

# Letter to the Shareholders

SEPTEMBER 2017



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## Dear Shareholders,

**During the first half of 2017, Cofinimmo continued to implement its strategy, i.e. to grow its healthcare real estate portfolio, namely in the Netherlands and in Germany, and to pro-actively manage its office portfolio.**

### **Continued investments in healthcare real estate**

Cofinimmo strengthened its presence on the healthcare real estate market in the Netherlands, in Germany and in Belgium, through acquisitions and redevelopment agreements in those three countries for a total amount of 58 million EUR since the beginning of 2017.

The main transactions are the acquisition of a care centre for mentally disabled people located in Alphen aan den Rijn (Netherlands), the acquisition of five medical office buildings, also in the Netherlands, and the purchase of a nursing and care home located in Lüneburg (Germany). The Cofinimmo Group also signed an agreement for the extension and renovation of a nursing and care home located in Rijmenam (Belgium).

### **Pro-active management of the office portfolio**

In August 2016, Cofinimmo acquired four office buildings in the Central Business District ('CBD') of Brussels. Although these assets are very well located, they had an average vacancy rate, at the time of their acquisition, of 15%. Since then, Cofinimmo's operational teams have exceeded

the ambitious marketing goals which were budgeted at the time of the acquisition of these buildings, thanks to a pro-active approach. In the decentralised and peripheral districts of Brussels, the Group extended its offer of innovative solutions by opening three new Flex Corners® and a new Lounge® in order to meet the increasing demand for flexibility from its tenants<sup>1</sup>.

**The investments realised since the capital increase of May 2015 thereby amount to 381 million EUR, of which 237 million EUR in healthcare real estate and 135 million EUR in offices.**

### **High dividend yield and offer to reinvest the dividend in new shares**

Because of its Regulated Real Estate Company ('RREC') status, Cofinimmo has to distribute at least 80% of its net result to its shareholders. The 2016 dividend, distributed in June 2017, stood at 5.50 EUR gross per ordinary share, representing a 5.1% return on the closing price of the share at 31.12.2016 (108.65 EUR).

In May, Cofinimmo offered its shareholders the choice between a distribution of the 2016 dividend in cash or in new ordinary shares. 41% of the

shareholders opted for the reinvestment of their dividends in new ordinary shares, generating 33.2 million EUR of new equity for the company. These funds will finance the growth and the future investments of the Cofinimmo Group. ●

**Taking into account a committed investment programme of 57 million EUR and barring any unforeseen events, the Cofinimmo Group forecasts for the financial year 2017 a net result from core activities - Group share of 6.49 EUR per share and a gross dividend of 5.50 EUR per ordinary share, payable in 2018.**



**Jean-Edouard CARBONNELLE**  
Chief Executive Officer

<sup>1</sup> See also page 8 of the Newsletter to the Shareholders of March 2017.

# PERFORMANCE

## RESULTS

(X 1,000,000 EUR)	30.06.2017	31.12.2016
Portfolio of investment properties (in fair value)	3,425.1	3,366.3
(X 1,000 EUR)	30.06.2017	30.06.2016
Property result	107,331	101,961
Operating result before result on the portfolio	85,893	79,833
Net result from core activities - Group share	69,289	59,974
Result on financial instruments - Group share	6,914	-37,482
Result on the portfolio - Group share	-11,034	12,113
Net result - Group share	65,169	34,605

**The net result from core activities - Group share amounts to 69.3 million EUR at 30.06.2017, a 15.5 % increase compared to 30.06.2016.**

Per share, this figure stands at 3.25 EUR for the first six months of 2017, versus 2.86 EUR for the same period in 2016, with the number of shares taken into account in the calculation of the result per share increasing from 20,984,249 to 21,308,500 (+1.5 %) between these two dates. The net result - Group share amounts to 65.2 million EUR at 30.06.2017, compared to 34.6 million EUR at 30.06.2016. Per share, these figures stand at 3.06 EUR at 30.06.2017, versus 1.65 EUR at 30.06.2016. The solid performance achieved during the first half of 2017 mainly results from the increase in rental revenues between 30.06.2016 and 30.06.2017, a consequence of the acquisition of assets, and the decrease in interest charges, a positive effect of the refinancing transactions and the restructuring of interest rate hedging instruments in 2016.

Following the distribution of the 2016 dividend, the debt ratio of the Group increased slightly. It stands at 45.0 % at 30.06.2017, compared to 43.7 % at 31.12.2016. At the end of the first half of

2017, the Group thus benefits from the required financial flexibility to pursue its growth strategy in the healthcare real estate segment and to finance its office redevelopment programme. ●

**Taking into account the results achieved at 30.06.2017 and barring any unforeseen events, Cofinimmo confirms its forecasts for the financial year 2017 of a net result from core activities - Group share of 6.49 EUR per share, and a gross dividend, payable in 2018, of 5.50 EUR per ordinary share.**

### WHAT WILL BE THE IMPACT OF THE CORPORATE TAX REFORM ON COFINIMMO?

One of the reforms announced by the Government consists in reducing the corporate tax rate from its current 33.99 % to 29 % in 2018, and then 25 % in 2020.

Cofinimmo and most of its subsidiaries benefit from the Regulated Real Estate Company ('RREC') status. As such, these companies are not subject to corporate taxation in Belgium, except for a limited number of expenses. This is the counterpart of the fact that they distribute over 80 % of their net results in the form of dividends (85.9 % in 2016 for the Cofinimmo Group). The reduction of the corporate tax rate will thereby have a very limited impact on the results of the Group.

