

Cofinimmo 3Q2011 Results

October 27, 2011



Together
in real estate

Cofinimmo in a nutshell

- ☞ Leading Belgian listed real estate investment company exposed to the office property market in Brussels, nursing homes in Belgium and France and pub properties in Belgium and the Netherlands.
- ☞ Total portfolio fair value of >€3 billion.
- ☞ SICAFI status in Belgium and SIIC status in France.
- ☞ Internal real estate management platform with 110 employees.
- ☞ Two longest shareholders (<5%) are Dexia Insurance and Allianz Belgium.
- ☞ Included in major indices: BEL20, EPRA Europe, GPR 250.
- ☞ Total market capitalisation at 30.09.2011: €1.4 billion.

Highly experienced senior management team



Serge Fautré, CEO since 2002, is Director of the Union Professionnelle du Secteur Immobilier (‘UPSI’) and former Chairman of the European Public Real Estate Association (‘EPRA’).



Jean-Edouard Carbonnelle, CFO, joined Cofinimmo in 1998 and is Chairman of the EPRA Tax Committee.

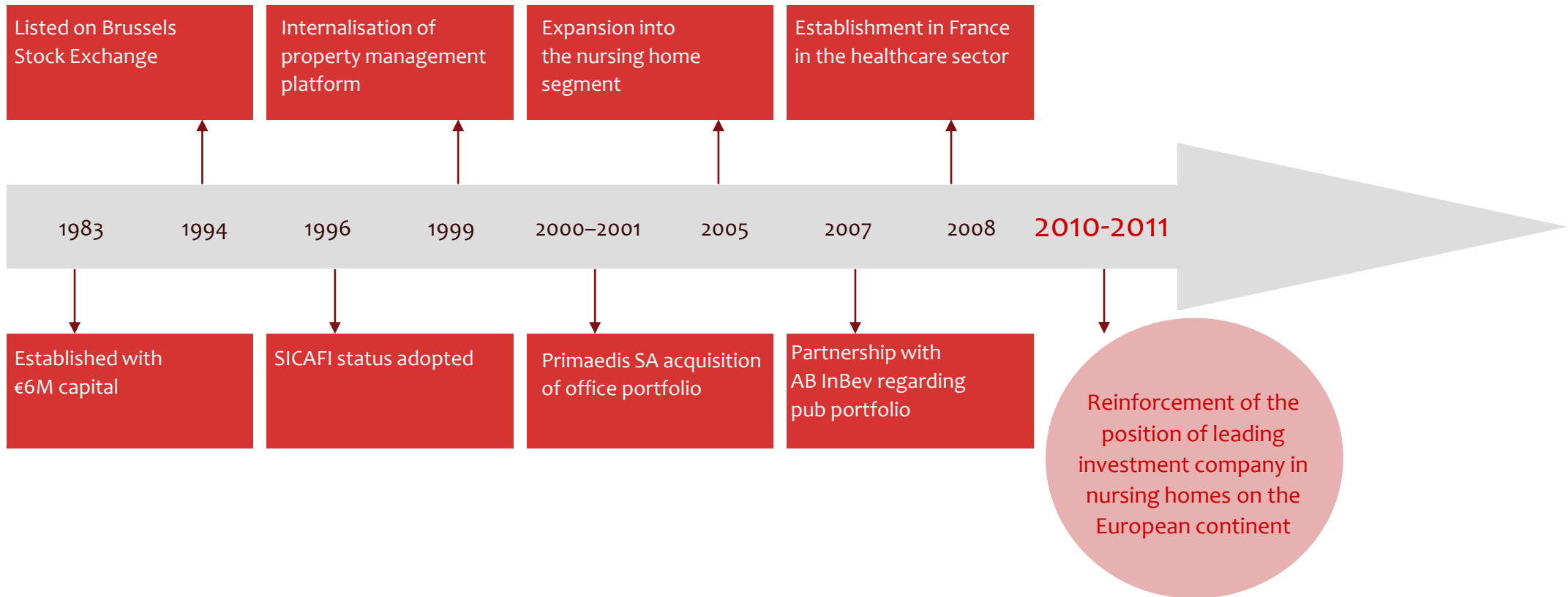


Xavier Denis, COO, joined Cofinimmo in 2002 and is in charge of the real estate operations of the company. He is the Chairman of the Investors Committee of UPSI.

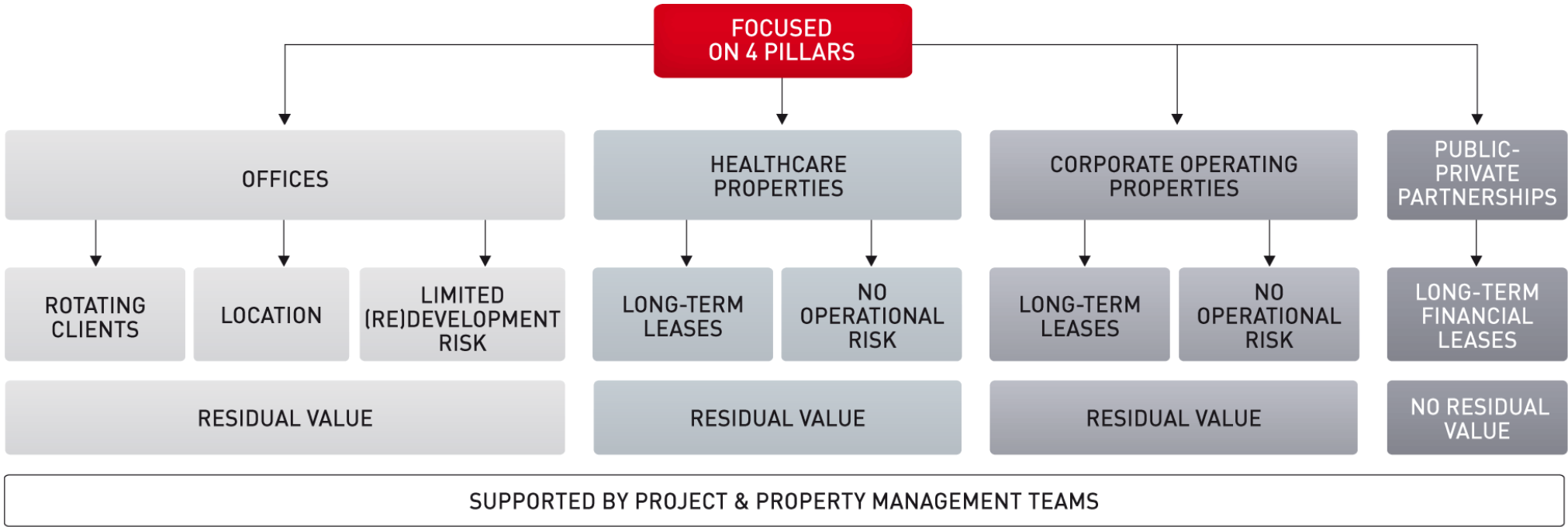


Françoise Roels, Secretary General and Group Counsel, joined Cofinimmo in 2004 and is in charge of corporate governance matters. She is an independent Board member of “Women on Board”.

