevant Conversion Date and before the end of the Cash Alternative Calculation Period, then on each dealing day in the Cash Alternative Calculation Period which is on or after the Effective Date relating to such Dividend or entitlement the price determined as provided above shall be increased by an amount equal to the Fair Market Value of any such Dividend or other entitlement per Ordinary Share as at the date of the first public announcement of such Dividend or entitlement (or, if that is not a dealing day, the immediately preceding dealing day).

**"Cash Alternative Calculation Period"** means the period of 10 consecutive dealing days commencing on the dealing day following the Cash Election Date.

**"Cash Alternative Election"** means an election made by the Issuer to settle a conversion of Convertible Bonds in cash rather than in Ordinary Shares, in accordance with Clause 6.4.14.

**"Cash Dividend"** has the meaning provided in Clause 6.4.2.3(a).

**"Cash Election Date"** means the date falling three Brussels business days following the relevant Conversion Date.

**"Change of Control"** shall occur if an offer is made by any person to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled (such entitlement being unconditional and not being subject to any discretion of the offeror as to whether to exercise it or not) to acquire as a result of such offer, post completion thereof, Shares or other voting rights of the Issuer so that it has the right to cast more than 50 per cent. of the votes which may ordinarily be cast at a general meeting of the Issuer.

**"Change of Control Notice"** means a notice of Change of Control given by the Issuer to the Paying, Conversion and Domiciliary Agent and to the Bondholders in accordance with Clause 6.12, as specified in Clause 6.4.8.

**"Change of Control Period"** means the period commencing on the occurrence of a Change of Control and ending 60 calendar days following the Change of Control or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Clause 6.4.8.

**"Change of Control Put Date"** means the date which is 80 calendar days following a Change of Control or, if the Issuer has failed to deliver a Change of Control Notice in accordance with Clause 6.4.8, the date which is 15 calendar days following the applicable Change of Control Put Exercise Notice.

**"Change of Control Put Exercise Notice"** means a notice given by a Bondholder requiring the Issuer to redeem a Convertible Bond on a Change of Control Put Date in accordance with Clause 6.5.4.1.

**"Change of Control Resolutions"** means one or more resolutions duly adopted at a general meeting of the Shareholders of the Issuer approving and confirming the provisions of Clause 6.5.4.1 and Clause 6.4.2.10.

**"Clearstream, Luxembourg"** means Clearstream Banking, *société anonyme*.

**"Closing Date"** means 28 April 2011.

**"Conversion Date"** means the conversion date in respect of a Convertible Bond, determined in accordance with Clause 6.4.9.

**"Conversion Notice"** means a duly completed and signed notice of conversion of a Convertible Bond, delivered in accordance with Clause 6.4.9.

**"Conversion Period"** means the period during which Conversion Rights may be exercised by a Bondholder, as specified in Clause 6.4.1.

**"Conversion Price"** means initially EUR 116.60 per Ordinary Share, subject to adjustment in the circumstances described in Clause 6.4.2.

**"Conversion Right"** means the right of a Bondholder to convert its Convertible Bonds into Ordinary Shares, subject to the terms of Clause 6.4.

**"Current Market Price"** means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive dealing days ending on the dealing day immediately preceding such date; provided that if at any time during the said five-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

- (a) if the Ordinary Shares to be issued or transferred and delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; or
- (b) if the Ordinary Shares to be issued or transferred and delivered do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and provided further that if on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued or transferred and delivered do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit, and provided further that, if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said five dealing days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined by an Independent Financial Adviser.

**"Dealing day"** means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Shares, Securities, Spin-Off Securities options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant



Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time).

**"Dividend"** means any dividend or distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:

- (a) where (1) a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares, Preferential Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend in question shall (to the extent that the Shareholders have exercised the relevant election, if applicable) be treated as a Cash Dividend of an amount equal to the greater of (i) the Fair Market Value of such cash amount and (ii) the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such Preferential Shares or other property or assets (plus, if applicable, the amount of tax withheld by the Issuer in respect of such Dividend and the amount of cash paid in lieu of fractions of Ordinary Shares, Preference Shares or other property or assets), in any such case as at the first date on which the Ordinary Shares are traded ex- the relevant Dividend or capitalisation on the Relevant Stock Exchange or (2) there shall be any issue of Ordinary Shares or Preferential Shares by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Dividend in question shall be treated as a Cash Dividend of an amount equal to the Current Market Price of such Ordinary Shares or the Fair Market Value of such Preferential Shares as at the first date on which the Ordinary Shares are traded ex- the relevant capitalisation on the Relevant Stock Exchange or, if later, the date on which the number of Shares to be issued or transferred and delivered is determined;
- (b) any issue of Shares falling within Clause 6.4.2.2 shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any of its Subsidiaries shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Shares by or on behalf of the Issuer or any of its Subsidiaries, the weighted average price per Share (before expenses) on any one day (a **"Specified Share Day"**) in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than 5 per cent. the average of the daily Volume Weighted Average Price of an Ordinary Share on the five dealing days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Shares at some future date at a specified price or where a tender offer is made, on the five dealing days immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Share, a minimum price per Share or a price range or formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency to the extent that the aggregate price paid (before expenses) in respect of such Shares purchased, redeemed or bought back by the Issuer or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of the daily Volume Weighted Average Price of an Ordinary Share determined as aforesaid and (ii) the number of Shares so purchased, redeemed or bought back;
- (d) if the Issuer or any of its Subsidiaries shall purchase, redeem or buy back any depositary or other receipts or certificates representing Shares, the provisions of paragraph (c) above shall be

applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser;

- (e) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Issuer for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Shares held by them from a person other than (or in addition to) the Issuer, such dividend or distribution shall for the purposes of these Clauses be treated as a dividend or distribution made or paid to Shareholders by the Issuer, and the foregoing provisions of this definition and the provisions of these Clauses shall be construed accordingly, and any such determination shall be made on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; and
- (f) a dividend or distribution that is a Spin-Off shall be deemed to be a Dividend paid or made by the Issuer.

**"Effective Date relating to such Dividend or entitlement"** means the first date on which the Ordinary Shares are traded ex- the relevant Dividend or entitlement on the Relevant Stock Exchange (and, for the purposes of Clauses 6.4.2.3 to 6.4.2.9, **"Effective Date"** has the meaning provided in these Clauses).

**"EUR", "euro" or "€"** means the currency of the economic and monetary union established in accordance with Article 3.4 of the Treaty on European Union.

**"Euroclear"** means Euroclear Bank SA/NV.

**"Euroclear Belgium"** means the Belgian clearing house for securities which operates under the trade name "Euroclear Belgium".

**"Event of Default"** means each of the events set out in Clause 6.8.

**"Extraordinary Resolution"** means a resolution passed at a meeting of Bondholders duly convened and held in accordance with Clause 6.11.1 by a majority of not less than three quarters of the votes cast.

**"Fair Market Value"** means, with respect to any property on any date, the fair market value of that property as determined by an Independent Financial Adviser provided that (i) the Fair Market Value of a Cash Dividend shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined by an Independent Financial Adviser), the Fair Market Value of such Securities, Spin-Off Securities options, warrants or other rights shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities, Spin-Off Securities, options, warrants or other rights during the period of five dealing days on the relevant stock exchange or securities market commencing on such date (or, if later, the first such dealing day such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded; (iv) where Securities, Spin-Off Securities, options, warrants or other rights are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights shall be determined by an Independent Financial Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof. Such amounts shall, in the case of (i) above, be translated into the Relevant Currency (if declared or paid or payable in a currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and in any other case, shall be translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date. In addition, in the case

of (i) and (ii) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit.

**"Final Maturity Date"** means 28 April 2016.

**"Fixed Number of Ordinary Shares"** means the number of Ordinary Shares specified as the Fixed Number of Ordinary Shares in a Cash Alternative Election Notice, which may be zero.

**"Further Convertible Bonds"** means any further Convertible Bonds issued pursuant to Clause 6.13 and consolidated and forming a single series with the then outstanding Convertible Bonds.

**"Group"** means the Issuer and each of its Subsidiaries from time to time.

**"Independent Financial Adviser"** means an independent financial institution of international repute appointed by the Issuer or, if the Issuer fails to make such appointment and such failure continues for a reasonable period (as determined by Resolution of the Bondholders in their sole discretion), appointed by Resolution of the Bondholders, in each case at the expense of the Issuer.

**"Interest Payment Date"** means 28 April in each year, commencing with the Interest Payment Date falling on 28 April 2012.

**"Interest Period"** means the period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**"Long-stop Date"** means 28 October 2011.

**"Market Price"** means the Volume Weighted Average Price of an Ordinary Share on the relevant Reference Date, provided that if any Dividend or other entitlement in respect of the Ordinary Shares is announced and the Effective Date relating to such Dividend or entitlement is after the relevant Conversion Date and on or before the relevant Reference Date, then such price shall be increased by an amount equal to the Fair Market Value of such dividend or entitlement per Ordinary Share as at the date of first public announcement of such Dividend or entitlement (or if that is not a dealing day, the immediately preceding dealing day).

**"Material Subsidiary"** means a subsidiary of the Issuer:

- (a) whose operating profits represent 10% or more of the consolidated operating profits of the Group or whose assets represent 10% or more of the total consolidated assets of the Group, those consolidated operating profits or assets being measured on the basis of the latest available consolidated financial statement of the Issuer; or
- (b) to which is transferred all or a substantial part of the assets and liabilities of another Subsidiary which immediately prior to such transfer was a Material Subsidiary.

**"Non-Cash Dividend"** has the meaning provided in Clause 6.4.2.3 (a).

**"Optional Redemption Date"** means the date specified as such in an Optional Redemption Notice.

**"Optional Redemption Notice"** means a notice of early redemption of the Convertible Bonds given by the Issuer in accordance with Clause 6.5.2.

**"Ordinary Shares"** means fully paid ordinary shares in the capital of the Issuer, currently without par value.

**"Parity Value"** means, in respect of any dealing day, the amount calculated as follows:

$$PV = N \times VWAP$$

where

PV = the Parity Value;

N = the number of Ordinary Shares (including, for this purpose, any fraction of an Ordinary Share but rounded, if necessary, to five decimal places, with 0.000005 being rounded up) that would fall to be issued or delivered on the exercise of Conversion Rights in respect of a Convertible Bond in the principal amount of € 116.60, assuming the Conversion Date to be such dealing day;

VWAP = the Volume Weighted Average Price of an Ordinary Share on such dealing day (provided that if on any dealing day during the 30 consecutive dealing day period referred to in Clause 6.5.2(a) (a "**cum-day**") the Ordinary Shares shall have been quoted cum-Dividend or cum-any other entitlement, and on any other day (an "**ex-day**") during that period the Ordinary Shares shall have been quoted ex that Dividend or entitlement, then (a) if there were more ex-days than cum-days, or as many ex-days as cum-days, in that period, the Volume Weighted Average Price of an Ordinary Share on each cum-day shall be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement or (b) if there were more cum-days than ex-days in that period, the Volume Weighted Average Price of an Ordinary Share on each ex-day shall be deemed to be the amount thereof increased by an amount equal to such Fair Market Value).

"**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

"**Preferential Shares**" means preferential shares in the capital of the Issuer having the rights and entitlements set out in Article 8 of the articles of association (*statuts/statuten*) of the Issuer.

"**Prevailing Rate**" means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 noon (Brussels time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (Brussels time) on the immediately preceding day on which such rate can be so determined.

"**Qualified Investors**" has the meaning defined as "*investisseurs qualifiés*" or "*gekwalficeerde beleggers*" in Article 10 of the Belgian Act of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets.

"**Reference Date**" means, in relation to a Retroactive Adjustment, the date as of which the relevant Retroactive Adjustment takes effect or, in any such case, if that is not a dealing day, the next following dealing day.

"**Relevant Currency**" means euro or, if at the relevant time or for the purposes of the relevant calculation or determination, the BSE is not the Relevant Stock Exchange, the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time.

"**Relevant Page**" means the relevant page on Bloomberg or such other information service provider that displays the relevant information.

"**Relevant Stock Exchange**" means the BSE or if at the relevant time the Ordinary Shares are not listed and admitted to trading on the BSE, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or dealt in.

"**Resolution of the Bondholders**" means a resolution duly adopted at a meeting of Bondholders held in accordance with Clause 6.11.1.

**"Retail Investor"** means any Person who is not a Qualified Investor.

**"Retroactive Adjustment"** means an adjustment to the Conversion Price made in the circumstances set out in Clause 6.4.3.

