

REGULATED INFORMATION

EMBARGO UNTIL 03.05.2011 – 8:00AM

INTERMEDIATE DECLARATION (FOR THE PERIOD 01.01.2011 – 31.03.2011)
OF THE BOARD OF DIRECTORS COMPRISING THE RESULTS ON 31.03.2011

- € Net current result per share (IAS 39 impact excluded): €1.96 vs. €1.90 at 31.03.2010
- € Stable global occupancy rate: 95.76%
- € Slight depreciation of the fair value of the portfolio since 31.12.2010: -0.3%
- € Debt ratio: 46.80% and Loan-to-Value ratio: 49.30%

Brussels, 03.05.2011, 8:00AM CET

1. Summary and key figures

The first 3 months of 2011 were marked by rental income reaching €46.3 million, down 6.7% compared to the same period last year (€49.6 million). This decline stems from the disposals carried out by the company in the office segment, which were partially offset by the acquisitions in the nursing homes segment.

The property operating result slightly decreases (-1.1%) evolving from €46.8 million at 31.03.2010 to €46.3 million at 31.03.2011.

The debt volume diminished from €1,577.0 million (31.12.2010) to €1,525.7 million (31.03.2011) and its cost was reduced from 4.3% (year 2010) to 4.0% (1st quarter 2011). The financial result (IAS 39 impact excluded) improves over the first quarter of 2011 standing at €-12.9 million compared to €-16.7 million one year earlier.

The net current result (IAS 39 impact excluded) – Group share amounts to €1.96 per share as against €1.90 at 31.03.2010, being a progress of 3.2%.

The result on portfolio amounts to €-3.8 million at 31.03.2011 compared to €-4.0 million at 31.03.2010. It includes a €4.5 million capital gain on the sale of investment properties.

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The net result – Group share, which incorporates the negative impact of the valuation of the financial instruments and of the result on portfolio, works out in a profit of €1.64 per share against €1.20 for the first 3 months of 2010.

Global information

(x €1,000,000)	31.03.2011	31.12.2010
Portfolio of investment properties (in fair value)	3,048.1	3,041.9
(x €1,000)	31.03.2011	31.03.2010
Property result	52,001	53,685
Operating result before result on portfolio	44,385	45,021
Financial result	-13,928	-22,525
Net current result (Group share)	28,137	20,707
Result on portfolio (Group share)	-3,830	-3,964
Net result (Group share)	24,307	16,743
(in %)	31.03.2011	31.12.2010
Operating costs/average value of the portfolio under management ¹	0.84%	0.80%
Operating margin	85.35%	86.32%
Weighted residual lease term ² (in years)	11.4	11.5
Occupancy rate ³	95.76%	95.77%
Gross rental yield at 100% portfolio occupancy	6.98%	6.98%
Net rental yield at 100% portfolio occupancy	6.68%	6.52%
Average interest rate on borrowings ⁴	4.01%	4.33%
Debt ratio ⁵	46.80%	47.50%
Loan-to-Value ratio ⁶	49.30%	50.26%

Information per share – fully diluted (in €)

Results	31.03.2011	31.03.2010
Net current result – Group share – excluding IAS 39 impact	1.96	1.90
IAS 39 impact	-0.07	-0.42
Net current result – Group share	1.89	1.48
Realised result on portfolio	0.31	0.04
Unrealised result on portfolio ⁷	-0.56	-0.32
Net result – Group share	1.64	1.20

Net Asset Value per share	31.03.2011	31.12.2010
Revalued net asset value in fair value ⁸ after distribution of dividend for the year 2009	102.12	98.21
Revalued net asset value in investment value ⁹ after distribution of dividend for the year 2009	106.47	102.56

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

² Until the first break option for the lessee.

³ Calculated according to the actual rents for the occupied buildings and the estimated rental value for unlet buildings. For the office properties alone, it stands at 92.78% as against 88.35% for the Brussels' office market (source: CB Richard Ellis).