Track record in the Belgian property market for >25 years



Investment strategy



Financial Performance as at 30.09.2011

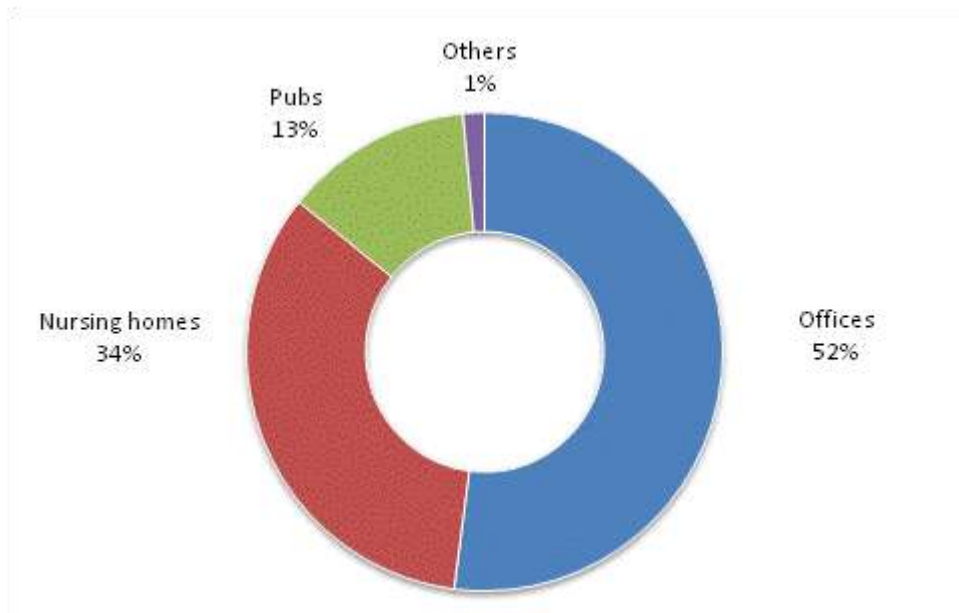
- € Like-for-like, rental income rose by 2,36% over the last 12 months.
- € Net current result (Group share – IAS 39 excl.): €5.64/share vs. €5.74 at 30.09.2010.
- € Net result (Group share): €7.03/share vs. €2.36 at 30.09.2010.
- € FY 2011 forecasts net current result (€7.33/share) and dividends (€6.50 gross/ordinary share and €6.37 gross/preference share) confirmed.
- € Revalued net asset value per share: €96.09 (in fair value).

Key operational indicators

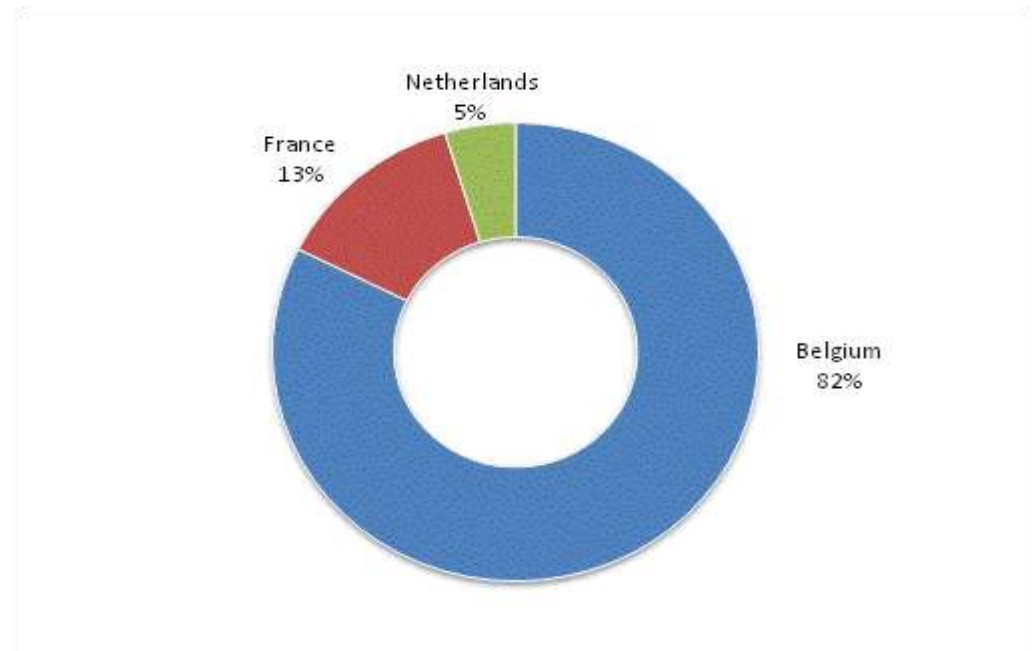
	30.09.2011	31.12.2010
Portfolio of investment properties - Fair value (x €1,000,000)	3,110.2	3,041.9
Residual lease term in years - Total portfolio (years)	11.5	11.5
Residual lease term in years - Office portfolio (years)	6.2	6.7
Occupancy rate - Total portfolio (%)	95.70	95.77
Occupancy rate - Office portfolio (%)	92.40	92.85