**"Securities"** means any securities including, without limitation, Shares, or options, warrants or other rights to subscribe for or purchase or acquire Shares.

**"Security Interest"** means any mortgage, charge, lien, pledge or other security interest.

**"SEPA Account"** means a bank account held within the Single Euro Payments Area, as defined from time to time by the European Payments Council.

**"Shareholders"** means the holders of Ordinary Shares or Preferential Shares.

**"Shares"** means Ordinary Shares or Preferential Shares.

**"Specified Date"** has the meaning provided in Clauses 6.4.2.7 and 6.4.2.8.

**"Spin-Off"** means:

- (a) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted by any entity) by any entity (other than the Issuer) to Shareholders as a class pursuant to any arrangement with the Issuer or any of its Subsidiaries.

**"Spin-Off Securities"** means equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer.

**"Subsidiary"** means, at any particular time, a company or other entity which is then directly or indirectly controlled, or more than 50 per cent. of whose issued share capital (or equivalent) is then beneficially owned by the Issuer and/or one or more of its Subsidiaries. For this purpose, for a company to be **"controlled"** by another means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the Board of Directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company.

**"Volume Weighted Average Price"** means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security on any dealing day, the volume-weighted average price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of an Ordinary Share) from Bloomberg page COFB.BB<equity>AQR or (in the case of a Security (other than Ordinary Shares), Spin-Off Security options, warrants or other rights) from the principal stock exchange or securities market on which such Securities, Spin-Off Securities options, warrants or other rights are then listed or quoted or dealt in, if any, or, in any such case, such other source as shall be determined to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security, Spin-Off Security option, warrant or other right, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined.

### 6.2.2 *Interpretation*

- 6.2.2.1 References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.
- 6.2.2.2 References to any issue or offer or grant to Shareholders "**as a class**" or "**by way of rights**" shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.
- 6.2.2.3 In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Financial Adviser considers appropriate to reflect any consolidation or sub-division of the Shares, any change in the conversion ratio between Preferential Shares and Ordinary Shares or any issue of Shares by way of capitalisation of profits or reserves, or any like or similar event.
- 6.2.2.4 For the purposes of Clauses 6.4.1, 6.4.2, 6.4.3, 6.4.9, 6.4.10 and 6.9 only, (a) references to the "**issue**" of Shares or Shares being "**issued**" shall include the transfer and/or delivery of Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries, and (b) Shares held by or on behalf of the Issuer or any of its Subsidiaries (and which, in the case of Clause 6.4.2.4 and 6.4.2.6, do not rank for the relevant right or other entitlement) shall not be considered as or treated as "**in issue**" or "**issued**" or entitled to receive the relevant Dividend, right or other entitlement.
- 6.2.2.5 Headings and sub-headings are for ease of reference only and shall not affect the construction of these terms and conditions.

## 6.3 **Interest**

### 6.3.1 *Interest Rate*

The Convertible Bonds bear interest from (and including) the Closing Date at the rate of 3.125 per cent. per annum calculated by reference to the principal amount thereof and payable annually in arrear on 28 April in each year (each an "**Interest Payment Date**"), commencing with the Interest Payment Date falling on 28 April 2012.

The amount of interest payable in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next Interest Payment Date.

### 6.3.2 *Accrual of Interest*

Each Convertible Bond will cease to bear interest (i) where the Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Closing Date (subject in any such case as provided in Clause 6.4.11) or (ii) where such Convertible Bond is redeemed or repaid pursuant to Clause 6.5 or Clause 6.8, from the due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Clause 6.3.1 (both before and after judgment) until all sums due in respect of such Convertible Bond up to that day are duly paid in accordance with Clause 6.6.

## **6.4 Conversion of Convertible Bonds**

### *6.4.1 Conversion Period and Conversion Price*

Subject to the provisions of Clause 6.4.14 and otherwise as provided in these Clauses, each Convertible Bond shall entitle the holder to convert such Convertible Bond into existing Ordinary Shares and/or new Ordinary Shares, in each case credited as fully paid (a "**Conversion Right**").

Subject to the provisions of Clause 6.4.14, the number of Ordinary Shares to be issued or transferred and delivered on exercise of a Conversion Right shall be determined by dividing the principal amount of the Convertible Bonds to be converted by the conversion price (the "**Conversion Price**") in effect on the relevant Conversion Date.

The initial Conversion Price is EUR 116.60 per Ordinary Share. The Conversion Price is subject to adjustment in the circumstances described in Clause 6.4.2.

A Bondholder may exercise the Conversion Right in respect of a Convertible Bond by delivering a duly completed Conversion Notice, together with the Convertible Bond to be converted, to the specified office of the Paying, Conversion and Domiciliary Agent in accordance with Clause 6.4.9 whereupon the Issuer shall (subject to the provisions of Clause 6.4.14 and as otherwise provided in these Clauses) procure the delivery, to or as directed by the relevant Bondholder, of Ordinary Shares credited as paid up in full as provided in this Clause 6.4.

Subject to and as provided in these Clauses, the Conversion Right in respect of a Convertible Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from 8 June 2011 to the close of business (in Brussels) on the date falling seven business days prior to the Final Maturity Date (both days inclusive) or, if such Convertible Bond is to be redeemed pursuant to Clause 6.5.2 prior to the Final Maturity Date, then up to (and including) the close of business (in Brussels) on the seventh business day before the date fixed for redemption thereof pursuant to Clause 6.5.2 unless there shall be a default in making payment in respect of such Convertible Bond on such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the close of business (in Brussels) on the date on which the full amount due is duly paid in accordance with Clause 6.6 or, if earlier, the Final Maturity Date or, if the Final Maturity Date is not a business day in Brussels, the immediately preceding Brussels business day; provided that, in each case, if such final date for the exercise of Conversion Rights is not a business day in Brussels, then the period for exercise of Conversion Rights by Bondholders shall end on the immediately preceding business day in Brussels.

Conversion Rights may not be exercised in respect of a Convertible Bond in respect of which the relevant Bondholder has exercised its right to require the Issuer to redeem that Convertible Bond pursuant to Clause 6.5.4.

The period during which Conversion Rights may (subject as provided below) be exercised by a Bondholder is referred to as the "**Conversion Period**".

Conversion Rights may only be exercised in respect of the whole of the principal amount of a Convertible Bond.

Fractions of Ordinary Shares will not be issued on conversion or pursuant to Clause 6.4.3 and, except where any individual entitlement would be less than €5, a cash payment shall be made by the Issuer in respect of any such fraction determined by reference to the Volume Weighted Average Price of an Ordinary Share on the relevant Conversion Date and the Issuer shall make payment of the relevant amount to the relevant Bondholder not later than five Brussels business days following the relevant Conversion Date by transfer to a SEPA Account, in accordance with instructions contained in the relevant Conversion Notice. If the Conversion Right in respect of more than one Convertible Bond is exercised at any one time such that Ordinary Shares are to be issued to the same person, the number of such Ordinary Shares to be issued in respect thereof, and any fraction of an Ordinary Share, shall be calculated on the basis of the aggregate principal amount of such Convertible Bonds being so converted.

The Issuer will procure that Ordinary Shares to be issued or delivered on exercise of Conversion Rights will be issued or delivered to the holder of the Convertible Bonds completing the relevant Conversion Notice or his nominee. Such Ordinary Shares will be deemed to be issued or delivered as of the relevant Conversion Date. Any Additional Ordinary Shares to be issued or transferred and

delivered pursuant to Clause 6.4.3 will be deemed to be issued or delivered as of the relevant Reference Date.

#### 6.4.2 *Adjustment of Conversion Price*

Upon the happening of any of the events described below, the Conversion Price shall be adjusted as follows (provided that any adjustment made pursuant to Clauses 6.4.2.2 to 6.4.2.11 shall operate downwards only):

##### 6.4.2.1 Consolidation, reclassification or subdivision of shares

If and whenever there shall be a consolidation, reclassification or subdivision in relation to the Ordinary Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and
- B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

##### 6.4.2.2 New Shares issued by way of capitalisation of profits or reserves

If and whenever the Issuer shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such Shares are or are to be issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have elected to receive, (2) where the Shareholders may elect to receive a Dividend in cash in lieu of such Shares or (3) where any such Shares are or are expressed to be issued in lieu of a Dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Shares in issue immediately before such issue; and
- B is the aggregate number of Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares.

##### 6.4.2.3 Gross Dividend above a preset Threshold Amount and paid in cash or otherwise

- (a) If and whenever the Issuer shall pay or make any Capital Distribution to Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A - C}$$

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date;



- B is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Ordinary Shares entitled to receive such Capital Distribution (or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Ordinary Shares, or any Ordinary Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back); and
- C is the amount (if any) by which the Threshold Amount in respect of the Relevant Fiscal Year exceeds an amount equal to the aggregate of the Fair Market Values of any previous Dividends per Ordinary Share paid or made in respect of such Relevant Fiscal Year (where "C" shall be zero if such previous Dividends per Ordinary Share are equal to, or exceed, the Threshold Amount in respect of such Relevant Fiscal Year). For the avoidance of doubt "C" shall equal the Threshold Amount in respect of the Relevant Fiscal Year where no previous Dividends per Ordinary Share have been paid or made in respect of such Relevant Fiscal Year.

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

**"Capital Distribution"** means any Dividend (the **"Relevant Dividend"**) paid or made during a fiscal year of the Issuer (the **"Relevant Fiscal Year"**), if (a) the Fair Market Value of the Relevant Dividend per Ordinary Share or (b) the sum of (i) the Fair Market Value of the Relevant Dividend per Ordinary Share and (ii) an amount equal to the aggregate of the Fair Market Value or Values of any other Dividend or Dividends per Ordinary Share paid or made during the Relevant Fiscal Year, exceeds the Threshold Amount in respect of such Relevant Fiscal Year, and in that case the Capital Distribution shall be the Relevant Dividend.

**"Effective Date"** means, in respect of this Clause 6.4.2.3 (a), the first date on which the Ordinary Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares, the date on which such purchase, redemption or buy back is made or, in the case of a Spin-Off, on the first date on which the Ordinary Shares are traded ex-the relevant Spin-Off on the Relevant Stock Exchange.

**"Threshold Amount"** means in respect of any Relevant Fiscal Year, €6.50 per Ordinary Share (adjusted pro rata for any adjustments to the Conversion Price made pursuant to the provisions of this Clause 6.4.2).

**"Cash Dividend"** means (i) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of **"Spin-Off"** and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of **"Dividend"**, and for the avoidance of doubt, a Dividend falling within paragraphs (c), (d) or (e) of the definition of **"Dividend"** shall be treated as being a Non-Cash Dividend.

**"Non-Cash Dividend"** means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

- (b) For the purposes of the above, Fair Market Value shall (subject as otherwise provided above or in paragraph (a) of the definition of **"Dividend"** or in the definition of **"Fair Market Value"**) be determined as at the Effective Date.
- (c) In making any calculations for the purposes of this Clause 6.4.2.3, such adjustments (if any) shall be made as an Independent Financial Adviser may determine in good faith to be appropriate to reflect (i) any consolidation or sub-division of any Ordinary Shares or the issue of Ordinary Shares by way of capitalisation of profits or reserves (or any like or similar event)

or any increase in the number of Ordinary Shares in issue in relation to the fiscal year of the Issuer in question, or (ii) any change in the fiscal year of the Issuer.

6.4.2.4 Issue of Ordinary Shares (or Securities which are convertible into or exchangeable for Ordinary Shares) to Shareholders at a price which is less than 95 per cent. of the Current Market Price

If and whenever the Issuer shall issue Ordinary Shares to Shareholders as a class by way of rights, or shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase Ordinary Shares, or any Securities (including, for the avoidance of doubt, Preferential Shares) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue on the Effective Date;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights plus the additional consideration (if any) receivable upon (and assuming) the exercise of such options, warrants or rights at the initial subscription, purchase or acquisition price, would purchase at such Current Market Price per Ordinary Share; and
- C is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate.

Such adjustment shall become effective on the Effective Date, provided however that such adjustment shall not apply if and as long as the Issuer allows Bondholders who deliver a Conversion Notice to participate to such issue by way of rights as if they were Shareholders already, despite the fact that the relevant Conversion Date may be after the Effective Date.