⁴ Including bank margins and the amortisation charges of the cost of hedging instruments active during the period.

⁵ Legal ratio calculated according to the Sicafi regulation as financial and other debts/total assets.

⁶ Conventional ratio defined in the documents with the banks as net financial debt/fair value of the property portfolio and of finance lease receivables.

⁷ Changes in fair value of investment properties and exit tax.

⁸ Fair value: after deduction of transaction costs (mainly transfer taxes) from the value of the investment properties.

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

2. Important transactions and events during the first quarter of 2011

A. Divestments

In line with its strategy of asset arbitrage aiming optimal portfolio composition, both from a sector and geographical perspective, Cofinimmo sold 2 assets for a total gross amount of €33.23 million, generating a total gross capital gain compared to the most recent investment values determined by the independent expert of €4.12 million or €0.28 per share. The proceeds from these sales will be reinvested in the company's investment program.

The properties sold are:

1. the **Da Vinci** office block, located at Avenue de Cortenbergh 107 in the Brussels' Leopold District, totalling 7,435m² and acquired by the Compagnie de Manutention Groupe (CdMG);
2. the **Ledeberg 438** commercial building, located at Brusselsesteenweg 438 in Ghent, with an area of 4,234m² and rented to the Delhaize Group which exercised the purchase option provided for in its lease.

B. Investments

Cofinimmo acquired all the shares of Hemera SA, owner of the nursing home **De Nieuwe Seigneurie**, located at Hovenierstraat 15 in Rumbeke (Roeselaere). This newly constructed nursing home, with a total lettable area of 3,460m², 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 provides a gross rental yield of 6.71% in double net equivalent¹.

The nursing home will be operated by a subsidiary of 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.

¹ The yield in double net equivalent allows comparison with the yields on offices.

3. **Summary of the results and consolidated accounts at 31.03.2011**

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

	31.03.2011	31.03.2010
A. NET CURRENT RESULT		
Rental income, net of rental-related expenses	46,268	49,644
Writeback of lease payments sold and discounted (non-cash)	5,234	4,335
Taxes and charges on rented properties not recovered	684	-21
Redecoration costs, net of tenant compensation for damages	-185	-273
Property result	52,001	53,685
Technical costs	-692	-1,393
Commercial costs	-201	-472
Taxes and charges on unlet properties	-1,148	-1,005
Property result after direct property costs	49,960	50,815
Property management costs	-3,699	-4,013
Property operating result	46,261	46,802
Corporate management costs	-1,876	-1,781
Operating result (before result on portfolio)	44,385	45,021
Financial income (IAS 39 excluded) ¹	1,259	1,344
Financial charges (IAS 39 excluded) ²	-14,138	-18,035
Revaluation of derivative financial instruments (IAS 39)	-1,049	-5,834
Taxes	-1,783	-1,669
Net current result³	28,674	20,827
Minority interests	-537	-120
Net current result – Group share	28,137	20,707
B. RESULT ON PORTFOLIO		
Gains or losses on disposals of investment properties	4,500	517
Changes in fair value of investment properties	-8,193	-4,296
Other portfolio result	-129	-185
Result on portfolio	-3,822	-3,965
Minority interests	-8	1
Result on portfolio – Group share	-3,830	-3,964
C. NET RESULT		
Net result – Group share	24,307	16,743

	31.03.2011	31.03.2010
Number of shares		
Number of ordinary shares issued (own shares included)	13,667,397	12,759,754
Number of preference shares issued and not converted	1,249,005	1,272,009
Number of outstanding ordinary shares	13,614,790	12,737,380
Number of preference shares entitled to share in the result of the period	1,249,005	1,272,009
Total number of shares entitled to share in the result of the period	14,863,795	14,009,389

¹ IAS 39 included, at 31.03.2011 and 31.03.2010, financial income stands at K€7,120 and K€1,344 respectively.

² IAS 39 included, at 31.03.2011 and 31.03.2010, financial charges stand at K€-21,048 and K€-23,869 respectively.