Global portfolio – Portfolio spread

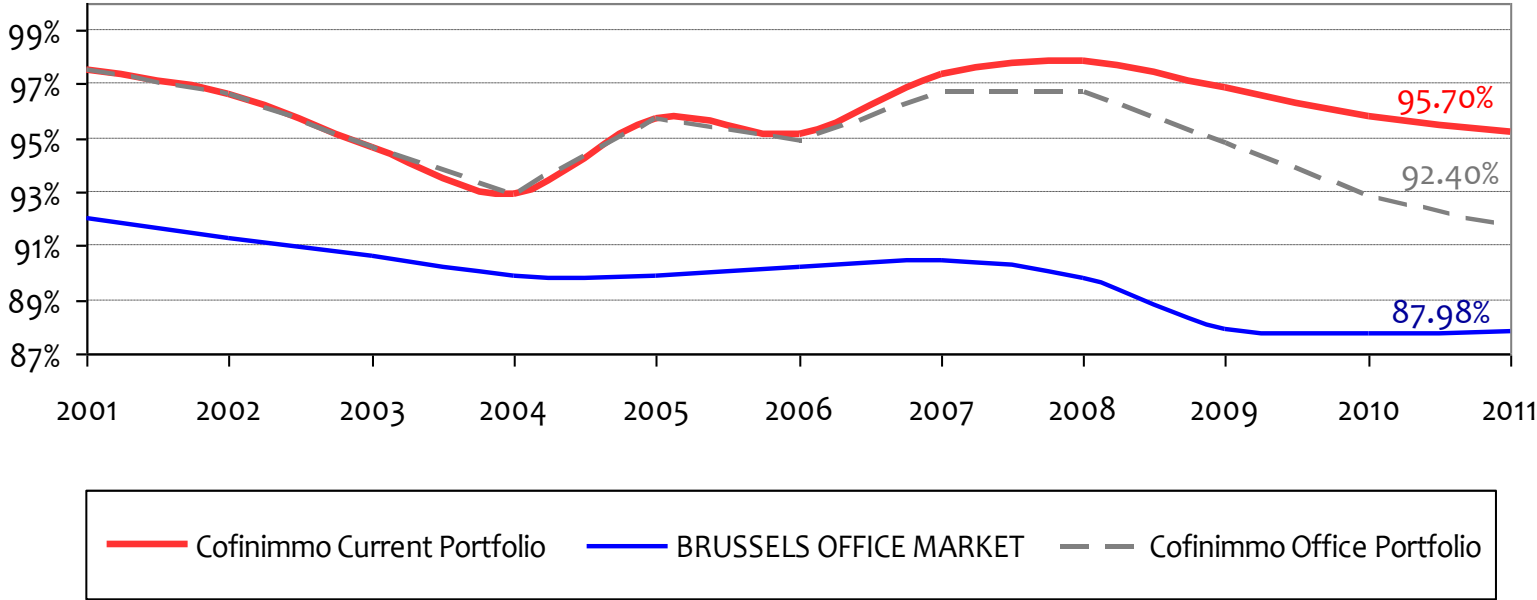
Portfolio mix by segment (in fair value)



Portfolio mix by country (in fair value)



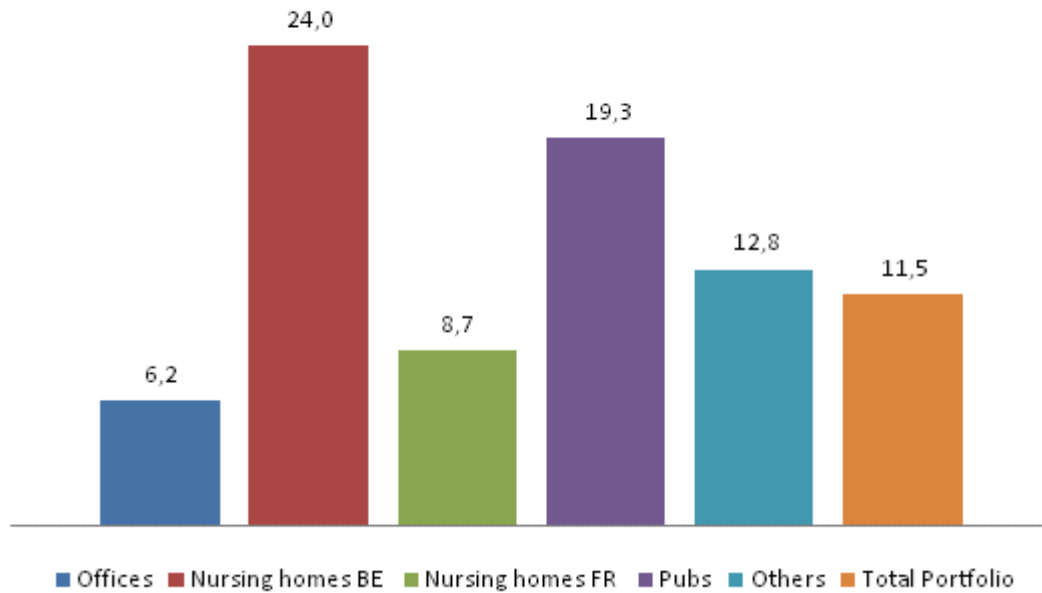
Evolution of occupancy rate : Cofinimmo vs Market (2001 - 2011)



Source: DTZ Research.

Long term quality leases

Lease maturity by property type (years)



Top 5 Master Tenants

Activity sector (305 clients)	Contractual revenues (% of total)	Lease length until first break (years)
AB InBev Group	13.5%	19.3
Belgian State	11.7%	13.3
Korian Group	8.9%	8.4
Senior Living Group	6.6%	24.0
Armonea	6.6%	22.9
Top 5 clients	47.2%	16.9
Others	52.8%	6.7
Total	100.0%	11.5

Portfolio valuation

	Unrealised gain/loss 2011 (9m)
Offices	-1.57%
Nursing homes	+0.94%
- Belgium	+1.14%
- France	+0.62%
Pubs	+0.01%
Others	+0.38%
Total portfolio	-0.51%

- ☞ Total portfolio devaluation on 30.09.2011: -€16.2 million or -0.51% (-0.3 million during 3Q2011 alone)
- ☞ Positive revaluation of nursing home portfolio (+0.94%)
- ☞ Negative revaluation of office portfolio (-1.6%)
 - Devaluation of Livingstone I-II and Science 15-17, 2 office buildings in the Brussels area which are expected to undergo a heavy renovation as from 2012.
 - Over-renting due to past indexation of lease contracts now coming to an end.
 - Inclusion of AMCA SA acquired above expert's value due to changing market climate between signature acquisition agreement (2007) and effective acquisition (2011).

Yields

Stable yields:

	Gross Yield 3Q2011	Gross Yield 2010	Gross Yield 2009	Gross Yield 2008
Offices	7.51%	7.44%	7.44%	7.18%
Nursing homes	6.28%	6.28%	6.45%	6.24%
- Belgium	6.12%	6.10%	6.15%	5.94%
- France	6.51%	6.54%	6.83%	6.59%
Pubs	6.57%	6.61%	6.55%	6.51%
Others	7.26%	7.15%	7.12%	7.19%
Total portfolio	6.98%	6.98%	7.06%	6.88%

Cofinimmo is investing in segments with lower property costs, hence benefiting from a smaller gap between gross and net yield:

	Offices	Nursing homes	Pubstone	Others	Total
Gross yield	7.51%	6.28%	6.57%	7.26%	6.98%
Net yield	6.82%	6.31%	6.48%	5.72%	6.59%
Delta	-0.69%	+0.03%	-0.09%	-1.54%	-0.39%

Office segment – 3Q2011 highlights

Cofinimmo

- ☞ Montoyer Science: Disposal of office property located in Brussels CBD for €57.2 million.
- ☞ Veldkant 31-33: Disposal of office and warehouse properties located in Antwerp for € 11.4 million.
- ☞ Office portfolio mainly located in Brussels (85.5% of which 37.7% in CBD) and in Antwerp (7.5%).
- ☞ Over 35% is rented to national and international public authorities.
- ☞ Weighted residual lease length: 6.2 years.
- ☞ Additional disposals expected this year and early next year

The market

- ☞ Soft occupational market in Brussels, active in Antwerp.
- ☞ Very low take-up mainly due to absence of public sector.
- ☞ Stabilising vacancy level due to lower development activity.
- ☞ Strong investment demand for long-let buildings.