“**Effective Date**” means, in respect of this Clause 6.4.2.4, the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

6.4.2.5 Issue of other Securities to Shareholders

If and whenever the Issuer shall issue any Securities (other than Ordinary Shares, Preferential Shares or options, warrants or other rights to subscribe for or purchase any Ordinary Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any Securities (other than Ordinary Shares, Preferential Shares or options, warrants or other rights to subscribe for or purchase Ordinary Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date; and
- B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date, provided however that such adjustment shall not apply if and as long as the Issuer allows Bondholders who deliver a Conversion

Notice to participate to such issue by way of rights as if they were Shareholders already, despite the fact that the relevant Conversion Date may be after the Effective Date.

“**Effective Date**” means, in respect of this Clause 6.4.2.5, the first date on which the Ordinary Shares are traded ex- the relevant Securities or ex-rights, ex-option or ex-warrants on the Relevant Stock Exchange.

6.4.2.6 Issue of Ordinary Shares (or rights to subscribe or purchase Ordinary Shares) at a price which is less than 95 per cent. of the Current Market Price, otherwise than as mentioned in Clause 6.4.2.4

If and whenever the Issuer shall issue (otherwise than as mentioned in Clause 6.4.2.4) wholly for cash or for no consideration any Ordinary Shares (other than Ordinary Shares issued on conversion of Convertible Bonds or Preferential Shares or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Ordinary Shares) or issue or grant (otherwise than as mentioned in Clause 6.4.2.4) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Ordinary Shares (other than the Convertible Bonds, which term shall for this purpose include any Further Convertible Bonds, but including, for the avoidance of doubt, Preferential Shares), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue immediately before the issue of such Ordinary Shares or the grant of such options, warrants or rights;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share; and
- C is the number of Ordinary Shares to be issued pursuant to such issue of such Ordinary Shares or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this Clause 6.4.2.6, the date of issue of such Ordinary Shares or, as the case may be, the grant of such options, warrants or rights.

6.4.2.7 Issue of Securities by the Issuer or a Subsidiary convertible into Ordinary Shares at a price which is less than 95 per cent. of the Current Market Price

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity (otherwise than as mentioned in Clauses 6.4.2.4, 6.4.2.5 or 6.4.2.6) shall issue wholly for cash or for no consideration any Securities (other than the Convertible Bonds which term shall for this purpose exclude any Further Convertible Bonds, but including, for the avoidance of doubt, Preferential Shares) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be redesignated as Ordinary Shares, and the consideration per Ordinary Share receivable upon conversion, exchange, subscription or redesignation is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue immediately before such issue or grant;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such Securities or, as the case may be, for the Ordinary Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Ordinary Share; and
- C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Ordinary Shares which may be issued or arise from any such redesignation.

provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this Clause 6.4.2.7, the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or, as the case may be, such Securities are redesignated or at such other time as may be provided), then for the purposes of this Clause 6.4.2.7, “**C**” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this Clause 6.4.2.7, the date of issue of such Securities or, as the case may be, the grant of such rights.

6.4.2.8 Modification of the terms of issue of Securities convertible into Ordinary Shares, as a result of which the consideration payable for Ordinary Shares is less than 95 per cent. of the Current Market Price

If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such Securities (other than the Convertible Bonds, which term shall for this purpose include any Further Convertible Bonds, but including, for the avoidance of doubt, Preferential Shares) as are mentioned in Clause 6.4.2.7 (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Ordinary Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue on the dealing day immediately before such modification;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and
- C is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as an Independent Financial Adviser shall consider appropriate for any previous adjustment under this Clause 6.4.2.8 or Clause 6.4.2.7;

provided that if at the time of such modification (as used in this Clause 6.4.2.8, the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or at such other time as may be provided), then for the purposes of this Clause 6.4.2.8, “**C**” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this Clause 6.4.2.8, the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities.

#### 6.4.2.9 Other issues of Securities to Shareholders

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Conversion Price falls to be adjusted under Clauses 6.4.2.2, 6.4.2.3, 6.4.2.4, 6.4.2.6 or 6.4.2.8 above or 6.4.2.11 below (or would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant day) or under Clause 6.4.2.5), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Effective Date; and

B is the Fair Market Value on the Effective Date of the portion of the relevant offer attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date, provided however that such adjustment shall not apply if and as long as the Issuer allows Bondholders who deliver a Conversion Notice to benefit from such offer as if they were Shareholders already, despite the fact that the relevant Conversion Date may be after the Effective Date.

“**Effective Date**” means, in respect of this Clause 6.4.2.9, the first date on which the Ordinary Shares are traded ex-rights on the Relevant Stock Exchange.

#### 6.4.2.10 Change of Control

If a Change of Control shall occur, then upon any exercise of Conversion Rights where the Conversion Date falls during the Change of Control Period, the Conversion Price (the “**Change of Control Conversion Price**”) shall be determined as set out below:

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

where:

COCCP = means the Change of Control Conversion Price

OCP = means the Conversion Price in effect on the relevant Conversion Date

CP = means 15 per cent. (expressed as fraction)

c = means the number of days from and including the date the Change of Control occurs to but excluding the Final Maturity Date

t = means the number of days from and including the Closing Date to but excluding the Final Maturity Date.

This Clause 6.4.2.10 will only become effective if and when the Change of Control Resolutions are approved.

6.4.2.11 Adjustments as a result of other circumstances

If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more circumstances not referred to above in this Clause 6.4.2 (even if the relevant circumstance is specifically excluded from the operation of Clauses 6.4.2.1 to 6.4.2.10), the Issuer shall, at its own expense and acting reasonably, request an Independent Financial Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment (if any) should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Clause 6.4.2.11 if such Independent Financial Adviser is so requested to make such a determination not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Conversion Price.

6.4.2.12 General provisions regarding adjustments

Notwithstanding the foregoing provisions:

- (a) where the events or circumstances giving rise to any adjustment pursuant to this Clause 6.4.2 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by an Independent Financial Adviser to be in its opinion appropriate to give the intended result;
- (b) such modification shall be made to the operation of these Clauses as may be advised by an Independent Financial Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once; and
- (c) for the avoidance of doubt, the issue of Ordinary Shares pursuant to the exercise of Conversion Rights, the conversion of Preferential Shares into Ordinary Shares pursuant to Article 8.2 of the statutes of the Issuer as in effect on the Closing Date, or the exercise of any other options, warrants or other rights, or in consideration for a contribution in kind to the capital of the Issuer (including by way of merger), shall not result in an adjustment to the Conversion Price.

For the purpose of any calculation of the consideration receivable or price pursuant to Clauses 6.4.2.4, 6.4.2.6, 6.4.2.7 and 6.4.2.8, the following provisions shall apply:

- (a) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;
- (b) (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities, (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may

be, such options, warrants or rights as at the date of the first public announcement as referred to in Clauses 6.4.2.6, 6.4.2.7 or 6.4.2.8, as the case may be, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights, and (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date;
- (d) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and
- (e) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity.

#### 6.4.3 *Retroactive Adjustments*

Subject as provided in Clause 6.4.14, if the Conversion Date in relation to the conversion of any Convertible Bond shall be after the record date in respect of any consolidation, reclassification or sub-division as is mentioned in Clause 6.4.2.1, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Clause 6.4.2.2, 6.4.2.3, 6.4.2.4, 6.4.2.5 or 6.4.2.9, or after the date of the first public announcement of the terms of any such issue or grant as is mentioned in Clause 6.4.2.6 or 6.4.2.7 or of the terms of any such modification as is mentioned in Clause 6.4.2.8, but before the relevant adjustment to the Conversion Price becomes effective under Clause 6.4.2 (such adjustment, a "**Retroactive Adjustment**"), then the Issuer shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued or transferred and delivered to the converting Bondholder, in accordance with the instructions contained in the Conversion Notice, such additional number of Ordinary Shares (if any) (the "**Additional Ordinary Shares**") as, together with the Ordinary Shares issued or to be transferred and delivered on conversion of the relevant Convertible Bonds (together with any fraction of an Ordinary Share not so issued or delivered), is equal to the number of Ordinary Shares which would have been required to be issued or delivered on conversion of such Convertible Bond if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the relevant Conversion Date.

#### 6.4.4 *Decision of an Independent Financial Adviser*

If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, and following consultation between the Issuer and an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect thereof shall be conclusive and binding on the Issuer and the Bondholders, save in the case of manifest error.

#### 6.4.5 *Share Option Schemes, Dividend Reinvestment Plans*

No adjustment will be made to the Conversion Price where Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including Directors holding or formerly holding executive office or the personal service company of any such person) or

their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme or pursuant to any dividend reinvestment plan or similar plan or scheme.

*6.4.6 Rounding Down and Notice of Adjustment to the Conversion Price*

On any adjustment, the resultant Conversion Price, if not an integral multiple of €0.001, shall be rounded down to the nearest whole multiple of €0.001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Conversion Price shall be given by the Issuer to Bondholders in accordance with Clause 6.12 and to the Paying, Conversion and Domiciliary Agent promptly after the determination thereof.

*6.4.7 Adjustments not permitted by law*

The Conversion Price shall not in any event be reduced to below the minimum level permitted by Belgian law (if any) and the Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such minimum level.

*6.4.8 Change of Control*

Within five Brussels business days following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Paying, Conversion and Domiciliary Agent and to the Bondholders in accordance with Clause 6.12 (a "**Change of Control Notice**"). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Clauses and their entitlement to exercise their rights to require redemption of their Convertible Bonds pursuant to Clause 6.5.4.

The Change of Control Notice shall also specify:

- 6.4.8.1 to the fullest extent permitted by applicable law, all information material to Bondholders concerning the Change of Control;
- 6.4.8.2 the Conversion Price immediately prior to the occurrence of the Change of Control and the Change of Control Conversion Price applicable pursuant to Clause 6.4.2.10 during the Change of Control Period on the basis of the Conversion Price in effect immediately prior to the occurrence of the Change of Control;
- 6.4.8.3 the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of the Change of Control Notice;
- 6.4.8.4 the last day of the Change of Control Period; and
- 6.4.8.5 the Change of Control Put Date.

*6.4.9 Procedure for exercise of Conversion Rights*

Conversion Rights may be exercised by a Bondholder during the Conversion Period by delivering to the specified office of the Paying, Conversion and Domiciliary Agent, during its usual business hours, a duly completed and signed notice of conversion (a "**Conversion Notice**") in the form (for the



time being current) obtainable from the Paying, Conversion and Domiciliary Agent, and by delivering to the Paying, Conversion and Domiciliary Agent, by transfer to such securities account the details of which are obtainable from the Paying, Conversion and Domiciliary Agent, the Convertible Bonds to be converted. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in Belgium.

If such delivery is made after the end of normal business hours or on a day which is not a business day in Brussels, such delivery shall be deemed for all purposes of these Clauses to have been made on the next following such business day.

Any determination as to whether a Conversion Notice has been duly completed and properly delivered shall be made by the Paying, Conversion and Domiciliary Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Paying, Conversion and Domiciliary Agent and the relevant Bondholder.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Convertible Bond (the "**Conversion Date**") shall be the business day in Brussels immediately following the date of the delivery of the relevant Conversion Notice and the Convertible Bonds to be converted as provided in this Clause 6.4.9 and, if applicable, the making of any payment to be made as provided below.

A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on conversion (other than any capital, stamp, issue, registration and transfer taxes and duties payable in Belgium in respect of the issue or transfer and delivery of any Ordinary Shares in respect of such exercise (including any Additional Ordinary Shares), which shall be paid by the Issuer). Any withholding tax arising in connection with the conversion shall be payable by the relevant Bondholder, and the Issuer (or the NBB in accordance with the NBB System Regulations) shall be entitled to deduct the amount of such withholding tax, or the applicable number of Ordinary Shares, from any payment or delivery of Ordinary Shares made to the Bondholder. If the Issuer shall fail to pay any taxes and capital, stamp, issue and registration and transfer taxes and duties payable for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

Such Bondholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Convertible Bond or interest therein in connection with the exercise of Conversion Rights by it.

The Issuer may, in its own discretion, decide to fulfil its obligations, in connection with any Conversion Notice by the transfer of existing Ordinary Shares and/or the allotment and issue of new Ordinary Shares, provided that the Issuer may not transfer existing Ordinary Shares in connection with a Conversion Notice delivered by a Bondholder who is a Retail Investor.

Following delivery of a duly completed Conversion Notice and of the Convertible Bonds to be converted, the Issuer shall on or prior to the Delivery Date (as defined below):

- 6.4.9.1 cause the issue (if applicable) and use all reasonable endeavours to cause the admission to trading on the Relevant Stock Exchange of the Ordinary Shares to be issued and delivered in satisfaction of the relevant Conversion Right; and
- 6.4.9.2 procure that all such Ordinary Shares to be delivered in satisfaction of the relevant Conversion Right be credited to such account of the relevant Bondholder held at Euroclear Belgium or any financial institution which is a member of Euroclear Belgium as is specified in the relevant Conversion Notice.