Moreover, it is not clear whether the corporate tax reform announced by the Government will also have an impact on the exit tax rate. As a reminder, when a company under common law is absorbed by a RREC, its latent gains and its tax-exempt reserves are currently taxed at a rate of 16.995 %. This is what is commonly known as the exit tax, i.e. the tax to be paid to exit the common law regime. To date, no official announcement was made regarding the impact of the corporate tax reform on the exit tax rate.

### WHAT NEW MEASURES DID THE GOVERNMENT TAKE WITH REGARD TO DIVIDEND TAXATION?

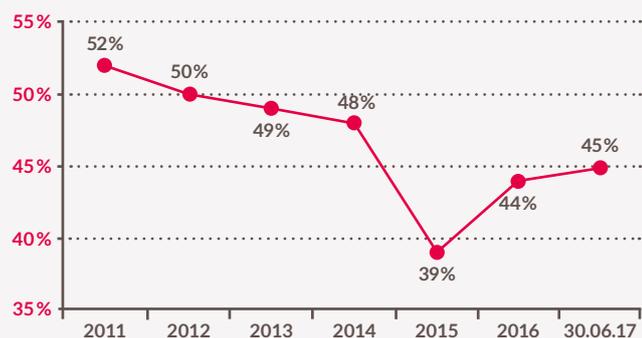
In order to encourage investments in shares, the Government announced that up to 627 EUR of dividends from shares would be exempted from taxation as from 2018 for physical persons residing in Belgium. Above this amount, the withholding tax of 30 % will remain applicable. In practice, the withholding tax will be deducted at source on the total amount of dividends perceived, but each taxpayer will be able to recover a share of it through his/her tax statement.

# PERFORMANCE

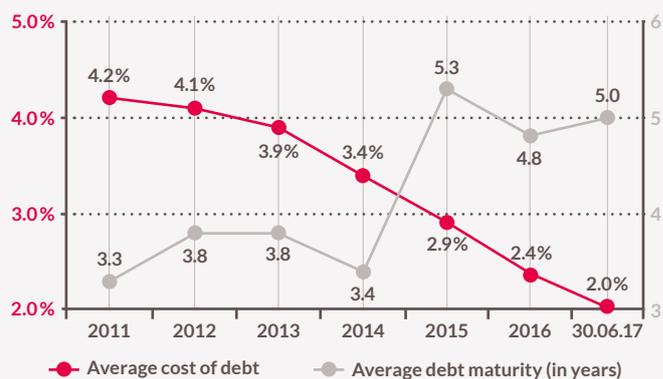
## DEBT

	30.06.2017	31.12.2016
Average debt (x 1,000,000 EUR)	1,500.7	1,341.3
Debt ratio	45.0%	43.7%
Average cost of debt	2.0%	2.4%
Average debt maturity (in years)	5.0	4.8