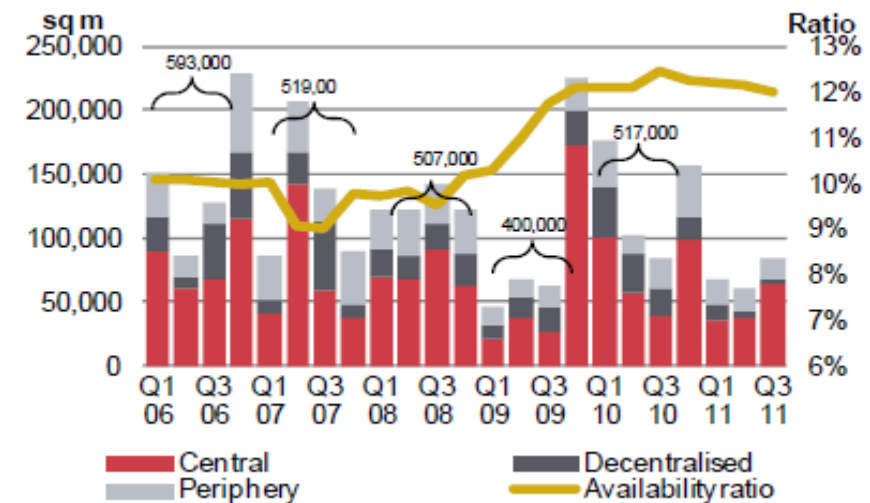
Brussels office market (1)

Market indicators Q3 2011

	Brussels office market
Stock (sq m)	13,114,000
Take-up (sq m)	83,902
Availability (sq m)	1,577,000
Availability ratio (%)	12,02
New supply (sq m)	22,532
<i>Of which speculative</i>	16,032
Prime rent (€/sq m/year)	265

Source: DTZ Research

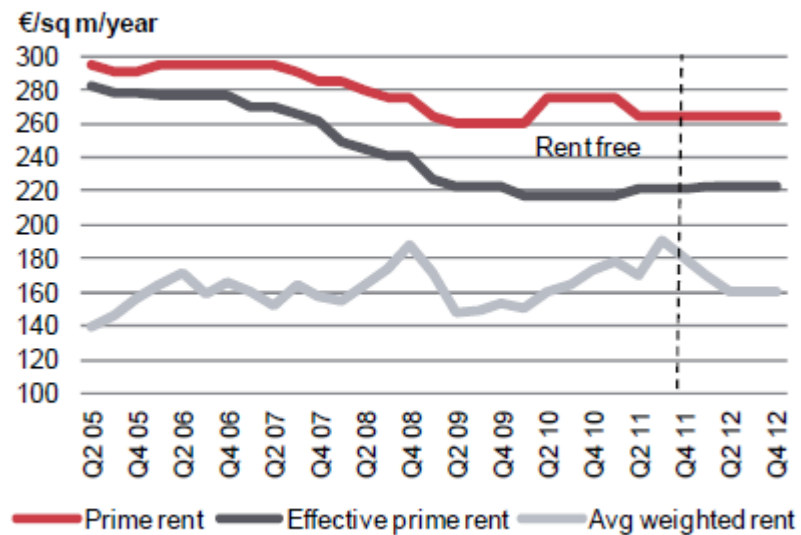
Take-up & availability



Source: DTZ Research

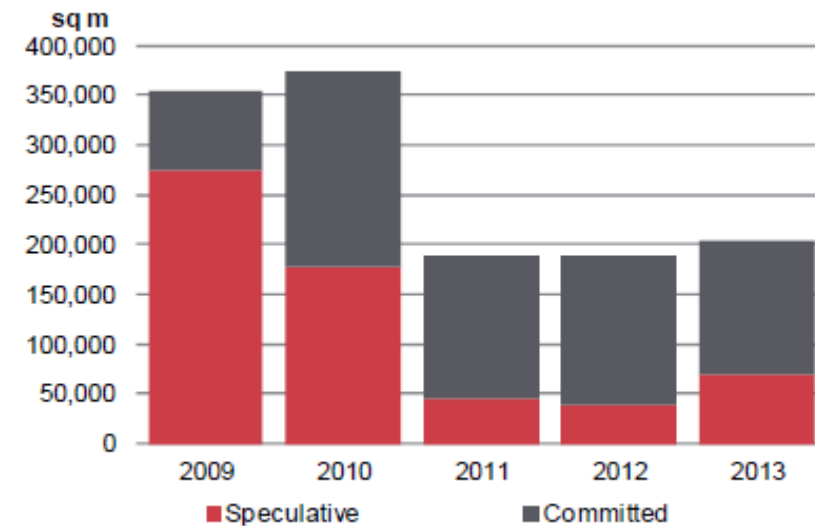
Brussels office market (2)

Rents



Source: DTZ Research

New supply & pipeline



Source: DTZ Research

Main future developments (2012-2013)

Science 15-17



- **Science 15-17** – Brussels Leopold District – 17,700m²
- Permit request: mixed project (offices – commercial)
- Objective: BREEAM ‘Very Good’ – E-level 45-60 – K-level <35
- Candidate for IBGE’s ‘Exemplary Building 2011’ competition
- Passive building according to PHPP¹ calculation

Livingstone I-II



- **Livingstone I-II** – Brussels Leopold District – 35,000m²
- Permit request: mixed project (offices – apartments for sale)
- Rental indemnity from current tenant for early leave >2012 (DVV-Lap – €11.2 million)
- Objective Livingstone I: E-level 60 – K-level 30

PHPP: The Passive House Planning Package is a design tool aimed at designing and calculating passive house standards.