For the purposes of the previous paragraph, "**Delivery Date**" means:

- (a) if the Conversion Date or, as the case may be, the Reference Date occurs on or prior to the fifteenth calendar day in any month during the Conversion Period, the last calendar day in such month; or
- (b) if the Conversion Date or, as the case may be, the Reference Date occurs after the fifteenth calendar day in any month during the Conversion Period, the last calendar day in the next following month.

#### *6.4.10 Ordinary Shares*

6.4.10.1 Ordinary Shares issued or transferred and delivered on exercise of Conversion Rights will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Conversion Date or, in the case of Additional Ordinary Shares, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Ordinary Shares or, as the case may be, Additional Ordinary Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments for which the record date or other due date for the establishment of entitlement falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.

6.4.10.2 Save as provided in Clause 6.4.11, no payment or adjustment shall be made on exercise of Conversion Rights for any interest which otherwise would have accrued on the relevant Convertible Bonds since the last Interest Payment Date preceding the Conversion Date relating to such Convertible Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).

#### *6.4.11 Interest on Conversion*

If any notice requiring the redemption of the Convertible Bonds is given pursuant to Clause 6.5.2 on or after the fifteenth Brussels business day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Closing Date) in respect of any Dividend or distribution payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date next following such record date, interest shall accrue at the rate provided in Clause 6.3.1 on Convertible Bonds in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date in respect of such Dividend or distribution, in each case from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from the Closing Date) to but excluding such Conversion Date. The Issuer shall pay any such interest by not later than 14 days after the relevant Conversion Date by transfer to a SEPA Account in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

#### *6.4.12 Purchase or Redemption of Ordinary Shares*

The Issuer or any Subsidiary of the Issuer may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares of the Issuer (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of the Bondholders.

#### *6.4.13 No Duty to Monitor*

The Paying, Conversion and Domiciliary Agent shall not be under any duty to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Conversion Price.

#### *6.4.14 Cash Settlement/Cash Alternative Election*

6.4.14.1 Upon exercise of Conversion Rights by a Bondholder, the Issuer may make an election (a "**Cash Alternative Election**") by giving notice (a "**Cash Alternative Election Notice**") to the relevant Bondholder by not later than the date (the "**Cash Election Date**") falling three Brussels business days following the relevant Conversion Date to the address (or, if a fax number or email address is provided in the relevant Conversion Notice, that fax number or email address) specified for that purpose in the relevant Conversion Notice (with a copy to the Paying, Conversion and Domiciliary Agent) to satisfy the exercise of the Conversion Rights in respect of the relevant Convertible Bonds by (A) delivering to or to the order of the relevant Bondholder the Fixed Number of Ordinary Shares and (B) making payment, or procuring that payment is made, to the relevant Bondholder of the Cash Alternative Amount, together with any other amount payable by the Issuer to such Bondholder pursuant to these Clauses in respect of or relating to the relevant exercise of Conversion Rights, including any interest payable pursuant to Clause 6.4.11. The Issuer, however, may not make a Cash Alternative Election at any time when such election would prevent the relevant Bondholder from participating to any rights issue or other issuance to which that Bondholder is entitled to participate pursuant to Article 491 of the Belgian Company Code.

The Issuer, however, may not make a Cash Alternative Election in respect of the conversion of Convertible Bonds held by a Bondholder who:

- (a) is a Retail Investor; or
- (b) (i) was a Shareholder of the Issuer as of the Closing Date, (ii) subscribed to these Convertible Bonds as of the Closing Date pursuant to the priority allocation rights allocated to the then Shareholders of the Issuer, (iii) certifies in the relevant Conversion Notice that it has held those Convertible Bonds without interruption since then, and (iv) attaches with the relevant Conversion Notice evidence of the circumstances set out under items (i) and (ii) above.

A Cash Alternative Election shall be irrevocable.

The Issuer will pay the Cash Alternative Amount, together with any other amount as aforesaid, by not later than five Brussels business days following the last day of the Cash Alternative Calculation Period by transfer to a SEPA Account in accordance with instructions contained in the relevant Conversion Notice, and will deliver the Fixed Number of Ordinary Shares on or prior to the Delivery Date in accordance with Clause 6.4.9.

6.4.14.2 If there is a Retroactive Adjustment to the Conversion Price following the exercise of Conversion Rights by a Bondholder which has given rise to a Cash Alternative Election, the Issuer shall pay to the relevant Bondholder an additional amount (the "**Additional Cash Alternative Amount**") equal to the Market Price of such number of Ordinary Shares equal to that by which the number of Ordinary Shares by reference to which the Cash Alternative Amount shall have been determined would have been increased if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the relevant Conversion Date.

The Issuer will pay the Additional Cash Alternative Amount not later than five Brussels business days following the relevant Reference Date by transfer to a SEPA Account in accordance with instructions contained in the relevant Conversion Notice.

#### 6.4.15 *Consolidation, Amalgamation or Merger*

In the case of any consolidation, amalgamation or merger of the Issuer with any other corporation (other than a consolidation, amalgamation or merger in which the Issuer is the continuing corporation), the Issuer will forthwith give notice thereof to the Paying, Conversion and Domiciliary Agent and to the Bondholders in accordance with Clause 6.12 of such event and take such steps as shall be necessary to ensure that each Convertible Bond then outstanding will (during the period in which Conversion Rights may be exercised) be convertible into the class and amount of shares and other Securities and property receivable upon such consolidation, amalgamation or merger by a holder of the number of Ordinary Shares which would have become liable to be issued or transferred and delivered upon exercise of Conversion Rights immediately prior to such consolidation,

amalgamation or merger. The above provisions of this Clause 6.4.15 will apply, *mutatis mutandis* to any subsequent consolidations, amalgamations or mergers.

## **6.5 Redemption and Purchase**

### *6.5.1 Final Redemption*

Unless previously purchased and cancelled, redeemed or converted as herein provided, the Convertible Bonds will be redeemed at their principal amount on the Final Maturity Date. The Convertible Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Clause 6.5.2 or 6.5.3.

### *6.5.2 Redemption at the Option of the Issuer*

On giving not less than 45 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Paying, Conversion and Domiciliary Agent and to the Bondholders in accordance with Clause 6.12, the Issuer may redeem all but not some only of the Convertible Bonds on the date (the "**Optional Redemption Date**") specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest to (but excluding) such date:

- (a) at any time on or after 19 May 2014 (the "**Call Date**"), if the Parity Value on each of at least 20 dealing days in any period of 30 consecutive dealing days ending not earlier than seven days prior to the giving of the relevant Optional Redemption Notice, shall have exceeded € 151.58; or
- (b) at any time if prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Convertible Bonds originally issued (which shall for this purpose include any Further Convertible Bonds).

### *6.5.3 Optional Redemption Notices*

Any Optional Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date, which shall be a Brussels business day, (ii) the Conversion Price, the aggregate principal amount of the Convertible Bonds outstanding and the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice and (iii) the last day on which Conversion Rights may be exercised by Bondholders.

### *6.5.4 Redemption at the Option of Bondholders upon a Change of Control*

Following the occurrence of a Change of Control, the holder of each Convertible Bond will have the right to require the Issuer to redeem that Convertible Bond on the Change of Control Put Date at its principal amount, together with accrued but unpaid interest to (but excluding) such date. To exercise such right, the holder of the relevant Convertible Bond must deliver to the specified office of the Paying, Conversion and Domiciliary Agent a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of the Paying, Conversion and Domiciliary Agent (a "**Change of Control Put Exercise Notice**"), together with the Convertible Bond to be redeemed, at any time during the Change of Control Period. The "**Change of Control Put Date**" shall be the date which is 80 calendar days following the Change of Control or, if the Issuer has failed to deliver a Change of Control Notice in accordance with Clause 6.4.8, the date which is 15 calendar days following the applicable Change of Control Put Exercise Notice.

Payment in respect of any such Convertible Bond shall be made by transfer to a SEPA Account as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Convertible Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

#### *6.5.5 Early redemption if the Change of Control Resolutions are not passed*

If by not later than the Long-stop Date:

- (a) the Change of Control Resolutions are not adopted at a general meeting of the Shareholders of the Issuer;
- (b) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Brussels; or
- (c) the Issuer shall not have given notice to Bondholders in accordance with Clause 6.12 informing them that, upon the occurrence of a Change of Control, Bondholders would be entitled to exercise their rights pursuant to Clause 6.5.4 and Clause 6.4.2.10,

each Convertible Bond will become due and payable, and the Issuer shall redeem each Convertible Bond, on the date falling 45 days after the Long-stop Date at 102 per cent. of the higher of (i) its principal amount and (ii) its Fair Market Value as of the Long-stop Date, together with accrued but unpaid interest to (but excluding) such date.

If the Convertible Bonds become due and payable in accordance with this Clause 6.5.5, the Issuer shall give notice thereof to the Paying, Conversion and Domiciliary Agent and to the Bondholders in accordance with Clause 6.12 within two Brussels business days of the Long-stop Date.

#### *6.5.6 Purchase*

Subject to the requirements (if any) of any stock exchange on which the Convertible Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Convertible Bonds in the open market or otherwise at any price.

#### *6.5.7 Cancellation*

All Convertible Bonds which are redeemed or in respect of which Conversion Rights are exercised will be cancelled and may not be reissued or resold. Convertible Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or relevant Subsidiary, or surrendered to the Paying, Conversion and Domiciliary Agent for cancellation.

#### *6.5.8 Multiple Notices*

If more than one notice of redemption is given pursuant to this Clause 6.5, the first of such notices to be given shall prevail.

### **6.6 Payments**

#### *6.6.1 Principal, Premium and Interest*

All payments of principal, premium or interest in respect of the Convertible Bonds shall be made through the Paying, Conversion and Domiciliary Agent and the NBB System in accordance with the NBB System Regulations. Any payment so made will constitute good discharge for the Issuer.

#### *6.6.2 Payments subject to fiscal laws*

All payments in respect of the Convertible Bonds are subject in all cases to any applicable fiscal or other laws and regulations.

#### *6.6.3 Paying, Conversion and Domiciliary Agent*

The initial Paying, Conversion and Domiciliary Agent and its initial specified office are listed below. The Issuer reserves the right under the Agency Agreement at any time to vary or terminate the appointment of the Paying, Conversion and Domiciliary Agent and appoint another Paying, Conversion and Domiciliary Agent, provided that it will at all times maintain a Paying, Conversion and Domiciliary Agent which is a participant in the X/N Clearing System. Notice of any change in the Paying, Conversion and Domiciliary Agent or its specified office will promptly be given by the Issuer to the Bondholders in accordance with Clause 6.12.

#### 6.6.4 *No Charges*

The Paying, Conversion and Domiciliary Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment or conversion in respect of the Convertible Bonds.

#### 6.6.5 *Fractions*

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

### 6.7 **Taxation**

All payments made by on or behalf the Issuer in respect of the Convertible Bonds will be made subject to and after deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax required to be made by law. The Issuer will not be required to pay any additional or further amounts in respect of such deduction or withholding.

### 6.8 **Events of Default**

If any of the following events (each an "**Event of Default**") occurs and is continuing:

- 6.8.1 *Illegality*: it becomes unlawful for the Issuer to perform its obligations under the Convertible Bonds;
- 6.8.2 *Non-payment*: the Issuer fails to pay the principal of or interest on any of the Convertible Bonds when due and such failure continues for a period of seven Brussels business days;
- 6.8.3 *Breach of other covenants*: the Issuer fails to perform or comply with any one or more of its covenants (other than in respect of payment as contemplated in Clause 6.8.2) in connection with the Convertible Bonds and such failure continues for a period of 15 Brussels business days after notice thereof is given by any Bondholder to the Issuer;
- 6.8.4 *Breach of BSE requirements*: the Convertible Bonds are delisted or suspended from the regulated market of the BSE for a period of 15 consecutive Brussels business days for a reason attributable to the Issuer, unless the Issuer obtains an effective listing and admission to trading of the Convertible Bonds on another regulated market within the European Economic Area by the end of that period;
- 6.8.5 *Cross-default*: the Issuer or any of its Material Subsidiaries fails to pay any indebtedness in an aggregate amount of EUR 20,000,000 on the due date therefor or (as the case may be) within any originally applicable grace period in respect thereof, and (a) a formal demand (mise en demeure / aanmaning) for payment thereof has been made by the creditors concerned or (b) one or more holders of the 5% 2009-2014 bonds of the Issuer have demanded early repayment of these bonds by reason of such failure;
- 6.8.6 *Reorganisation or change of business*: the Issuer or any of its Material Subsidiaries is subject to any reorganisation which leads to a significant reduction of the assets of the Issuer or the Group, or a substantial change occurs in the business of the Issuer or the Group which is prejudicial to the

interests of the Bondholders, unless in each case the Issuer has been able to remedy the same within a period of three months; or

- 6.8.7 *Bankruptcy or insolvency*: the Issuer or any of its Material Subsidiaries is in a situation of cessation of payments, a liquidator (save in the case of a voluntary liquidation of a Subsidiary in the context of an internal reorganisation), a judicial administrator or an ad hoc representative is appointed to the Issuer or any of its Material Subsidiaries, or any corporate action, legal proceedings or other procedure or step is taken in relation to the liquidation, the amicable or judicial dissolution, an amicable or judicial moratorium of all or part of the indebtedness, the judicial reorganisation or the bankruptcy of, or any similar situation in respect of, the Issuer or any of its Material Subsidiaries (provided that summons for bankruptcy or judicial reorganisation given by a third party will only constitute an Event of Default if they have not been dismissed within 60 days of service),

each Bondholder may, by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Paying, Conversion and Domiciliary Agent, declare its Convertible Bonds to be immediately due and payable, whereupon such Convertible Bonds shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.