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

Comments on the consolidated income statement – Analytical form

The cumulated rental income as at 31.03.2011 amounts to €46.3 million, down 6.7% compared to one year earlier (€49.6 million) mainly due to the disposal of properties and lease receivables over the last 12 months. With an unchanged portfolio (like-for-like), the level of rents rose by 0.19% over the last 12 months. At 31.03.2011 the occupancy rate stands at 95.76% for the entire portfolio and at 92.78% for the office portfolio alone.

Overall, all direct and indirect operating costs slightly rise at 0.84% of the average value of the portfolio as at 31.03.2011.

The operating result (before result on portfolio) stands at €44.4 million.

The financial result improves from €-22.5 million at 31.03.2010 to €-13.9 million at 31.03.2011, mainly stemming from the falling interest charges between those 2 periods, standing at €-18.0 million and €-14.1 million respectively. This improvement can be explained by, on the one hand, the lower average debt level (€1,525.7 million at 31.03.2011 as against €1,609.3 million one year earlier) and, on the other hand, the declining average interest rate on borrowings, including bank margins and the amortisation cost of hedging instruments active during the period, standing at 4.01%¹ at 31.03.2011 as against 4.06% at 31.03.2010.

The revaluation of optional financial instruments induces to a latent net loss of €1.0 million at 31.03.2011, compared to a latent net loss of €5.8 million at 31.03.2010. The balance-sheet heading under shareholders' equity "Reserve for the balance of changes in fair value of financial instruments"², which registers the changes in effective value of optional as well as non-optional financial instruments, evolves considerably from €-60.1 million at 31.12.2010 to €-26.6 million at 31.03.2011, under the impact of the rising future interest rates between these 2 periods. This item is not registered in the income statement but has a negative impact on the shareholders' equity and the intrinsic share value. Seen the rising interest rates and at the latest when the hedging instruments become active, this amount is progressively reversed.

Taxes (€-1.8 million) comprise the tax on non-deductible costs of the Sicafi (primarily the office tax in the Brussels-Capital Region) and the corporate income taxes payable by subsidiaries (mainly Pubstone SA) not covered by the Sicafi tax regime.

The net current result – Group share at 31.03.2011 comes to €28.1 million as against €20.7 million on 31.03.2010 (+35.9%). If the negative impact of IAS 39 is excluded, it comes to €29.2 million as against €26.5 million respectively (+10.0%). Per share it works out at €1.96 as against €1.90 on 31.03.2010 (+3.2%), the number of shares participating in the results having risen by 6.1% between those 2 dates.

¹ The average interest rate is calculated by dividing, on an annual basis, the interest charges on the financial debt (€14.0 million) and the amortisation cost of hedging instruments (€1.2 million) by the average debt for the period (€1,525.7 million).

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

The result on portfolio remains negative evolving from €-4.0 million at 31.03.2010 to €-3.8 million at 31.03.2011. The realised gain on disposals stands at €4.5 million, as against €0.5 million at 31.03.2010, and the negative change in fair value of the portfolio (unrealised loss) comes to €8.2 million, compared to €4.3 million at 31.03.2010. In Group share, this unrealised result stands at €-0.56 per share at 31.03.2011, compared to €-0.32 for the same period in 2010.

The net result – Group share at 31.03.2011 results in a gain of €24.3 million compared to €16.7 million one year earlier. Per share this amounts to €1.64, compared to €1.20.