Nursing home segment – 3Q2011 highlights

Cofinimmo

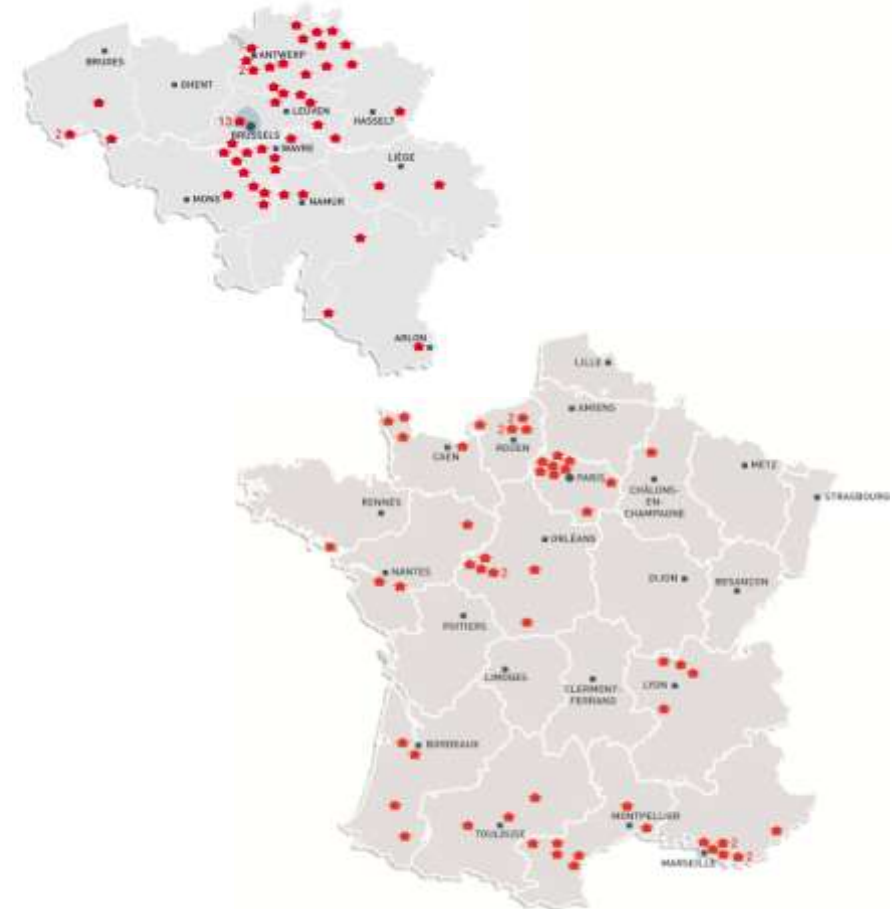
- ☞ Acquisition of Susanna Wesley nursing home located in Brussels for € 6 million (+Budget of works: € 7.8 million).
- ☞ Acquisition of 2 building lots for the construction of nursing homes in Belgium (+Budget of works: € 23 million).
- ☞ A new operator-tenant in Belgium (Le Noble Age).

The market

- ☞ Significant potential due to demographic trends.
- ☞ Fairly immune from the general economic climate.
- ☞ Strict authorisation and accreditation system of lessees/operators constitute a high entry barrier.
- ☞ Revenues of the operators guaranteed by Social Security: 50% in Belgium and up to 30% in France.
- ☞ Attractive residual value and redevelopment potential.

Cofinimmo's healthcare properties

- ☞ 120 nursing homes/clinics with 12,000 authorised beds in Belgium and France.
- ☞ Long-term contractual relationships:
 - 27 years in Belgium
 - 12 years in France
- ☞ Fixed rents from operator indexed annually .
- ☞ No risk relating to the management of the care homes.
- ☞ Mostly triple net leases or limited maintenance obligation.
- ☞ Credit risk on operator group, not on individual unit.
- ☞ In-house Project Management Department specialised in this segment.

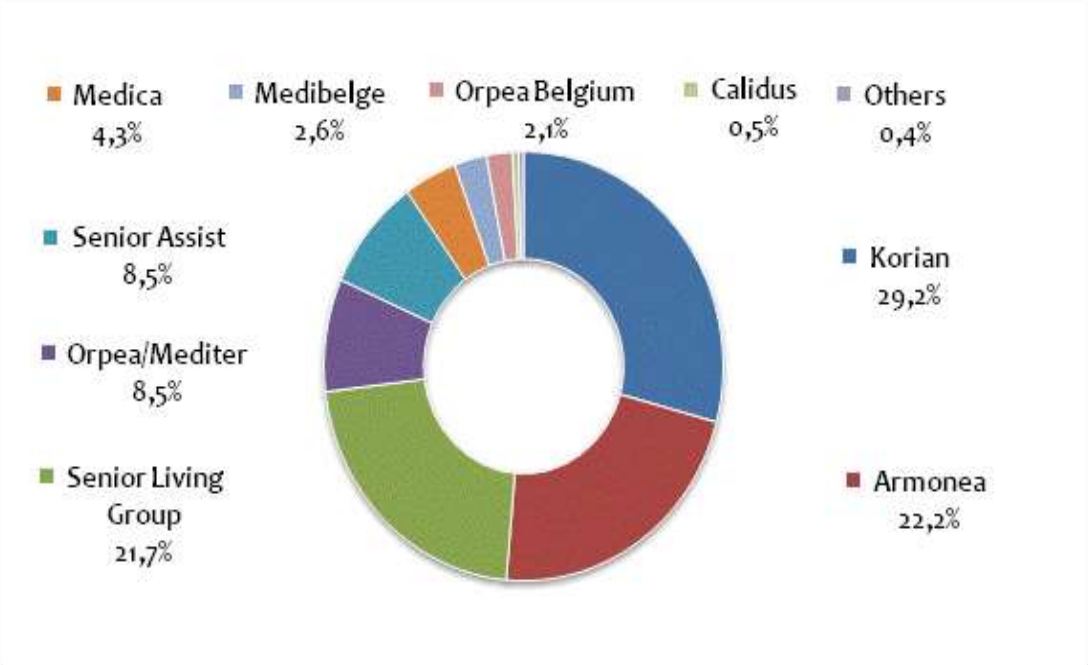
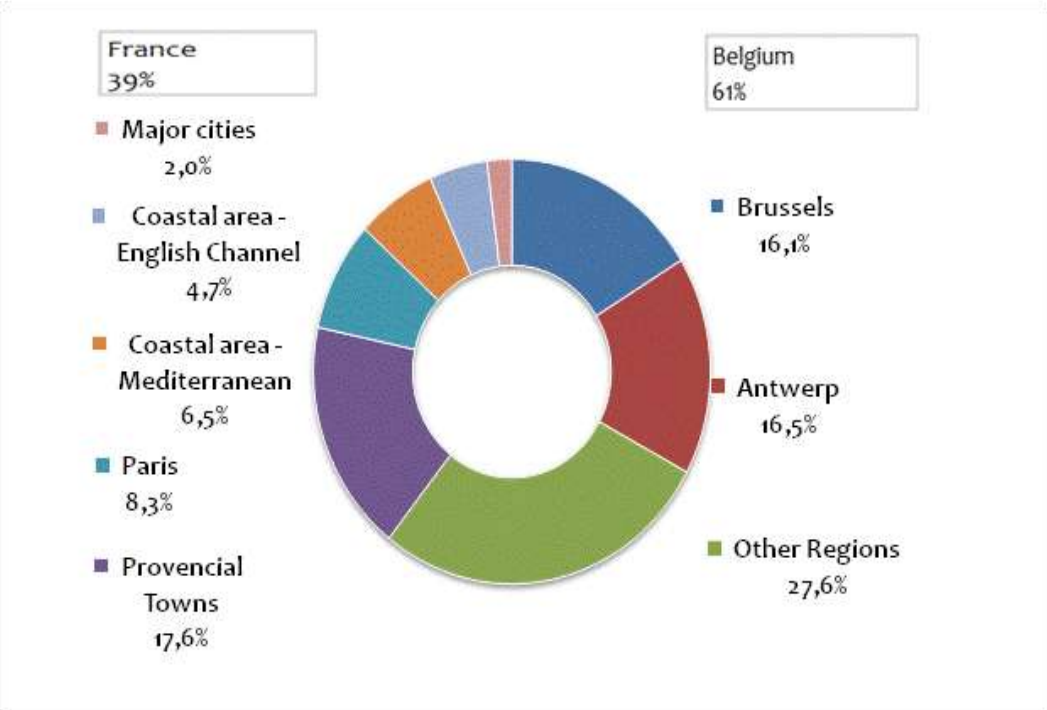