## **6.9 Undertakings**

Whilst any Conversion Right remains exercisable, the Issuer will, save with the approval of a Resolution of the Bondholders:

- 6.9.1 not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:
- 6.9.1.1 by the issue of fully paid Shares to Shareholders and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive Shares or other shares or securities on a capitalisation of profits or reserves; or
  - 6.9.1.2 by the conversion of Preferential Shares into Ordinary Shares pursuant to Article 8.2 of the statutes of the Issuer as in effect on the Closing Date; or
  - 6.9.1.3 by the issue of Shares paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash dividend; or
  - 6.9.1.4 by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive equity share capital (other than Ordinary Shares); or
  - 6.9.1.5 by the issue of Shares or any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office of the Issuer or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any one or more of them,

unless, in any such case, the same constitutes a Dividend or otherwise gives rise (or would, but for the provisions of Clause 6.4.6 relating to roundings or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price; or

- 6.9.2 not modify the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this Clause 6.9.2 shall prevent:
- 6.9.2.1 the issue of equity share capital to employees or former employees or directors (including directors holding or formerly holding executive office or the personal service company of any such person) (or the spouse or relative of any such person) whether of the Issuer or any of its Subsidiaries or

- associated companies by virtue of their office or employment pursuant to any employees' share or option scheme; or
- 6.9.2.2 any consolidation, reclassification or subdivision of the Shares; or
  - 6.9.2.3 any modification of such rights which is not, in the opinion of an Independent Financial Adviser, materially prejudicial to the interests of the holders of the Convertible Bonds; or
  - 6.9.2.4 any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of Clause 6.4.6 relating to roundings or the carry forward of adjustments or the fact that the consideration per Ordinary Share receivable therefor is at least 95 per cent. of the Current Market Price per Ordinary Share, otherwise result, in an adjustment to the Conversion Price; or
  - 6.9.2.5 any issue of equity share capital or modification of rights attaching to the Shares, where prior thereto the Issuer shall have instructed an Independent Financial Adviser to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such Independent Financial Adviser shall have determined either that no adjustment is required or that an adjustment resulting in a decrease in the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly);
  - 6.9.3 procure that no Securities (whether issued by the Issuer or any Subsidiary of the Issuer or procured by the Issuer or any Subsidiary of the Issuer to be issued or issued by any other person pursuant to any arrangement with the Issuer or any Subsidiary of the Issuer) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the close of business on the last dealing day preceding the date of the first public announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the provisions of Clause 6.4.6 relating to roundings or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price, and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
  - 6.9.4 not make any issue, grant or distribution or any other action taken if the effect thereof would be that, on the exercise of Conversion Rights, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;
  - 6.9.5 not reduce its issued share capital, share premium account, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
    - 6.9.5.1 pursuant to the terms of issue of the relevant share capital; or
    - 6.9.5.2 by means of a purchase or redemption of share capital of the Issuer to the extent permitted by applicable law; or
    - 6.9.5.3 where the reduction does not involve any distribution of assets; or
    - 6.9.5.4 to create distributable reserves; or
    - 6.9.5.5 by way of transfer to reserves as permitted under applicable law; or
    - 6.9.5.6 where the reduction is permitted by applicable law and results in (or would, but for the provisions of Clause 6.4.6 relating to roundings or the carry forward or adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purpose of determining whether such an adjustment should be made,

provided that, without prejudice to the other provisions of these Clauses, the Issuer may exercise such rights as it may from time to time enjoy pursuant to applicable law to purchase, redeem or buy back its Shares and any depositary or other receipts or certificates representing Shares without the consent of Bondholders;



- 6.9.6 if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any parties acting in concert with the offeror (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof)) to acquire all or a majority of the issued share capital of the Issuer, give notice of such offer to the Paying, Conversion and Domiciliary Agent and the Bondholders at the same time as any notice thereof is sent to Shareholders (or as soon as practicable thereafter) that details concerning such offer may be obtained from the specified office of the Paying, Conversion and Domiciliary Agent, and use all reasonable endeavours to procure that a like offer is extended to the holders of any Ordinary Shares issued during the period of the offer arising out of the exercise of the Conversion Rights by the Bondholders and/or to the holders of the Convertible Bonds;
- 6.9.7 use its reasonable endeavours to ensure that the Ordinary Shares issued upon exercise of Conversion Rights will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in;
- 6.9.8 for so long as any Convertible Bond remains outstanding, use its reasonable endeavours to ensure that its issued and outstanding Ordinary Shares shall be admitted to listing on the Relevant Stock Exchange;
- 6.9.9 procure that the Issuer shall not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction (other than Belgium) unless the Issuer would not thereafter be required pursuant to the then current laws and regulations to withhold or deduct for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such jurisdiction or any political subdivision thereof or therein having power to tax in respect of any payment on or in respect of the Convertible Bonds; and
- 6.9.10 use all reasonable endeavours to procure that (A) the Change of Control Resolutions are approved by a resolution of the Shareholders of the Issuer in a general meeting, and in connection therewith to propose the Change of Control Resolutions (expressed in generic terms) at the general meeting of Shareholders of the Issuer scheduled to be held on 29 April 2011, and to propose again the Change of Control Resolutions, if not approved at that meeting of 29 April 2011, at a general meeting of Shareholders of the Issuer to be held not later than three business days before the Long-stop Date, and (B) immediately following approval of such resolutions to file a copy thereof with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*).

As used in these Clauses, "**equity share capital**" has the meaning given to it in Article 476 of the Belgian Company Code.

## **6.10 Prescription**

Claims against the Issuer for payment in respect of the Convertible Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the due date for such payment.

Claims in respect of any other amounts payable in respect of the Convertible Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

## **6.11 Meetings of Bondholders, Modification and Waiver**

### *6.11.1 Meetings of Bondholders*

Meetings of Bondholders may be convened to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Clauses.

All meetings of Bondholders will be held in accordance with the provisions of Article 568 *sq.* of the Belgian Company Code with respect to bondholders meetings; provided however that the Issuer shall,

at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Convertible Bonds. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal of Brussels, the meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Belgian Company Code and to modify or waive any provision of these Clauses, provided however that the following matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Convertible Bonds form a quorum: (i) proposal to change any date fixed for payment of principal or interest in respect of the Convertible Bonds, to reduce the amount of principal or interest payable on any date in respect of the Convertible Bonds or to alter the method of calculating the amount of any payment in respect of the Convertible Bonds on redemption or maturity or the date for any such payment; (ii) proposal to effect the exchange, conversion or substitution of the Convertible Bonds for, or the conversion of the Convertible Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) proposal to change the currency in which amounts due in respect of the Convertible Bonds are payable; or (iv) proposal to change any aspect of the Conversion Right; (v) proposal to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.

Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

Convening notices for meetings of Bondholders shall be made in accordance with Article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium.

A resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

#### **6.11.2**     *Modification and Waiver*

These Convertible Bonds, the Agency Agreement, any agreement supplemental to the Agency Agreement and these Clauses may be amended without the consent of the Bondholders to correct a manifest error or to comply with mandatory provisions of law. In addition, the parties to the Agency Agreement may agree to modify any provision thereof or any agreement supplemental to the Agency Agreement, but the Issuer shall not agree, without the consent of the Bondholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the parties to the Agency Agreement, not materially prejudicial to the interests of the Bondholders.

#### **6.11.3**     *Meetings of Shareholders and Right to Information*

The Bondholders shall be entitled to attend all general meetings of Shareholders of the Issuer, in accordance with Article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

### **6.12**     **Notices**

All notices regarding the Convertible Bonds will be valid if published either in a leading daily newspaper in Brussels or on the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and

regulations of any stock exchange or other relevant authority on which the Convertible Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

### **6.13 Further Issues**

The Issuer may from time to time, without the consent of the Bondholders, create and issue further convertible bonds having the same terms and conditions as the Convertible Bonds in all respects (or in all respects except for the first payment of interest or for the first date on which conversion rights may be exercised) so as to form a single series with the Convertible Bonds.

### **6.14 Governing Law and Jurisdiction**

#### *6.14.1 Governing Law*

The Agency Agreement and the Convertible Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Belgian law.

#### *6.14.2 Jurisdiction*

The courts of Brussels are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Convertible Bonds and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement or the Convertible Bonds ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### **6.15 Language**

The English version of these terms and conditions is the sole binding version. The French and Dutch versions are translations prepared for information only and, in case of discrepancy, the English version shall prevail.

## 7. INFORMATION REGARDING THE ISSUER

### 7.1 General

The information relating to the Issuer is contained in the Registration Document and the documents incorporated by reference in this Securities Note as well as in Section 7.2 below in accordance with article 28 § 3 of the Act of 16 June 2006.

### 7.2 Recent developments after the Annual Report 2010

#### *Resolutions approved by the EGM of 29 March 2011*

The Belgian REIT legislation has been amended in various aspects in January 2011 following the entry into force of a new royal decree. Some of the legislative changes required an update of the Issuer's articles of association, in order for the Issuer to be able to take profit of various opportunities brought about by the new legislation.

The extraordinary shareholders' meeting held on 29 March 2011 (the "**EGM of 29 March 2011**") has approved the proposed changes to the Issuer's articles of association. These changes relate amongst other to:

- enabling the Issuer to cancel the shareholders' preferential right upon issuance of new shares or convertible bonds, provided a priority allocation right is granted to the existing shareholders, in line with the new REIT legislation;
- updating the rules on the issuance of shares as consideration for the contribution in kind of assets to the Issuer's share capital, in line with the new REIT legislation;
- enabling the Issuer to offer a stock dividend to its shareholders, in line with the new REIT legislations;
- enabling Belgian subsidiaries of the Issuer to benefit from the favourable tax treatment afforded to REITs by opting for the institutional REIT status (*sicafi institutionnelle / institutionele vastgoedbevak*);
- updating the rules on the calculation of distributable profits of the Issuer, in line with the new REIT legislation;
- enabling the Issuer to issue all the securities provided for in article 460 of the Belgian Company Code, with the exception of profit-sharing certificates (*parts beneficiaries / winstbewijzen*) or similar securities in line with the new REIT legislation and the Belgian Company Code.

Furthermore, on the occasion of the same shareholders' meeting, the Issuer has also anticipated the future entry into force of the new Shareholders' rights Act. It therefore approved the following changes to its articles of association - which will only enter into force on 1 January 2012 provided the Shareholders' rights act will be entered into force on that date :

- right to add items on the agenda: shareholders owning at least 3% of the share capital of the Issuer have the right to propose new items on the agenda and submit draft resolutions for the shareholders' meeting (except for second called shareholders' meetings); a strict procedure has been implemented, including with respect to the publication of a new agenda of the meeting completed with a draft of the new proposed resolutions);
- admission to and running of the general meeting: the record date system becomes mandatory; the record date will always be the 14th day prior to the meeting at 24.00 hours (CET); shareholders should notify their presence at least 6 days before the meeting whether the shares are in registered, bearer or dematerialised form;
- new provisions have been set forth on the granting of a proxy for a shareholders' meeting, the content of the proxy (for example, the proxy must indicate if the proxy holder is authorised to vote on the items that would be added to the agenda at the request of shareholders owning at least 3% of the share capital), the exercise of the rights by the proxy holder, conflicts of interest and notification of the proxy to the company;
- the possibility to its shareholders to vote by correspondence: the Shareholders' rights Act lists the minimum items which should be included in the form used to vote.