EVOLUTION OF THE DEBT RATIO



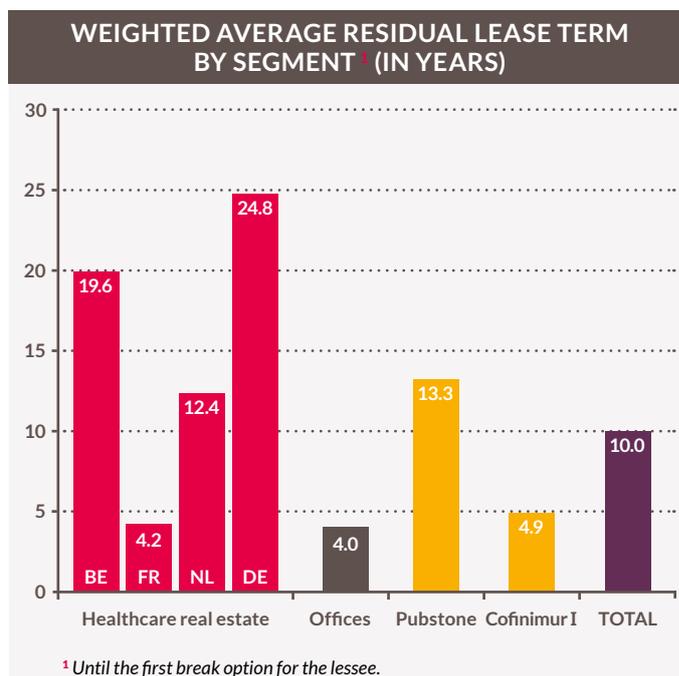
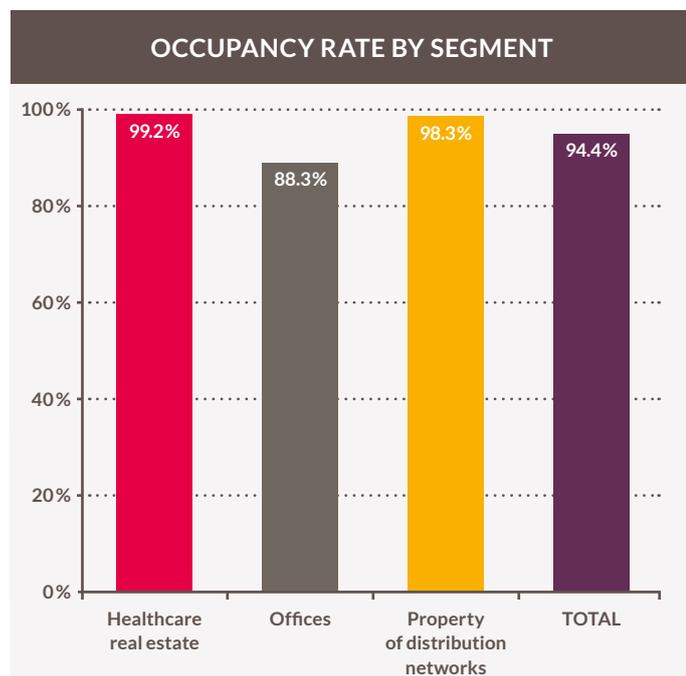
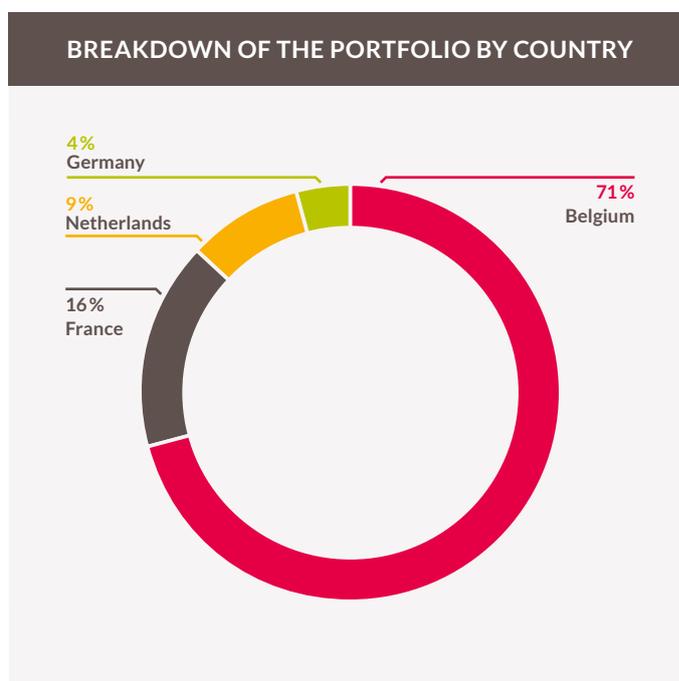
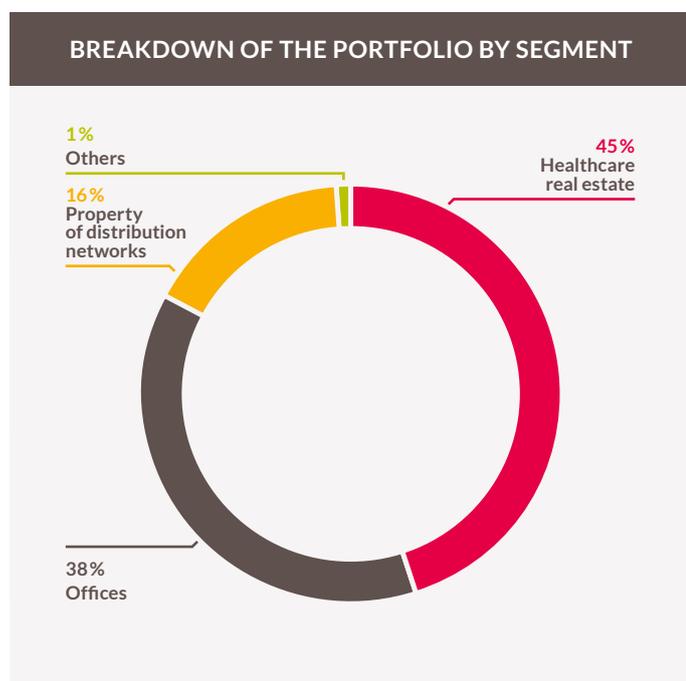
EVOLUTION OF THE AVERAGE COST AND AVERAGE MATURITY OF THE DEBT



Arts/Kunst 19H office building - Brussels CBD (BE): Projected situation after works.

# PERFORMANCE

## OPERATIONAL INDICATORS AT 30.06.2017



# ACCOMPLISHMENTS

## HEALTHCARE REAL ESTATE: A GROWTH MARKET

The Cofinimmo Group's strategy in the healthcare real estate segment:

Acquisitions and development projects in "new" markets (Germany and the Netherlands)

(Re)development projects and asset arbitrage in more mature markets (Belgium and France)

Pursuit of diversification by country, by operator and by care speciality.

At 30.06.2017, the Group's healthcare real estate portfolio consists of 141 assets, for a total above-ground surface area of 727,000 m<sup>2</sup> and a total of 12,463 beds, spread over four countries: Belgium, France, Germany and the Netherlands. The occupancy rate stands at 99 %.

## CONTINUED INVESTMENTS IN HEALTHCARE REAL ESTATE IN THE NETHERLANDS

At 30.06.2017, the healthcare real estate portfolio in the Netherlands represents 173 million EUR, i.e. 11 % of the Group's total healthcare real estate portfolio. Since the beginning of the year, Cofinimmo invested 33.6 million EUR in healthcare real estate in the Netherlands. The main transactions are the following:

- 20.1 millions EUR were invested in the acquisition of five medical office buildings located in Oisterwijk

(province of Tilburg), Tiel (province of Gueldre), Baarn and Eemnes (province of Utrecht);

- 9.3 million EUR were dedicated to the purchase of a care centre for mentally disabled people, located in Alphen aan den Rijn. The asset was built recently, has a surface area of 4,587 m<sup>2</sup> and offers 45 living spaces. A 20-year 'double net' lease was signed with the operator Gemiva.