Well spread portfolio managed by first-rate operators

Sector Information

Geographic breakdown - in fair value (in%)

Breakdown by operator - in contractual rents (in %)



Focus on tenant quality & diversity

Belgium

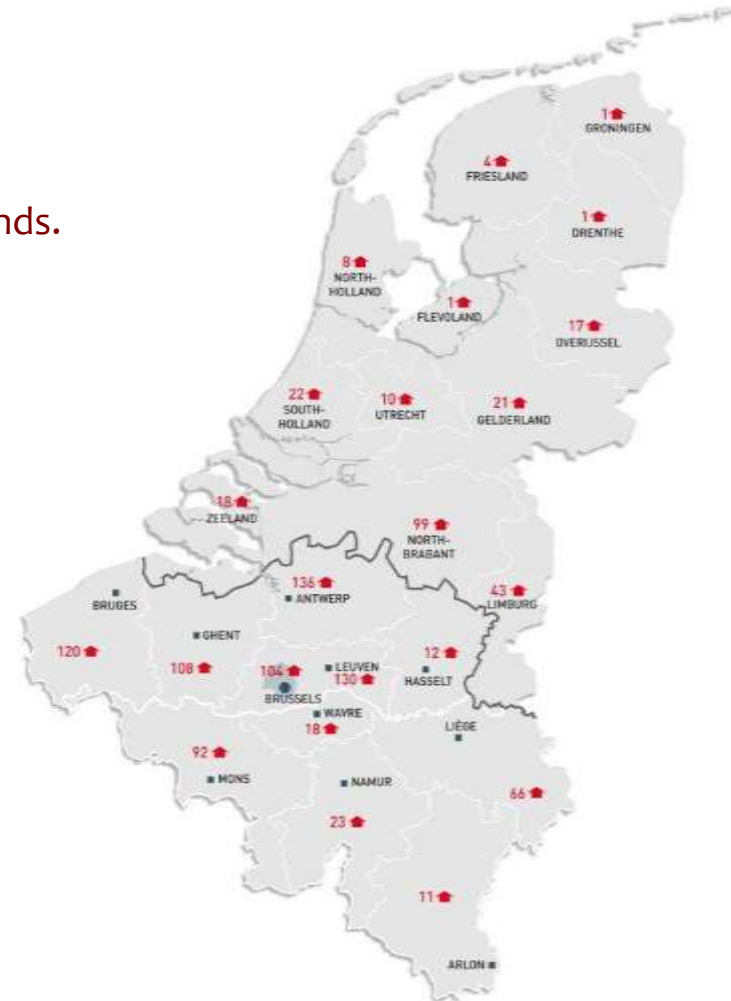
Armonea	4,500 residents	30 years experience in NH sector
Calidus		Independent nursing home operator
Medibelge	1,800 residents	Private nursing home operator
Senior Assist	2,500 residents	Entrepreneurial group
Senior Living Group	3,750 residents	Operates residential care and nursing homes
Le Noble Age (Belgian subsidiary)	507 residents	Subsidiary of Le Noble Age (French listed operator)

France

Orpéa (listed)	33,000 beds	European leader in senior care
Korian (listed)	21,400 beds	Second largest NH operator in Europe
Medica (listed)	14,300 beds	Fourth largest NH operator in France

Pubstone portfolio

- ☞ Stable portfolio of 820 pubs in Belgium and 245 in the Netherlands.
- ☞ 1 tenant: AB InBev; no direct relationship with a pub operator.
- ☞ Long-term contractual relationship: 23 years.
- ☞ Fixed rents indexed to CPI.
- ☞ No risk related to the operation of the pubs, exclusively borne by AB InBev.
- ☞ Only structural maintenance obligation (walls, roofs, facades).



Public-Private Partnerships – 3Q2011 highlights

Cofinimmo

- ☞ Award of the public contract for the construction and maintenance of a new prison in Leuze-en-Hainaut to the consortium Future Prisons of which Cofinimmo is part (Financial close on 20.10.10).
- ☞ Design-Build-Finance-Maintain principle.
- ☞ 25-year lease with the Belgian State.
- ☞ Set up of SPV (FPR Leuze SA) in which Cofinimmo owns 50% of the capital.
- ☞ FPR Leuze SA granted Institutional Sicafi status on 19.09.2011.
- ☞ Fixed price building contract
- ☞ 90% of receivables corresponding to the investment “fees” (=rent) pre-sold to KBC Bank
- ☞ Global project cost: approx. €104 million, expected IRR for Cofinimmo: 10%.

The market

- ☞ Construction risk: general contractor
- ☞ Maintenance risks: maintenance contractors
- ☞ Stable and low-risk investment

Previous experience in Public-Private Partnerships

☞ Fire Station of Antwerp

- €30M, 37 years finance lease with the City of Antwerp, at the end transferred for free, €1.7M annual rent, Cofinimmo responsible for maintenance, receivables sold.