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

	31.03.2011	31.12.2010
Non-current assets	3,303,998	3,304,794
Goodwill	164,012	164,012
Intangible assets	1,297	1,427
Investment properties	3,048,084	3,041,916
Other tangible assets	728	539
Non-current financial assets	31,412	38,522
Finance lease receivables	58,435	58,349
Trade receivables and other non-current assets	29	29
Current assets	73,660	77,112
Assets held for sale	170	170
Current financial assets	13,877	9,227
Finance lease receivables	2,780	2,780
Trade receivables	14,972	18,864
Tax receivables and other current assets	14,040	22,137
Cash and cash equivalents	1,970	3,265
Deferred charges and accrued income	25,851	20,669
TOTAL ASSETS	3,377,658	3,381,906
Shareholders' equity	1,525,508	1,466,878
Shareholders' equity attributable to shareholders of parent company	1,517,894	1,459,781
Capital	796,528	796,528
Share premium account	513,093	513,093
Reserves	183,966	66,364
Net result of the financial year	24,307	83,796
Minority interests	7,614	7,097
Liabilities	1,852,150	1,915,028
Non-current liabilities	1,352,229	1,448,760
Provisions	19,234	19,234
Non-current financial debts	1,164,092	1,226,815
Other non-current financial liabilities	36,017	69,693
Deferred taxes	132,886	133,018
Current liabilities	499,921	466,268
Current financial debts	343,456	313,730
Other current financial liabilities	50,451	62,780
Trade debts and other current debts	69,631	62,631
Accrued charges and deferred income	36,383	27,127
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,377,658	3,381,906

Comments on the consolidated balance sheet

The fair value of the property portfolio¹, recorded in the consolidated balance sheet, is obtained by deducting the transaction costs from the investment value. At 31.03.2011, the fair value stands at €3,048.1 million, as compared to €3,041.9 million at 31.12.2010.

The investment value of the property portfolio¹ comes to €3,159.4 million at 31.03.2011 as compared to €3,153.2 million at 31.12.2010 (see also the table hereafter under "Property portfolio").

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

4. Property portfolio

GLOBAL PORTFOLIO OVERVIEW		
<i>Extract from the reports by the independent real estate experts Winssinger & Associates and PricewaterhouseCoopers based on the investment value</i>		
(x €1,000,000)	31.03.2011	31.12.2010
Total estimated investment value of the portfolio	3,159.39	3,153.17
Projects and development sites	-71.19	-43.72
Total marketable properties	3,088.19	3,109.45
Contractual rents	206.41	207.93
Gross yield on marketable properties	6.68%	6.69%
Contractual rents and estimated rental value on unlet space at the valuation date	215.55	217.12
Gross yield at 100% portfolio occupancy	6.98%	6.98%
Occupancy rate of marketable properties¹	95.76%	95.77%

As at 31.03.2011, the caption *Projects and development sites* mainly includes projects or extensions in the nursing home segment, the most important being located in Beerse, Oud-Turnhout and Antwerp.

Segment	Fair value			Property result after direct costs	
	(in €1,000)	(in %)	Changes over the period²	(in €1,000)	(in %)
Offices	1,661,227	54.5%	-0.7%	27,282	54.6%
Brussels Leopold/Louise districts	424,215	13.9%	-1.2%	7,599	15.2%
Brussels Centre/North	242,802	8.0%	-0.3%	4,107	8.2%
Brussels Decentralised	631,024	20.7%	-0.7%	9,486	19.0%
Brussels Periphery & Satellites	143,305	4.7%	-4.2%	2,501	5.0%
Antwerp	108,096	3.5%	0.0%	1,579	3.2%
Other Regions	111,785	3.7%	2.9%	2,013	4.0%
Nursing homes/clinics	948,131	31.1%	0.4%	14,682	29.4%
Belgium	590,031	19.4%	0.4%	8,511	17.0%
France	358,100	11.7%	0.4%	6,171	12.4%
Pubstone	395,272	13.0%	-0.1%	7,141	14.3%
Belgium	249,786	8.2%	0.0%	4,807	9.6%
Netherlands	145,486	4.8%	-0.1%	2,334	4.7%
Others	43,454	1.4%	-0.2%	852	1.7%
TOTAL PORTFOLIO	3,048,084	100.0%	-0.3%	49,960	100.0%

¹ Calculated on the basis of rental income.

² With unchanged portfolio composition.