Moreover, the Group sold a care centre for elderly people located in Oosterhout for EUR 10.5 million. This disposal generated a gain for the Group and is part of its asset arbitrage strategy. ●



**APRIL 2017**  
**OISTERWIJK KLINIEK**  
**MEDICAL OFFICE BUILDING**  
Tilburg (NL)

**Above-ground surface area:**  
1,798 m<sup>2</sup>

**Investment:**  
4.1 million EUR

**Operators:**  
Various care professionals

**Weighted average residual lease term:**  
8.9 years



**APRIL 2017**  
**DE VOORSTE STROOM**  
**MEDICAL OFFICE BUILDING**  
Tilburg (NL)

**Above-ground surface area:**  
1,561 m<sup>2</sup>

**Investment:**  
3.3 million EUR

**Operators:**  
Various care professionals

**Weighted average residual lease term:**  
7.5 years



**APRIL 2017**  
**CARE CENTRE FOR**  
**MENTALLY DISABLED PEOPLE**  
Alphen aan den Rijn (NL)

**Above-ground surface area:**  
4,587 m<sup>2</sup>

**Investment:**  
9.3 million EUR

**Operator:**  
Gemiva

**Lease:**  
20 years - 'double net'

# ACCOMPLISHMENTS



MAY 2017

## OOSTERSTRAAT MEDICAL OFFICE BUILDING Utrecht (NL)

Above-ground surface area:  
1,676 m<sup>2</sup>

Investment:  
2.7 million EUR

Operators:  
Various care professionals

Weighted average residual lease term:  
4.8 years



MAY 2017

## DE DRIESTEN MEDICAL OFFICE BUILDING Utrecht (NL)

Above-ground surface area:  
1,072 m<sup>2</sup>

Investment:  
2.4 million EUR

Operators:  
Various care professionals

Weighted average residual lease term:  
3.8 years



JUNE 2017

## ECT MEDICAL OFFICE BUILDING Tiel (NL)

Above-ground surface area:  
4,279 m<sup>2</sup>

Investment:  
7.6 million EUR

Operators:  
Various care professionals

Weighted average residual lease term:  
5.9 years

### MEDICAL OFFICE BUILDINGS IN THE NETHERLANDS

During the first half of 2017, Cofinimmo continued to invest in medical office buildings in the Netherlands. The Group currently owns nine centres, for a total investment value of 45 million EUR. This type of asset is usually well-located in small cities or city districts, and serves as a place where primary care is provided. Patients go to a medical office building for a consultation and, if more technical interventions are required, are redirected to a hospital. The surface area of a medical office building is usually between 1,100 m<sup>2</sup> and 4,300 m<sup>2</sup>, and its investment value between 2.5 million EUR and 9.5 million EUR. Its tenants are associations of doctors, dentists, physiotherapists,... as well as, in many cases, a pharmacy.

### PARTNERSHIP FOR THE REDEVELOPMENT OF A NURSING AND CARE HOME IN BELGIUM

- Cofinimmo signed a collaboration agreement with the operator Senior Living Group ('SLG') for the redevelopment of the Zonneweelde nursing and care home located in Rijmenam, that it already owns.
- The project will be executed in two phases. During the first phase, an extension will be built on a plot of land adjacent to the existing site. The second phase will consist in the partial demolition and reconstruction of the existing building. The acquisition of the plot of land and the estimated budget of the works represent an investment of 16 million EUR and will result in a 5,577 m<sup>2</sup> extension of the current surface area of the nursing and care home, in order to reach a total surface area of 17,100 m<sup>2</sup>. Upon delivery of the works, expected at the end of 2020, Cofinimmo will sign a 20-year 'triple net' lease with SLG.
- This redevelopment project is the third partnership between Cofinimmo and SLG. As a reminder, Cofinimmo signed an agreement with SLG in 2016 regarding the renovation and extension of two nursing and care homes, located in Aartselaar and Keerbergen respectively. The total investment for these three redevelopment projects will amount to 25 million EUR. ●

# ACCOMPLISHMENTS

## STRENGTHENING OF THE HEALTHCARE REAL ESTATE PORTFOLIO IN GERMANY

At 30.06.2017, the healthcare real estate portfolio in Germany represents 130 million EUR, i.e. 8 % of the Group's total healthcare real estate portfolio.

Since the beginning of the year, Cofinimmo invested 13.3 million EUR in healthcare real estate in Germany. The main investment consisted in the acquisition, in June 2017, of the Christinenhof nursing and care home located in the city of Lüneburg, for 12.6 million EUR. The asset, built in 2001, is let to a subsidiary of the Korian Group, with which a new 'double net' lease will soon be signed for 17 years. ●

### CHRISTINENHOF NURSING AND CARE HOME Lüneburg (DE)

Above-ground surface area:  
6,100 m<sup>2</sup>

Number of beds:  
140

Investment:  
12.6 millions EUR

Operator:  
Korian Group

Lease:  
17 years - 'double net'



Christinenhof nursing and care home - Lüneburg (DE)

# ACCOMPLISHMENTS

## OFFICES: VALUE CREATION

*The Cofinimmo Group's strategy in the office segment:*



*At 30.06.2017, the Group's office portfolio consists of 85 assets, mainly located in Brussels, for a total above-ground surface area of 663,000 m<sup>2</sup>. The occupancy rate stands at 88 %.*