☞ Police Station HEKLA zone (Antwerp)

- €7M, 27 years rented to Police, at the end call option for €0.2M, €0.5M annual rent, Cofinimmo responsible for maintenance.

☞ Court of Justice in Antwerp

- 36 years rented to Buildings Agency, at the end option to buy the asset for €101M, extend the lease or leave the property, Cofinimmo responsible for maintenance and insurance, receivables partly sold (91.5%).

☞ Police Station in Dendermonde (delivery end 2011)

- €15M, 18 years rented to Buildings Agency, DBFM model, property with excellent energy performance (<E35).

☞ Prison of Leuze-en-Hainaut (delivery end 2013)

- €104 M, 312 cells, 25 years rented to Buildings Agency, at the end transferred for free, €7.4M annual rent (+ maintenance and other fees), DBFM model, IRR: 10%, BREEAM 'Excellent' certification aimed.



Key financial indicators

Decrease of rental income (-1.25 %)

- Disposals of office buildings, partially offset by nursing home acquisitions.

Improvement of financial result

- Interest charges decreased from €-47.5 million (on 30.09.2010) to €-46.8 million.
- Positive result in revaluation of interest rate hedging instruments and of convertible bonds from €-21.3 million (at 30.09.2010) to €2.7 million.

Rise in net current result (excl. IAS 39) – Group share (+1.1%).

Positive result on portfolio

- Includes €39.7 million writeback of deferred taxes following Pubstone converting into institutional Sicafi.

(x €1,000,000)	30.09.2011	30.09.2010
Property result	157.83	159.84
Operating result before result on portfolio	133.8	136.2
Financial result (excl. IAS 39)	-39.9	-67.9
Net current result (excl. IAS 39) - Group share	85.7	84.7
Net current result - Group share	88.4	63.4
Result on portfolio - Group share	18.5	-28.5
Net result - Group share	106.9	34.8
(in %)	30.09.2011	31.12.2010
Operating costs/average value portfolio	0.86%	0.80%
Operating margin	85.2%	86.3%
Average cost of debt	4.29%	4.33%
Debt ratio	50.5%	47.5%
LTV	53.9%	50.3%

Gross rental revenues

	Gross rental revenues 2011 (9m) (x €1,000,000)	Gross rental revenues 2010 (9m) (x €1,000,000)	Growth (%)	Like-for-like growth (%)
NH Belgium	26.4	22.1	+19.46%	+1.5%
NH France	19.3	18.0	+7.22%	+1.7%
Offices	73.8	85.6	-13.8%	+2.91%
Pubs	21.5	21.0	+2.4%	+2.1%
Other	2.8	3.2	-12.5%	+0.57%
Total portfolio	143.8	149.9	-4.06%	+2.36%

☞ Total gross rental revenues fall by -4.07%, due mainly to the disposal of properties carried out over the last 12 months.

☞ On a like-for-like basis they increase by +2.36% (indexation accounts for a +2.01% growth).

Result per share

Net current result (excl. IAS 39 imp act) – Group share : €5.64, against €5.74 on 30.09.2010
Net result – Group share: €7.03 vs. €2.36 last year

Results per share – Fully diluted (in €)	30.09.2011	30.09.2010
Net current result – Group share – excluding IAS 39 impact	5.64	5.74
IAS 39 impact	0.18	-1.44
Net current result – Group share	5.82	4.30
Realised result on portfolio	0.32	0.21
Unrealised result on portfolio	0.89	-2.15
Net result – Group share	7.03	2.36

Net Asset Value per share

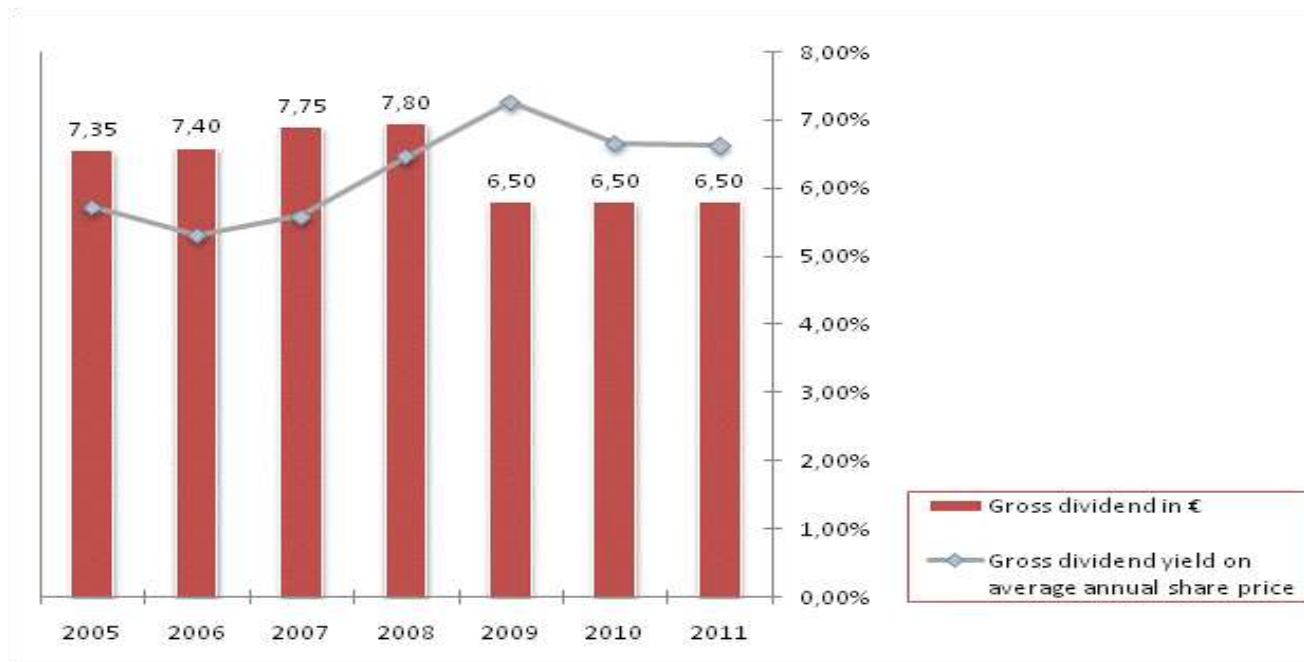
Net asset value per share (in €)	30.09.2011	31.12.2010
Revalued net asset value in fair value after distribution of dividend for the year 2010	96.09	91.72
Revalued net asset value in investment value after distribution of dividend for the year 2010	100.62	96.07