Finally, the EGM of 29 March 2011 also resolved on the following matters:

- a renewal of the Board's authorisation to increase the Issuer's share capital (see Section 8.3)
- a renewal of the authorisation to perform share buy backs;
- a reduction of the Issuer's share premium for an amount of EUR 214,087,000, by way of booking on the reported earnings account; this amount equals to the net gains realised during the accounting years 2004 to 2010 (included), as part of mergers by way of absorption of other companies.

### ***Recent transactions of the Issuer***

#### **Cofinimmo announced on 29 March 2011 the acquisition of Hemera SA, owner of the nursing home**

De Nieuwe Seigneurie, located at Rumbeke (Roeselaere). This newly constructed nursing home, with a total lettable area of 3,460m<sup>2</sup>, comprises 75 beds. It has been valued at €7.33 million, in line with the investment value assigned to it by the independent real estate expert. It will provide a gross rental yield of 6.71% in double net equivalent. The nursing home will be operated by the Senior Assist Group, with which Cofinimmo has concluded a 27 year long lease. This triple net lease foresees that all the costs, including those relating to the structure of the building, are payable by the operator. Through this operation, Cofinimmo strengthens its cooperation with Senior Assist, an operator with whom it is working since 2007.

#### **Disposal of the Da Vinci office block and the Ledeborg 438 commercial building**

In line with the disposal programme announced at the time of the publication of its 2010 annual results on 11 February 2011, Cofinimmo also announced the disposal of 2 properties for a gross total of €33.23 million, generating a gross gain, compared to the last investment values determined by the independent expert, totalling €4.12 million or €0.28 per share. These proceeds will be reinvested under the Issuer's investment programme which amounts to €98 million for 2011 (see also the press release of 11 February 2011). These disposals are in line with the Issuer's arbitrage strategy. The properties sold are: 1. the Da Vinci office block, located in the Leopold District (Brussels), totalling 7,435m<sup>2</sup> and acquired by the Compagnie de Manutention Groupe (CdMG); 2. the Ledeborg 438 commercial building, located in Ghent, with an area of 4,234m<sup>2</sup> and rented to the Delhaize Group which exercised the purchase option provided for in its lease.

### ***Publication of the Q1 results and valuation of Cofinimmo's property portfolio as at 31 March 2011***

The fair value of Cofinimmo's actual property portfolio as at 31 March 2011 reaches € 3,048,084,000 compared to € 3,041,916,000 as at 31 December 2010. The investment value of Cofinimmo's actual property portfolio as at 31 March 2011 reaches € 3,159,377,000 compared to € 3,153,174,000 as at 31 December 2010. The change in fair value of investment properties for the 1st quarter of 2011 is a loss of € 8,190,000 compared to a loss of € 4,383,000 for the 1st quarter of 2010 on an actual portfolio basis.

As of the date of this Securities Note, the current result and other financial data at end March 2011 are not yet available. The intermediate declaration comprising the results as at 31 March 2011 will be published on 3 May 2011.

## **8. DESCRIPTION OF THE ISSUER'S SHARES**

### **8.1 General**

Each Convertible Bond shall entitle the holder to convert such Convertible Bond into new Ordinary Shares or, at the Issuer's option, existing Ordinary Shares in accordance with the Terms and Conditions of the Convertible Bonds.

The Ordinary Shares are listed on Euronext Brussels under the symbol COFB and ISIN BE0003593044.

Information about the past performance and projections regarding future performance of the Ordinary Shares and their volatility can be obtained on the Issuer's website ([www.cofinimmo.com](http://www.cofinimmo.com)) and on the website of Euronext ([www.euronext.com](http://www.euronext.com)).

Information about shareholders rights and main features of an Ordinary Share is available in the Registration Document. Recent legislative changes having impacted those features and are summarized in Section 8.3.

The Issuer has agreed to use all reasonable endeavours to ensure that the shares issued upon conversion of any Convertible Bonds will be admitted to listing on Euronext Brussels and will be listed, quoted or dealt in on any other stock exchange or securities market on which the shares may then be listed, quoted or dealt in.

### **8.2 Share capital and shares**

On the date of this Securities Note, the share capital of the Issuer amounts to € 799,349,172 and is fully paid-up. It is represented by 13,667,092 Ordinary Shares, without nominal value. In order to modify the rights attaching to these, the procedure referred to in the articles of association, as provided by Law, is applicable.

In addition to the Ordinary Shares, the Issuer issued 2 series of Preferential Shares in 2004. The key features of the Preferential Shares are:

- priority right to an annual fixed gross dividend of €6.37 per share, capped at this amount, which represents a gross yield of 5.90% compared to the subscription price or a net yield of 5.02% after deduction of the 15% withholding tax;
- priority right in case of liquidation to a distribution equal to the issue price, capped at this amount;
- option for the holder to convert his Preferential Shares into Ordinary Shares from the 5th anniversary of their issue date (1 May 2009), at a rate of one new Ordinary Share for one Preferential Share;
- option for a third party designated by Cofinimmo (for example one of its subsidiaries) to purchase in cash and at their issue price, from the 15th anniversary of their issue, the Preferential Shares that have not yet been converted;
- the Preferential Shares are in registered form, one listed on Euronext Brussels and carry a voting right identical to that for Ordinary Shares.

The 1st series of 702,490 Preferential Shares (denomination on Euronext: COFP1) was issued on 30 April 2004, the 2nd series (797,276 shares - denomination on Euronext: COFP2) on 26 May 2004. The characteristics of these series of Preferential Shares are identical, with the exception of the issue price (€107.89 for the COFP1 vs. €104.44 for the COFP2).

Considering the conversions effected so far, on 28 February 2011, there are 1,249,310 Preferential Shares outstanding, of which 561,727 are COFP1 and 687,583 COFP2.

The Preferential Shares are convertible into Ordinary Shares, on one or more occasions, at the option of their holders in the following cases:

- since 2010, during the last ten days of each quarter of the calendar year;
- at any time during a period of one month following notification of the exercise of the call option referred to above; and

- in the event of the Issuer being liquidated, during a period starting two weeks after publication of the decision to liquidate the Issuer and ending on the day before the General Meeting convened to resolve on the closing of the liquidation process.

The conversion rate is one Ordinary Share for one Preferential Share.

The conversion is effected by issuing new Ordinary Shares without increasing the Issuer's capital. The conversion request must be addressed to the Issuer by the holder of the Preferential Shares by registered post, indicating the number of Preferential Shares for which conversion is requested. Conversion will be deemed to have taken effect on the date of dispatch of the request for conversion.

### **8.3 Recent changes to certain provisions of the articles of association regarding the Issuer's share capital further to the new Belgian REIT legislation**

#### ***Authorised capital***

Further to the EGM of 29 March 2011, the Board of directors has been authorised to increase the Issuer's share capital in one or several tranches with a maximum amount of € 799,000,000.

This authorisation has been granted for a period of five years from the date of publication in the annexes of the Belgian Official Gazette of the minutes of the EGM of 29 March 2011.

Share capital increases resolved by the Board may be carried out by subscription for cash or by non-cash contributions or by incorporation of reserves or the share premium account, with or without issuance of new shares (whether Ordinary Shares or Preferential Shares or shares without voting rights). These capital increases may also be carried out by the issue of convertible bonds or subscription rights.

The Board of directors is entitled to cancel or limit the preferential subscription right of the shareholders, including in favour of determined persons other than members of the personnel of the company or its affiliates, provided a priority allocation right is granted to the existing shareholders upon the allocation of the new securities. This priority allocation right complies with the conditions provided for by the REIT legislation.

Capital increases effected by way of incorporation in kind shall be carried out in accordance with the conditions provided for by the REIT legislation.

The EGM of 29 March 2011 also authorised the Board, to carry out one or more capital increases, in the event of a takeover bid, in accordance with the provisions of Article 607 of the Belgian Company Code and if need be, in accordance with the REIT legislation provisions regarding the priority allocation right.

#### ***Preferential subscription right***

In the event of a capital increase for cash with issue of new shares, or in the event of an issue of convertible bonds or subscription rights, the existing shareholders have a preferential right to subscribe, *pro rata*, to the new shares, convertible bonds or subscription rights. These preferential subscription rights are transferable during the subscription period. Since the entering into force of the REIT legislation, the shareholders' meeting may decide to limit or cancel this preferential subscription right, provided a priority allocation right is granted to the existing shareholders up to the totality of the shares offered. The period during which this allocation may be used is at least three (3) trading days. Such decision by the shareholders' meeting needs to satisfy the same quorum and majority requirements as the decision to increase the Issuer's share capital.

The shareholders may also decide to authorise the Board of directors to limit or cancel the preferential subscription right within the framework of the authorised capital, subject to the terms and conditions set forth in the Belgian Company Code and provided a priority allocation right is granted to the existing shareholders upon the allocation of the new securities. The Issuer's EGM of 29 March 2011 granted to the Board of directors this authorisation within the limits of the authorised capital.

### *Purchase, taking of pledge and sale of own shares*

In accordance with the Issuer's articles of association and the Belgian Company Code, the Issuer can only purchase and sell its own shares by virtue of a special shareholders' resolution approved by at least 80% of the votes validly cast at a shareholders' meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. The prior approval by the shareholders is not required if the Issuer purchases the shares to offer them to the Issuer's personnel.

In accordance with the Belgian Company Code, an offer to purchase shares must be made either by way of an offer to all shareholders under the same conditions or on a regulated market. Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the shareholders. Since the coming into force of the Royal Decree of 8 October 2008, the total amount of shares held by the Issuer can at no time be more than 20% of its share capital.

On 29 March 2011, the shareholders of the Issuer further resolved to grant the Board of directors the authority to acquire (without prior authorisation by the general shareholders' meeting) on or outside the stock exchange, a number of the issuer's shares representing a maximum of 20% of the subscribed capital, for a price not lower than 85% below the closing price during the day preceding the transaction date (acquisition, sale and taking of pledge) and not higher than 115% above the closing price during the day preceding the transaction date (acquisition, sale and taking of pledge). The Board was also granted the authority to sell own shares in accordance with the provisions of the Belgian Company Code.

This authorisation also covers the acquisition on or outside the stock exchange by a direct subsidiary of the Issuer within the meaning and limits set out by Article 627 of the Belgian Company Code. This authorisation is valid for a 5-year period.

#### **8.4 Ability for the Issuer to distribute a stock dividend and impact on the Conversion Price of the Convertible Bonds**

Since the entry into force of the new REIT legislation, Belgian REITs such as the Issuer are entitled to offer their shareholders the choice between a cash dividend or a dividend paid in shares. Pursuant to the Terms and Conditions of the Convertible Bond, any distribution by the Issuer of a dividend in respect of any fiscal year (until 2016) for an amount exceeding € 6.50 (gross of withholding tax) per Ordinary Share would give rise to an adjustment of the Conversion Price then in force, to protect the Bondholders against the additional financial dilution which would be caused by a dividend distribution exceeding such threshold.

If and whenever the Issuer decides to offer Shareholders a choice between (i) being paid a Dividend in cash (the "**Gross Cash Dividend**") subject to withholding tax if applicable (the net amount being the "**Net Cash Dividend**") or (ii) being delivered new Ordinary Shares issued in exchange of a predefined number of rights to receive a Net Cash Dividend for every new such Ordinary Share, the Conversion Price shall be adjusted in accordance with Clause 6.4.2.3 of the Terms and Conditions. As a matter of illustration, such adjustment can be calculated by multiplying the Conversion Price in force immediately prior to the first date on which the Ordinary Shares are traded ex-the relevant Dividend by the following term (the "**Adjustment Factor**"), provided said Adjustment Factor is less than 1 (any defined term having the meaning conferred to it pursuant to the Terms and Conditions, unless such term is defined in this section):

$$[(A-B)/(A-C)]*D+[(A-(B/((E*F - G)/A)))/(A-C)] *(1-D)$$

where:

**A** is the Current Market Price of one Ordinary Share on the first date on which the Ordinary Shares are traded ex-the relevant Dividend (i.e. the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive dealing days ending on the dealing day immediately preceding this first date, less the Gross Cash Dividend)

**B** is the Gross Cash Dividend



**C** is the Threshold Amount (provided no previous Dividends on the Ordinary Shares have been paid in respect of the Relevant Fiscal Year), i.e. € 6.50 per Ordinary Share originally at the date of issue of the Convertible Bonds

**D** is the percentage of Ordinary and Preferential Shares for which Shareholders will have elected to receive the Dividend in cash (which percentage will be known at the end of the Shareholders' election period)

**E** is the Net Cash Dividend

**F** is the number of Net Cash Dividend rights exchangeable for one new Ordinary Share

**G** is the cash amount if any, gross of withholding tax, to be paid by the Issuer to the Shareholders who have elected to exchange their Net Cash Dividend rights for one new Ordinary Share.