## REDEVELOPMENT OF THE SOUVERAIN/VORST 23-25 SITE

*The AXA Group vacated the Souverain/Vorst 23 and 25 office buildings, located in the decentralised area of Brussels and belonging to Cofinimmo, on 02.08.2017, i.e. the end date of its lease. The Cofinimmo Group has been working on the redevelopment of this site since several years.*

### Regarding the Souverain/Vorst 25 building:

As a reminder, Cofinimmo signed an agreement in 2016 regarding the sale of this building to the US Government. This sale is subject to the delivery by the urban planning authorities of the permits required to transfer the US Embassies to the Kingdom of Belgium and to the European Union to the site. These embassies are currently located in the city centre. The project was presented to the various authorities, both communal and regional. Meanwhile, the Government of the Brussels-Capital Region has chosen to initiate a procedure to put the site and the existing building on a conservation list. The US Government informed them that the initiative to enlist the existing building on the conservation list does not coincide with the aim of the US Government to develop its new embassy compound on this location. This development supposes a much smaller, adequately secured building, with a superior energy performance, which would be consistent with a sustainable development policy for the site and its immediate environment. Cofinimmo has been notified of the procedure and intends to advocate its own arguments against the listing of the existing building as "monument" on the conservation list.

### Regarding the Souverain/Vorst 23 building:

The current building will be demolished and replaced by a residential development consisting of 222 apartments, spread over four blocks, for an investment of around 50 million EUR. The apartments will be sold unit by unit. The permits procedure will be initiated before the end of the year.



Souverain/Vorst 25 office building – Brussels Decentralised (BE)

### Regarding the Tenreuken plot of land:

The Tenreuken plot of land, adjacent to the site and comprising 8,700 m<sup>2</sup>, will also welcome a residential development. Cofinimmo is in the final phase of obtaining the permits and the construction works should start at the beginning of 2018. Their delivery is planned during the third quarter of 2019. The project will consist of 59 high-end apartments, for a total investment of 25 million EUR. Cofinimmo will sell these apartments off-plan, the price being between 4,000 EUR/m<sup>2</sup> and 5,500 EUR/m<sup>2</sup>. ●

## CURRENCY RISK HEDGING

The sales contract between Cofinimmo and the US Government relating to the Souverain/Vorst 25 building provides for a payment in a foreign currency (USD). The sale of the building, and thus the payment of the price, will only be effective once the competent Belgian authorities will have delivered the permits required to redevelop the site. In order to hedge against changes in the foreign currency exchange rate against the Euro, Cofinimmo contracted two sales options for this currency against Euros, which guarantee a minimum price for the property in Euros, with a cap on the maximum Euro amount.

# ACCOMPLISHMENTS

## ACTIVE MARKETING OF THE RECENTLY-ACQUIRED BUILDINGS IN THE BRUSSELS CENTRAL BUSINESS DISTRICT

In May and August 2016, the Cofinimmo Group acquired for 75.6 million EUR four office buildings located in the Central Business District ('CBD') of Brussels and presenting an important potential for value creation: the Arts/Kunst 46, Loi/Wet 34, Montoyer 10 and Science/Wetenschap 41 buildings. It was the first acquisition of office buildings by the Group since 2010.

Although ideally located, these buildings had an average vacancy rate of 15 % at the time of their acquisition. They were bought at attractive prices, leaving room for value creation through the letting of the vacant spaces. In one year, the marketing of the buildings was reactivated and new lettings, as well as renewals of existing lettings, were signed on a regular basis. The main deals which were signed since August 2016 are listed below. ●

Building	Surface area	Type of transaction
Loi/Wet 34	2,490 m <sup>2</sup>	New letting
Loi/Wet 34	1,192 m <sup>2</sup>	New letting
Science/Wetenschap 41	581 m <sup>2</sup>	Renegotiation
Science/Wetenschap 41	522 m <sup>2</sup>	Renegotiation
Arts/Kunst 46	471 m <sup>2</sup>	New letting
Arts/Kunst 46	448 m <sup>2</sup>	New letting
Science/Wetenschap 41	386 m <sup>2</sup>	New letting
Science/Wetenschap 41	347 m <sup>2</sup>	New letting
Montoyer 10	340 m <sup>2</sup>	New letting
Montoyer 10	334 m <sup>2</sup>	New letting

### COFINIMMO ORGANISES THE SIXTH EDITION OF ITS INVESTOR DAY

On 21.06.2017, Cofinimmo's main institutional investors, as well as financial analysts covering the company's share, were invited to the Investor Day organised by Cofinimmo in Brussels. During this event, Mr. Jean-Edouard Carbonnelle, CEO, and other members of the Executive Committee presented the Group's strategy, i.e. growth of the portfolio - which must remain diversified and granular - through continued investments in healthcare real estate, as well as rebalancing of the office portfolio from the decentralised area of Brussels to the Leopold district. Other subject matters, such as the evolution of the healthcare sector and property market, as well as the innovative solutions offered by the Group to its office tenants, were discussed as well. The event ended with the visit of the Belliard 40 office building construction site. The works should be finalised during the first quarter of 2018.

## INVESTMENTS 2017 - 2019

When it published its 2017 half-year results, Cofinimmo updated its investment programme for the years 2017 to 2019 and confirmed its goal in terms of portfolio breakdown for 2019.