5. **Important events and transactions after 31.03.2011**

A. Placement of convertible bonds

On 28.04.2011 Cofinimmo successfully closed the placement of convertible bonds for a total amount of €173.3 million. They are due 28.04.2016 and are convertible into ordinary shares of the company. The bonds were issued and are redeemable at maturity at 100% of the nominal value, which was set at €116.60 per bond. The coupon is fixed at 3.125%, payable annually in arrear.

The convertible bonds entitle their holders to receive Cofinimmo ordinary shares at an initial ratio of one share per bond. The conversion price equals the nominal value of €116.60 which was also the subscription price. It was set at a premium of 15% to the reference share price¹.

The bonds were initially offered and provisionally allotted (subject to clawback) only to institutional investors following an accelerated book-building, and then to existing retail and institutional shareholders via a three-day priority subscription period. The latter exercised their clawback right up to 1.45%.

This operation allows the company to diversify its financing sources.

The issue conditions figure in the prospectus published on 18.04.2011 which is available on the website of the company (www.cofinimmo.com).

B. Optional dividend

The Board of Directors has decided to offer this year to the ordinary and the preference shareholders the choice between receiving the dividend for the year 2010 in new ordinary shares or in cash, or to opt for a combination of these 2 payment modalities. The terms of this offer will be published today after stock market.

¹ The reference share price, which was €101.39, represents the volume-weighted average price of the company's ordinary shares on Euronext Brussels from launch of the offer to pricing.

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About Cofinimmo

Cofinimmo is the foremost listed Belgian real estate company specialising in rental property. The company owns a property portfolio worth over €3 billion, representing a total area of 1,700,000m². Its main investment segments are office property and care homes. Cofinimmo is an independent company, which manages its properties in-house. It is listed on Euronext Brussels (BEL20) and benefits from the Belgian fiscal Sicafi regime and the French SIIC regime. At 31.03.2011, its total market capitalisation stands at €1.5 billion.

www.cofinimmo.com

together in real estate

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

	31.03.2011	31.03.2010
A. NET RESULT		
Rental income	46,269	49,856
Writeback of lease payments sold and discounted	5,234	4,335
Rental-related expenses	-1	-212
Net rental income	51,502	53,979
Recovery of property charges	121	7
Recovery income of charges and taxes normally payable by the tenant on let properties	12,417	8,137
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-305	-281
Charges and taxes normally payable by the tenant on let properties	-11,734	-8,157
Property result	52,001	53,685
Technical costs	-693	-1,393
Commercial costs	-202	-472
Taxes and charges on unlet properties	-1,146	-1,005
Property management costs	49,960	50,815
Property charges	-5,740	-4,013
Property operating result	46,261	46,802
Corporate management costs	-1,876	-1,781
Operating result before result on portfolio	44,385	45,021
Gains or losses on disposals of investment properties	4,500	517
Changes in fair value of investment properties	-8,193	-4,296
Other portfolio result	-36	-86
Operating result	40,655	41,155
Financial income	1,259	1,344
Net interest charges	-14,038	-14,680
Other financial charges	-99	-3,355
Changes in fair value of financial assets and liabilities	-1,049	-5,834
Financial result	-13,298	-22,525
Pre-tax result	26,727	18,630
Corporate tax	-1,783	-1,669
Exit tax	-92	-99
Taxes	-1,875	-1,768
Net result	24,852	16,862
Minority interests	-545	-119
Net result – Group share	24,307	16,743
Net current result – Group share	28,137	20,707
Result on portfolio – Group share	-3,830	-3,964

B. OTHER ELEMENTS OF THE GLOBAL RESULT		
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-87	-132
Change in the effective part of the fair value of authorised cash flow hedging instruments	33,413	-26,362
Other elements of the global result	33,326	-26,494
Minority interests	-1	0
Other elements of the global result – Group share	33,325	-26,494
C. GLOBAL RESULT	58,178	-9,632
Minority interests	-546	-119
Global result – Group share	57,632	9,751