The calculation of the Adjustment Factor can be summarized as follows:

1. the Adjustment Factor comprises 2 terms weighted respectively by (i) the percentage **D** of Ordinary and Preferential Shares for which Shareholders will have elected to receive the Dividend in cash and (ii) the percentage  $(1 - D)$  of Ordinary and Preferential Shares for which Shareholders will have elected to receive the Dividend in new Ordinary Shares;
2. the first term  $[(A-B)/(A-C)]$  is intended to protect the Bondholders for the financial dilution stemming from a Gross Cash Dividend in excess of the preset Threshold Amount; more specifically this first term is a ratio with
  - as numerator, the Current Market Price of the Ordinary Share less the Gross Cash Dividend, and
  - as denominator, the Current Market Price of the Ordinary Share less the Threshold Amount
  - so that once the Gross Cash Dividend exceeds said Threshold Amount, this first term will be less than 1 and the Conversion Price will be adjusted downwards in due proportion to this excess of the Gross Cash Dividend over the Threshold Amount;
3. the second term  $[(A-(B/((E*F - G)/A)))/(A-C)]$  is intended to protect the Bondholders for the financial dilution stemming from the reinvestment by Shareholders of their Net Cash Dividends rights into new Ordinary Shares issued at a discount to the Current Market Price of the Ordinary Share, more specifically:
  - this dilution is measured by the ratio  $(E*F - G)/A$  where (i) the numerator represents the monetary value of what is contributed to the Issuer by the Shareholders to obtain one new Ordinary Share, i.e. the Net Cash Dividends forfeited by them less the cash amount (if any) paid by the Issuer to them and (ii) the denominator is the Current Market Price of one Ordinary Share, i.e. the monetary value of the one Ordinary Share delivered by the Issuer to the Shareholders; and
  - the Gross Cash Dividend **B** is then divided by the dilution ratio
  - and lastly the second term reproduces the same adjustment as the first term.

The Threshold Amount itself shall subsequently be adjusted by multiplying the Threshold Amount then in force by the Adjustment Factor. This permits to maintain unchanged the Dividend Threshold per Convertible Bond from the original threshold used by investors in the Convertible Bonds at the time the Convertible Bonds were issued (i.e. € 6.50 per Convertible Bond which corresponds to € 6.50 per Ordinary Share and an initial conversion ratio of One Ordinary Share for one Convertible Bond).

## 9. TAXATION IN BELGIUM

*The following is a general description of certain Belgian tax considerations relating to the Convertible Bonds and the Ordinary Shares into which the Convertible Bonds (subject to their Terms and Conditions) can be converted. It does not purport to be a complete analysis of all tax considerations which may be relevant to a decision to purchase, own, exchange, dispose of or convert the Convertible Bonds or to purchase, acquire, hold or dispose of Shares. Prospective investors should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium of acquiring, holding and disposing of Convertible Bonds and Ordinary Shares and receiving payments of interest, dividend, principal and/or other amounts thereunder. This summary is based upon the law as in effect on the date of this Securities Note and is subject to any change in law that may take effect after such date.*

*For the purpose of this summary, a Belgian resident is: (i) an individual subject to Belgian personal income tax (i.e. an individual who has his domicile or his centre of financial interest in Belgium, or a person assimilated to a Belgian resident); (ii) a company subject to Belgian corporate income tax (i.e. a company that has its registered office, its main establishment or its principal place of management in Belgium); or (iii) a legal entity subject to Belgian legal entity income tax (i.e. an entity other than a company subject to corporate income tax having its registered office, its main establishment or its principal place of management in Belgium). A non-resident is a person that is not a Belgian resident.*

### 9.1 Convertible Bonds

#### 9.1.1 Belgian Withholding Tax on the Convertible Bonds

Interest paid or attributed to the Bondholders on the Convertible Bonds made by or on behalf of the Issuer is as a rule subject to Belgian withholding tax at a rate of 15%, subject to such relief as may be available under applicable domestic provisions and tax treaties concluded by Belgium. For Belgian income tax purposes, interest includes: (i) periodic interest income; (ii) amounts paid by the Issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the Issuer) and (iii) if the Convertible Bonds qualify as fixed income securities pursuant to Article 2, § 1,8 Belgian Income Tax Code 1992 ("**ITC 1992**"), in case of a sale of the Convertible Bonds to any third party, excluding the Issuer, the *pro rata* of accrued interest corresponding to the detention period. Interest also includes the value of the existing Ordinary shares or the Cash Alternative Amount received by the Bondholder upon Conversion up to an amount equal to the difference between the total value received upon Conversion and the issue price of the Convertible Bond. The value of the new Ordinary Shares received upon Conversion does not give rise to interest for Belgian tax purposes. If, upon exercise by a Bondholder of its Conversion Right, the Issuer opts for a Cash Settlement or for the delivery of existing Ordinary Shares, that Bondholder (unless it has the benefit of an exemption from withholding tax) will thus be subject to a withholding tax that would not have arisen if the Issuer had merely issued new Ordinary Shares pursuant to that conversion.

#### 9.1.2 X/N Clearing System

The holding of the Convertible Bonds in the NBB clearing and settlement system permits most types of investors (the "**Eligible Investors**", see below) to collect interest on their Convertible Bonds free of Belgian withholding tax, and to trade their Convertible Bonds on a gross basis. Participants in the X/N Clearing System operated by the NBB must keep the Convertible Bonds they hold for the account of Eligible Investors on an exempt securities account (an "**X-account**"), and those they hold for the account of "**Non-Eligible Investors**" on a non-exempt securities account "**N-account**".

Payments of interest made through X-accounts will be made free of Belgian withholding tax; payments of interest made through N-accounts are subject to a withholding tax of 15%, which the NBB deducts from the interest payment and pays over to the tax authorities. Transfers of Convertible Bonds between an X-account and an N-account give rise to certain adjustment payments on account of withholding tax :

- a transfer from an N-account to an X-account gives rise to the payment by the transferor or Non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date;

- a transfer from an X-account to an N-account gives rise to the refund by the NBB to the transferee or Non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date;
- transfers of Convertible Bonds between two X-accounts do not give rise to any adjustment on account of withholding tax;
- transfers of Convertible Bonds between two N-accounts give rise to the payment by the transferor or Non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date, and to the refund by the NBB to the transferee or Non-Eligible Investor of withholding tax on the same interest amount.

These adjustment mechanics are such that parties trading the Convertible Bonds on the secondary market, irrespective of whether they are Eligible or Non-Eligible Investors, are in a position to quote prices on a gross basis.

The main categories of Eligible Investors are the following:

- Belgian resident corporate investors;
- state regulated institutions for social security or institutions assimilated therewith;
- corporate investors who are non-residents of Belgium, regardless of whether they have a permanent establishment in Belgium or not;
- individuals who are non-residents of Belgium, unless their holding of the Convertible Bonds is connected to a professional activity in Belgium; and
- non-incorporated foreign collective investment schemes (such as *beleggingsfondsen / fonds de placement*) whose units are not publicly offered or marketed in Belgium.

The main categories of Non-Eligible Investors are the following:

- Belgian resident individuals;
- Belgian non-profit organisations (other than pension funds); and
- Belgian pension funds recognised in the framework of pension savings as referred to in Article 145/16, 1 of the ITC 1992;
- Non-incorporated Belgian collective investment schemes (*beleggingsfondsen / fonds de placement*) and similar foreign funds whose units are publicly offered or marketed in Belgium.

The above categories summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, to which investors should refer for a precise description of the relevant eligibility rules.

When opening an X-account with the NBB clearing and settlement system, an Eligible Investor will be required to provide a statement regarding its eligible status on a standard form approved by the Belgian Minister of Finance and to send it to the financial institution where this account is kept. There are no ongoing certification requirements although Eligible Investors must update their statement should their eligible status change. Different identification requirements apply to investors who are non-residents of Belgium and keep their Convertible Bonds on a securities account through Euroclear or Clearstream.

### 9.1.3 Interest, Capital Gains and Income Tax

#### 9.1.3.1 Belgian resident individuals

For Belgian resident individuals holding the Convertible Bonds as a private investment, the payment of the 15% withholding tax fully discharges them from their tax liability with respect to these interest payments. They may nevertheless elect to declare the interest in their personal income tax return. Where the beneficiary opts to report them, interest will normally be taxable at the lower of the applicable withholding tax rate of 15% plus the local surcharges (or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is lower). If the interest payment is declared, the withholding tax retained by the NBB may be credited.

Capital gains realised on the disposal or upon the conversion of the Convertible Bonds (save to the extent that this capital gain is treated as interest, as to which please see the following paragraph and except for the *pro rata* of accrued interest corresponding to the detention period included in the capital gain) are as a rule tax exempt,

unless these Convertible Bonds are held for professional purposes or if the realised capital gain falls outside the scope of the normal management of one's private estate. Belgian resident individuals may, however, be subject to a 33% tax (plus local surcharges) if the capital gain is deemed to be realised outside the scope of the normal management of one's private estate. Specific tax rules apply to Belgian resident individuals who do not hold the Convertible Bonds as a private investment.

As indicated in Section 9.1.1. above, the exercise by a Bondholder of its Conversion Right may be treated as giving rise to the allocation to that Bondholder of taxable interest, if the Issuer opts for a Cash Settlement or for the delivery of existing Ordinary Shares. Such interest would in that case be subject to withholding tax at the rate of 15%

#### 9.1.3.2 Belgian resident companies

Belgian resident companies will be subject to Belgian corporate income tax, generally levied at a rate of 33.99%, on the interest payments made on the Convertible Bonds. Capital gains realised in respect of the Convertible Bonds, including the conversion gain realised upon conversion of the Convertible Bonds, will also be part of the company's taxable income. Capital losses should be tax deductible.

#### 9.1.3.3 Belgian legal entities

Belgian legal entities which qualify as Eligible Investors and which consequently have received gross interest income are required to pay the Belgian withholding tax themselves (unless they can benefit from an exemption). Belgian legal entities which do not qualify as Eligible Investors are subject to a 15% Belgian withholding tax on the interest income.

Capital gains realised on the disposal or the upon conversion of the Convertible Bonds (save to the extent that this capital gain is treated as interest, as to which please see the following paragraph and except for the *pro rata* of accrued interest corresponding to the detention period included in the capital gain) are as a rule tax exempt.

As indicated in Section 9.1.1. above, the exercise by a Bondholder of its Conversion Right may be treated as giving rise to the allocation to that Bondholder of taxable interest, if the Issuer opts for a Cash Settlement or for the delivery of existing Ordinary Shares. Such interest would in that case be subject to withholding tax at the rate of 15%.

#### 9.1.3.4 Organisations for Financing Pensions

Interest paid or attributed to "Organisations for Financing Pensions" as defined by the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision is as a rule subject to Belgian withholding tax at a rate of 15%. This Belgian withholding tax is creditable against corporate income tax due and any excess is as a rule refundable. Capital gains realised on the disposal or upon the conversion of the Convertible Bonds (save to the extent that this capital gain is treated as interest, as to which please see the following paragraph and except for the *pro rata* of accrued interest corresponding to the detention period included in the capital gain) are as a rule tax-exempt.

As indicated in Section 9.1.1. above, the exercise by a Bondholder of its Conversion Right may be treated as giving rise to the allocation to that Bondholder of taxable interest, if the Issuer opts for a Cash Settlement or for the delivery of existing Ordinary Shares. Such interest would in that case be subject to withholding tax at the rate of 15%

#### 9.1.3.5 Non-residents

Interest paid or attributed to and capital gains realised by non-resident companies and individuals will generally not be subject to Belgian tax if not connected to a Belgian fixed base or permanent establishment, provided that the beneficiaries qualify as Eligible Investors and that they hold their Convertible Bonds in an X-account.