Based on existing commitments, i.e. without taking into account new commitments which could be signed during the period 01.07.2017 - 31.12.2019, the investments programmed over the years 2017 to 2019 amount to 228 million EUR, of which:

- 100 million EUR in healthcare real estate;
- 118 million EUR in offices;
- 10 million EUR in assets of distribution networks.

Taking into account this committed investment programme (228 million EUR), but also potential additional acquisitions in healthcare real estate (estimated at 320 million EUR) and potential divestments, mainly of office buildings reconverted into apartments sold unit by unit (estimated at 140 million EUR), the breakdown of the Group's property portfolio should change as follows:

Breakdown of the portfolio	30.06.2017 Current situation	31.12.2019 Projected situation
Healthcare real estate	45%	50%
Offices	38%	34%
Property of distribution networks	17%	16%
<b>Total</b>	<b>100%</b>	<b>100%</b>

# SUSTAINABLE DEVELOPMENT AND MANAGEMENT POLICY

## MOBILITY

*Conscious of the role it can play in the improvement of traffic in the city, Cofinimmo undertook various initiatives to contribute to a greener and more mobile city.*

### Mobility policy for Cofinimmo employees

In 2016, Cofinimmo reviewed its mobility policy in order to promote alternative transportation modes and reduce the CO<sub>2</sub> emissions of its automobile fleet. The new policy is meant to encourage staff to opt for transportation modes which are more respectful of the environment and less energy-consuming (public transportation, bicycles,...), as well as electrical vehicles or vehicles with a high 'eco-score'. The first vehicles ordered under the new policy are in circulation since January 2017 and charging stations for electrical vehicles were installed in the company's underground parking. Moreover, since 2010, Cofinimmo has its own car-sharing platform ([www.commuty.net](http://www.commuty.net)) which promotes and facilitates this type of travel among employees. The community currently counts 130 members and will soon be extended to certain tenant companies of the Cofinimmo Group in order to increase the number of users and car-sharing opportunities.

### Shared parking spaces

Cofinimmo entered into a partnership with BePark ([www.bepark.eu](http://www.bepark.eu)), a provider of customised parking solutions, in order to make the



parking spaces of certain of its office buildings available to the public outside office hours, after affiliation. This partnership relates to the Omega Court and Woluwe 58 (Cofinimmo headquarters) buildings located in Brussels and offering 122 parking spaces in total.

### Bicycle parking spaces

Numerous studies show that bicycles, and mainly electrical bicycles,

are increasingly replacing cars for 'home-office' commutes of 10 to 20 km. Cofinimmo responds to this new trend of alternative modes of transportation by building and improving bicycle infrastructures in its buildings. For cyclists, this consists of bicycle parking spaces and showers, often equipped with lockers. At the end of 2016, the office portfolio offered 851 bicycle parking spaces and 136 showers. ●

## INNOVATIVE AND SUSTAINABLE APPROACH FOR THE REDEVELOPMENT OF THE ARTS/KUNST 19H BUILDING

The Cofinimmo Group will use a new building development tool called 'Building Information Modelling' for the renovation of the Arts/Kunst 19H building, located in the Leopold district of Brussels. The BIM software is based on one or various 3D parametric, intelligent and structured virtual models, used during the entire life cycle of a building. Thanks to this technology, a building can be built virtually before it is built physically, hence avoiding errors in the building's conception.

The redevelopment works of the Arts/Kunst 19H building will be financed by the Green and Social Bonds issued in December 2016. As a reminder, this issue of 55 million EUR was meant to finance, a.o., projects with environmental goals relating to offices benefiting from an environmental and sustainable 'BREEAM' or 'BREEAM In-Use' certification ('Very Good' at least). In the case of the Arts/Kunst 19H redevelopment project, the goal is to obtain the 'BREEAM' certificate 'Excellent'.

# CORPORATE GOVERNANCE

## COMPOSITION OF THE BOARD OF DIRECTORS

**Five director mandates expired at the end of the Ordinary General Meeting held on 10.05.2017. The Meeting approved the renewal of two mandates and the nomination of two new directors.**

The mandate of Mr. André Bergen, independent Director and Chairman of the Board of Directors since 2011, was not renewed for personal reasons and in accordance with

his wishes. The Board of Directors decided to entrust the chairmanship of the Board to a new director, Mr. Jacques van Rijckevorsel, as from 10.05.2017.

The Board is currently comprised of 12 directors, of whom eight are independent directors and four are executive directors. The composition of the Board can be consulted on the website [www.cofinimmo.com](http://www.cofinimmo.com), under the section 'About us/Our people'. ●

## TERMS OF OFFICE ENDED

Full name	Function	Cofinimmo mandate(s)
Bergen, André	Director of various companies	- Independent Director - Chairman of the Board of Directors - Chairman of the Nomination, Remuneration and Corporate Governance Committee
Demain, Christophe	Chief Investment Officer of Belfius Insurance SA/NV	- Director representing the shareholder Belfius Insurance
Schockert, Alain	Director of Bank Degroof Petercam SA/NV	- Director representing the shareholder Bank Degroof Petercam - Member of the Nomination, Remuneration and Corporate Governance Committee

## TERM RENEWALS

Full name	Function	Cofinimmo mandate(s)
Archer-Topper, Inès	Partner at Edmond de Rothschild Corporate Finance SA	- Independent Director - Member of the Audit Committee
Roels, Françoise	Secretary General & Group Counsel of Cofinimmo SA/NV	- Executive Director