### 9.1.4 *European Union Directive on Taxation of Savings Income*

Under the Savings Directive, the tax authorities of Member States of the European Union are required to provide to the tax authorities of another Member State details of interest payments (or similar income) within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident of or certain limited types of entity

established in that other Member State. For a transitional period, certain Member States (Luxembourg, Belgium and Austria) may apply a withholding system in relation to such interest payments, unless during such period they elect otherwise. Under this system, the beneficial owner of the interest payment may, on meeting certain conditions, request that no tax be withheld and elect instead for an exchange of information procedure. Belgium has implemented the Savings Directive by Act of 17 May 2004 and first opted for a withholding system.

However, with effect from 1 January 2010, Belgium abandoned this withholding system and switched to the general system of exchange of information. Based on article 338bis of the ITC 1992 and its implementing Royal Decrees of 27 September 2009, a paying agent established in Belgium making any payment of interest under the Convertible Bonds to an individual (beneficial owner) resident in another Member State or in certain Third countries (with whom Belgium or the European Union has a treaty containing a reciprocity obligation) will be required to notify certain data to the Belgian tax authorities competent for the tax assessments, and these tax authorities will in turn automatically exchange this information with the competent tax authorities of the resident state of the recipient-beneficial owner.

## **9.2 Ordinary Shares**

### *9.2.1 Belgian Withholding Tax on the Ordinary Shares*

A withholding tax of 15% is levied on the gross amount of dividends paid on or attributed to Ordinary Shares, subject to such relief as may be available under applicable domestic provisions and tax treaties concluded by Belgium. Dividends subject to the dividend withholding tax include all benefits paid on or attributed to shares, irrespective of their form, as well as reimbursements of statutory capital, except reimbursements of fiscal capital made in accordance with the Belgian Company Code. In principle, fiscal capital includes the paid-up statutory capital, paid-up issue premiums and the amounts subscribed to at the time of the issue of profit-sharing certificates, if treated in the same way as capital according to the articles of association of the Issuer.

If the Issuer redeems its own shares, the redemption distribution (after deduction of the portion of fiscal capital represented by the redeemed shares) will be treated as a dividend which may normally be subject to a withholding tax of 10%, subject to such relief as may be available under applicable domestic provisions. In particular, a withholding tax exemption is applicable if the redemption is carried out by an investment company in the meaning of Article 2 (1) (5) (f) of the ITC 1992, such as the Issuer.

In case of liquidation of the Issuer, the liquidation proceeds (after deduction of the portion of fiscal capital represented by the Shares) will be treated as a dividend which may normally be subject to a withholding tax of 10%, subject to such relief as may be available under applicable domestic provisions. In particular, a withholding tax exemption is applicable on the liquidation proceeds resulting from the liquidation of an investment company in the meaning of Article 2 (1) (5) (f) of the ITC 1992, such as the Issuer.

Dividends distributed to Belgian resident companies will be exempt from withholding tax provided that the Ordinary Shares held by the Belgian resident company, upon attribution of the dividends, amount to at least 10% of the Issuer's capital and are held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the Belgian resident company must provide the Issuer or its paying agent with a certificate confirming its qualifying status and the fact that it meets the required conditions. If the Belgian resident company holds the shares for less than one year, at the time the dividends are paid on or attributed to the shares, the Issuer will withhold the tax but will not transfer it to the Belgian Treasury provided that the investor certifies: (i) its qualifying status; (ii) the date from which it has held the shares; and (iii) its commitment to hold the shares for an uninterrupted period of at least one year. The investor must also inform the Issuer or its paying agent if the one-year period has expired or if its shareholding will drop below 10% of the Issuer's capital before the end of the one year holding period. Upon satisfying the one-year shareholding requirement, the deducted dividend withholding tax will be refunded to the investor.

Belgium has concluded tax treaties with more than 80 countries, reducing the dividend withholding tax rate to 10%, 5% or 0% for residents of those countries, depending on certain conditions, among others, related to the size of the shareholding and certain identification formalities.

Prospective holders should consult their own tax advisors as to whether they qualify for reduction in withholding tax upon payment of dividends, and as to the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

## 9.2.2 *Dividends, Capital Gains and Income Tax*

### 9.2.2.1 Belgian resident individuals

For Belgian resident individuals who acquire and hold shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless elect to report the dividends in their personal income tax return. Where the beneficiary opts to report them, dividends will normally be taxable at the lower of the applicable withholding tax rate of 15% plus the local surcharges (or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is lower). If the dividends are reported, the dividend withholding tax withheld at source may, under certain conditions, be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due.

As a general rule, Belgian resident individuals are not subject to Belgian capital gains tax on the disposal of the shares and capital losses are not tax deductible. Belgian resident individuals may, however, be subject to a 33% tax (plus local surcharges) if the capital gain is deemed to be realised outside the scope of the normal management of one's private estate. A sale of Ordinary Shares which are directly or indirectly part of a stake representing more than 25% of the share capital in the Issuer may, under certain conditions, give rise to a 16,5% tax (plus local surcharges).

Capital gains realised by Belgian resident individuals or non-resident individuals upon the redemption of the shares or upon liquidation of the Issuer will be taxed as a dividend.

Specific tax rules apply to Belgian resident individuals who do not hold the Shares as a private investment.

### 9.2.2.2 Belgian resident companies

For Belgian resident companies, the dividend withholding tax does not fully discharge the corporate income tax liability. Gross dividends received must be reported and will be subject to corporate income tax at a rate of 33.99%, unless the reduced corporate income tax rates apply.

If withholding tax is withheld at source, it may be offset against the corporate income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own the shares in full legal ownership at the time the dividends are paid or attributed; and (ii) the dividend distribution may not give rise to a reduction in value of or a capital loss on the shares. The latter condition is not applicable if the company can demonstrate that it has held the shares on full legal ownership for an uninterrupted period of 12 months prior to the payment of or attribution on the dividends or if during the said period, the shares never belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the shares in a Belgian permanent establishment.

Belgian resident companies may deduct up to 95% of gross dividends included in their taxable profits (the **"Dividend Received Deduction"**) if, at the date the dividends are paid or attributed: (i) they hold at least 10 per cent. of the capital of the Issuer or a participation with an acquisition value of at least € 2,500,000; (ii) they hold full legal ownership of the shares; (iii) they held or will hold the shares for an uninterrupted period of at least one year; and (iv) the taxation condition as described in Article 203 of the ITC 1992.

The above conditions (i), (ii) and (iii) are not applicable to dividends paid on or attributed by an investment company in the meaning of Article 2(1)(5)(f) of the ITC 1992, such as the Issuer.

With respect to dividends distributed by an investment company in the meaning of Article 2(1)(5)(f) of the Belgian Income Tax Code, such as the Issuer, the Dividend Received Deduction will only be applicable if (a) the Articles of Association of the Issuer provide for the obligation to annually distribute at least 90 % of the profit (after deduction of costs, fees and remunerations) and (b) provided that and to the extent that the profit derives from dividends that satisfy to the taxation condition as described in article 203, §1, of the ITC 1992 and/or capital gains realised on shares that qualify for the exoneration set out by Article 192 of the ITC 1992.

Belgian resident companies are normally not subject to Belgian corporate taxation on gains realised upon the disposal of shares provided that the condition set out by Article 192 of the ITC 1992 is met. However, the Ordinary Shares will normally not qualify for this exemption so that the gains realised on the Ordinary Shares will be subject to corporate income tax at the ordinary rate. Losses realised upon the disposal of shares are normally not tax deductible safe, and subject to certain conditions, in case of liquidation.

### 9.2.2.3 Belgian legal entities

For Belgian legal entities, the Belgian dividend withholding tax fully discharges their income tax liability. Capital gains realised with respect to the shares are as a rule not subject to income tax, safe in case of a sale of

shares which are directly or indirectly part of a stake representing more than 25% of the share capital in the Issuer which may, under certain conditions, give rise to a 16.5% tax (plus local surcharges).

#### 9.2.2.4 Non-resident persons

For non-resident individuals, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds the shares in connection with a business conducted in Belgium through a fixed base in Belgium. In this latter case, specific tax rules will apply.

For non-resident companies, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident company holds the shares in connection with a business conducted in Belgium through a Belgian permanent establishment. If the shares are acquired by a non-resident company in connection with a business in Belgium, the investor must report any dividends received, which will be taxable at the applicable non-resident corporate income tax rate. The withholding tax withheld at source may be credited against non-resident corporate income tax and is reimbursable to the extent that it exceeds the income tax due subject to two conditions: (i) the taxpayer must own the shares in full legal ownership at the time the dividends are paid or attributed; and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the shares. The latter condition is not applicable if the non-resident company can demonstrate that the shares were held in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends or if during the said period the shares have not belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner invested the shares in a Belgian permanent establishment. In a similar way to Belgian resident companies, non-resident companies who invested the shares in a Belgian permanent establishment will normally not be entitled to the Dividend Received Deduction on the Ordinary Shares (see above).

Capital gains realised on the disposal of the Ordinary Shares by non-resident companies are normally not taxable in Belgium, unless the non-resident company holds the shares in connection with a business conducted in Belgium through a Belgian permanent establishment. If the Shares are invested by a non-resident company in connection with a business in Belgium, capital gain/losses realised by the non-resident company will normally be subject to the Belgian corporate tax in a similar way than Belgian resident companies (see above).

For non-resident legal entities, the Belgian dividend withholding tax is the final tax due in Belgium, subject to such relief as may be available under applicable domestic law or tax treaty provisions.

#### 9.2.2.5 Organisations for Financing Pensions

Dividends paid or attributed to “Organisations for Financing Pensions” within the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision are as a rule subject to Belgian withholding tax at a rate of 15%. This Belgian withholding tax is creditable against corporate income tax due and any excess is as a rule refundable.

Capital gains realised by “Organisations for Financing Pensions” within the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision are generally not subject to income tax.

#### 9.2.3 Stamp Duties

Secondary market trades in respect of the Convertible Bonds will give rise to a stamp duty on stock exchange transactions of 0.07 %. (due on each sale and acquisition separately) if they are carried out in Belgium through a professional intermediary. Secondary market trades in respect of the Ordinary Shares will give rise to a stamp duty on stock exchange transactions of 0.07% (due on each sale and acquisition separately) if they are carried out in Belgium through a professional intermediary. The amount of the stamp duty is, however, capped at € 500 per transaction per party.

In any event, no tax on stock exchange transactions is payable by (i) professional intermediaries referred to in Articles 2, 9° and 10° of the Law of 2 August 2002 on the supervision of the financial sector and financial services, acting for their own account; (ii) insurance companies referred to in Article 2, §1 of the Insurance Supervision Act of 9 July 1975 acting for their own account, (iii) institutions for occupational retirement provision funds referred to in Article 2, 1° of the Law of 27 October 2007 on the supervision of institutions for occupational retirement provision; (iv) collective investment undertakings; or (v) non-residents (upon delivery of a certificate of non-residency in Belgium).

## THE ISSUER

### **Cofinimmo SA/NV**

Limited liability company (*société anonyme/naamloze vennootschap*)  
and closed-end real estate investment company (*sicafi/vastgoedbevak*)  
incorporated under Belgian law  
Boulevard de la Woluwe 58  
1200 Brussels  
Belgium

## JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

### **J.P. Morgan Securities Ltd**

10 Aldermanbury  
London EC2V 7RF  
United Kingdom

### **BNP PARIBAS Fortis**

**Fortis Bank SA/NV**  
Montagne du Parc 3 (1MU1H)  
1000 Brussels  
Belgium

### **Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf E14 4BB  
London  
United Kingdom

### **Daiwa Capital Markets Europe Limited**

5 King William Street  
London EC4N 7AX  
United Kingdom

### **KBC Securities NV**

Havenlaan 2  
1080 Brussels  
Belgium

## CENTRALISING AGENT

### **BNP PARIBAS Fortis**

**Fortis Bank SA/NV**  
Montagne du Parc 3 (1MU1H)  
1000 Brussels  
Belgium

## PAYING, CONVERSION AND DOMICILIARY AGENT

### **BNP PARIBAS Securities Services, Brussels Branch**

Avenue Louise 489 - 6th floor  
1050 Brussels  
Belgium

## LEGAL ADVISORS TO THE ISSUER

*As to Belgian law*

### **NautaDutilh SPRL**

Chaussée de la Hulpe 120  
1000 Brussels  
Belgium

## LEGAL ADVISORS TO THE JOINT GLOBAL COORDINATORS

*As to Belgian law*

*As to English law*

### **Clifford Chance**

Avenue Louise 65  
1050 Brussels  
Belgium

### **Clifford Chance LLP**

10 Upper Bank Street  
London E14 5JJ  
England

## INDEPENDENT AUDITOR OF THE COMPANY

### **DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises**

Berkenlaan 8b  
1831 Diegem  
Belgium