## NEW TERMS OF OFFICE

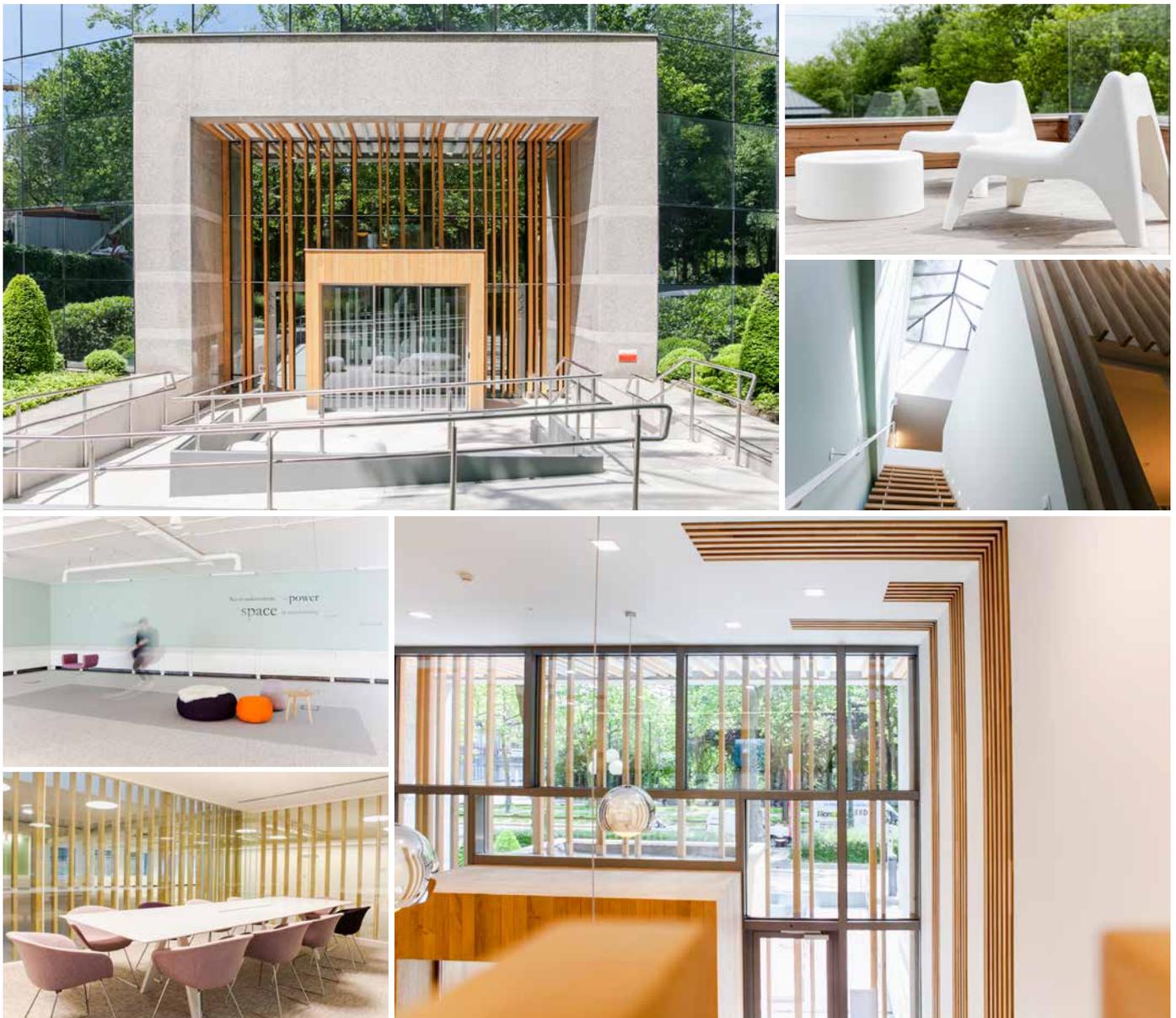
Full name	Function	Cofinimmo mandate(s)
Scalais, Cécile	Director of the legal department and Secretary General of the Board of Directors of Belfius Insurance SA/NV	- Independent Director
van Rijckevorsel, Jacques	Chairman of the Board of Directors of the Cliniques Universitaires Saint-Luc	- Independent Director - Chairman of the Board of Directors - Chairman of the Nomination, Remuneration and Corporate Governance Committee

# CORPORATE GOVERNANCE

## MEET THE NEW CHAIRMAN OF COFINIMMO'S BOARD OF DIRECTORS

Mr. Jacques van Rijckevorsel was nominated as Chairman of the Board of Directors during the Ordinary General Meeting of 10.05.2017. He is an engineer, graduated in 1974 from the Université Catholique de Louvain (la-Neuve) and has spent his entire career working for the Solvay Group, occupying various positions: member of the Executive Committee, Managing

Director of the plastics sector, person responsible for innovation. He initiated and successfully supervised the Solar Impulse project, consisting in a tour around the world by a solar air plane without using fuel. Mr. van Rijckevorsel is Chairman of the Board of Directors of the Cliniques Universitaires Saint-Luc since October 2014.



Souverain/Vorst 24 office building – Brussels Decentralised (BE)

# STOCK MARKET

## SHARE PERFORMANCE

Given the high proportion of the profit distributed annually in the form of dividends, the performance of Cofinimmo's share must be assessed in total return terms, i.e., assuming the reinvestment of gross dividends paid, and be compared with indices also reflecting the total return of their component shares.

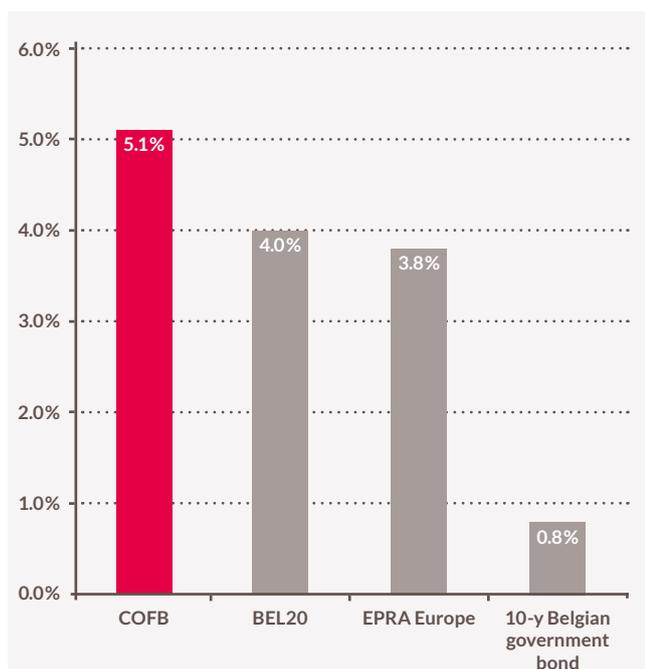
The Cofinimmo share offered a total return of 4.1% over the first half of 2017 (14.1% over the year 2016). The BEL20 and EPRA Europe indices posted a total return of +7.8% and +5.7% respectively over the same period (+1.2% and -4.5% over 2016 respectively). ●



## DIVIDEND YIELD

The dividend yield is calculated here by dividing the gross dividend by the share price at 30.06.2017.

The Cofinimmo share offers a dividend yield of 5.1% at 30.06.2017, vs. 4.0% and 3.8% for the BEL20 and EPRA Europe indices. 10-year Belgian government bonds offer a yield of 0.8%. ●



## OPTIONAL DIVIDEND IN SHARES

In June 2017, Cofinimmo distributed a gross dividend for the financial year 2016 of 5.50 EUR per ordinary share and 6.37 EUR per preference share. The Group offered the choice between receiving the dividend in new ordinary shares or in cash. In total, 41% of the shareholders opted for the reinvestment of their 2016 dividends in new ordinary shares.

The payment of a dividend in shares benefits both the shareholder and the issuing company:

- The shareholder has the opportunity to buy shares at a discount versus the price on the stock market. The subscription price of the new shares issued in order to pay the 2016 dividend, for example, stood at 103.95 EUR, i.e. a 3.3% discount versus the weighted average stock price during the subscription period.
- The issuing company benefits from a cash contribution, similar to a capital increase, without the costs and administrative procedures that this type of transaction usually brings along. In this case, the payment of a portion of the 2016 dividends in the form of new ordinary shares resulted in the issue of 319,684 new ordinary shares for a total amount of 33.2 million EUR. These funds will be used by Cofinimmo to finance its future investments.

# STOCK MARKET

## FACT SHEET

### Market capitalisation at 30.06.2017:

2.3 billion EUR

### Number of shares outstanding at 30.06.2017:

21,350,874

### Listing market:

Euronext Brussels

### ISIN code of the ordinary share:

BE0003593044

### Euronext code of the ordinary share:

COFB

### Bloomberg code of the ordinary share:

COFB BB

### Main indices:

BEL20, Euronext 150, EPRA Europe, GPR250

## STANDARD & POOR'S RATING

In March 2017, the Standard & Poor's rating agency confirmed the various ratings of the Cofinimmo Group:

**Liquidity rating:** strong

**Long-term credit rating:** BBB

**Short-term credit rating:** A-2

**Outlook:** stable

## SHAREHOLDER STRUCTURE

- On 13.07.2017, Cofinimmo was notified by the asset manager BlackRock, Inc. of its holding of more than 5 % of the company's capital.
- The Cofinimmo shareholder structure is as follows:

Company	Number of shares (voting rights)	%
BlackRock, Inc.	1,116,385	5.23%
Cofinimmo Group	42,374	0.20%
Free float	20,192,115	94.57%
Total number of issued shares	21,350,874	100%

## FINANCIAL CALENDAR



### 09.11.2017

Interim report: results at 30.09.2017

### 08.02.2018

Annual press release: results at 31.12.2017

### 06.04.2018

Publication of the 2017 Annual Financial Report

### 06.04.2018

Publication of the 2017 Sustainability Report

### 26.04.2018

Interim report: results at 31.03.2018

### 09.05.2018

2017 Ordinary General Meeting

### 26.07.2018

Half-yearly Financial Report: results at 30.06.2018

### 08.11.2018

Interim report: results at 30.09.2018

### 07.02.2019

Annual press release: results at 31.12.2018

## CONTACT

The Cofinimmo investor relations team is at your disposal for any information:

- about your registered shares:

[shareholders@cofinimmo.be](mailto:shareholders@cofinimmo.be);

- about the company:

[egrauls@cofinimmo.be](mailto:egrauls@cofinimmo.be) or [bmathieu@cofinimmo.be](mailto:bmathieu@cofinimmo.be)

Please also visit our website:

[www.cofinimmo.com](http://www.cofinimmo.com)

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