Roll forward of NAV per share (in €)

Net Asset Value per share (EUR) (properties being expressed at Investment Value) 31/12/2010	
Before dividend 2010 payment	102,56
Dividend payment	-6,49
Capital increase following optional dividend	-0,05
Net current result (IAS 39 impact excluded)	5,64
Result on portfolio	1,26
IAS 39 Impact (P&L)	0,18
IAS 39 Impact (deferred in equity)	-2,49
Other	0,01
Net asset value per share (EUR) (properties being expressed at Investment Value) 30/09/2011	100,62

Dividend

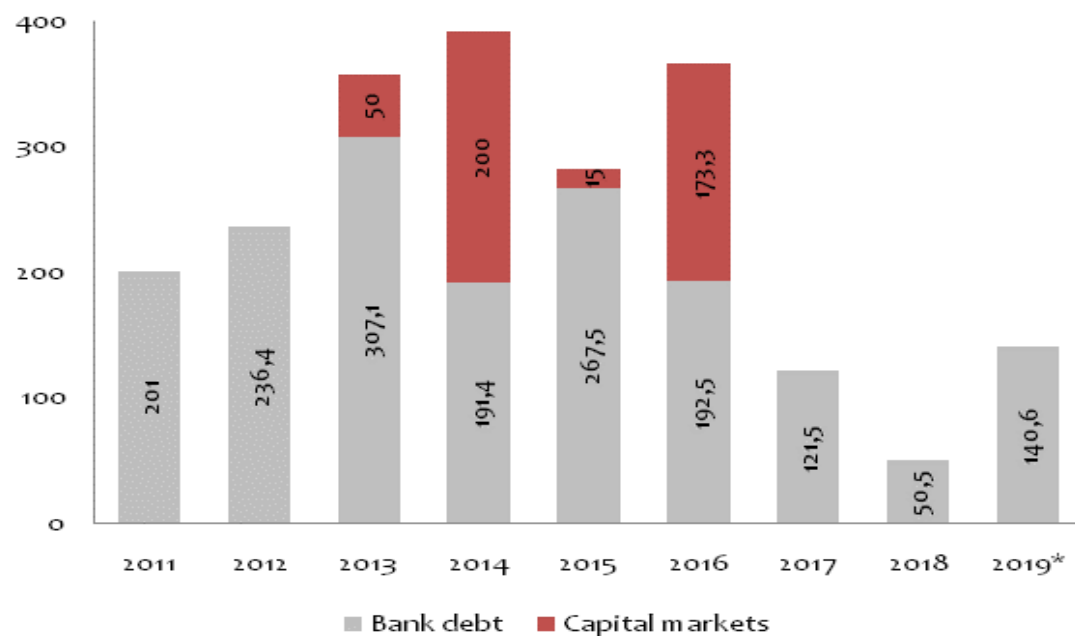
- Forecast 2011 gross dividend, payable in May 2012: €6.50 per ordinary share and €6.37 per preference share
 - Pay-out ratio at a sustainable level of 87% of the net current EPS (excluding IAS 39 impact)



Financial debt at 30.09.2011 (1)

Cofinimmo has a well-balanced debt maturity profile and limited maturities every year.

Maturity profile of LT debt commitments (€ 1,953.3 M)



- ☞ Bank facilities: 13 high-quality partners
- ☞ Average maturity: 3.6 years
- ☞ No remaining debt maturities in 2011; € 236 million in 2012 for which refinancing is in place
- ☞ Cost of financial debt: 4.27% (as at 30.09.2011)

* Term loan with an outstanding of € 7.5 million at the end of 2019 and a remaining tenor till 2029 with quarterly capital reimbursements

Financial debt at 30.09.2011 (2)

The company has maintained good liability management.

x 1,000,000 €	Financial debt	Total LT commitments
Capital market facilities		
Bond	262.2 (1)	250.0 (2)
Convertible bond	157.3 (1)	173.3 (2)
Long term CP	15.0	15.0
Short term CP	192.6	
Bank facilities		
Roll over loans	847.5	1,328.1 (3)
Term loans	182.3	182.3
Others	11.9	4.6
Total	1,668.8	1,953.3

(1) At fair value

(2) At redemption value

(3) Uncommitted line of €60.0m not included

(4) Bonds and convertible bond at redemption value

- ☞ €473.3 M available under committed credit lines (4):
 - €192.6 M to cover short term CP
 - €236.4 M to cover debt maturities in 2012
 - €44.3 M credit lines
- ☞ Bank facilities: 62 % of financial debt
- ☞ Bond issues with maturity in 2013-2014
 - Fair value: € 262.2 M
 - Market value: €256.8 M
 - Redemption value: €250.0M
- Convertible bond with maturity in 2016
 - Market value: €157.3 M
 - Redemption value: €173.3M

Managing financial resources

☒ Actions undertaken to reinforce financial resources in 2011:

- Private placement of a 5-year convertible bond due 28.04.2016:
 - €173.3 million
 - 3.125% coupon
 - 15% conversion premium

- Optional dividend:
 - New opportunity of new Royal Decree on Sicafis
 - 2.97% discount vs. VWAP during subscription period
 - €31.0 million – 330,246 new shares
 - 37.7% of dividend coupons reinvested

☒ Standard & Poors' rating (January 18, 2011):

- Long term: BBB/Outlook stable
- Short term: A-2



Annexes

- Consolidated balance sheet
- Consolidated income statement

	30.09.2011	31.12.2010
Non-current assets	3,356,833	3,304,794
Goodwill	164,356	164,012
Intangible assets	960	1,427
Investment properties	3,110,231	3,041,916
Other tangible assets	950	539
Non-current financial assets	22,883	38,522
Finance lease receivables	57,410	58,349
Trade receivables and other non-current assets	43	29
Current assets	116,914	77,112
Assets held for sale	170	170
Current financial assets	14,816	9,227
Finance lease receivables	2,905	2,780
Trade receivables	22,563	18,864
Tax receivables and other current assets	18,903	22,137
Cash and cash equivalents	6,664	3,265
Deferred charges and accrued income	47,893	20,669
TOTAL ASSETS	3,473,747	3,381,906
Shareholders' equity	1,471,169	1,466,878
Shareholders' equity attributable to shareholders of parent company	1,459,926	1,459,781
Capital	814,226	796,528
Share premium account	312,327	513,093
Reserves	226,488	66,364
Net result of the financial year	106,885	83,796
Minority interests	11,243	7,097
Liabilities	2,002,578	1,915,028
Non-current liabilities	1,629,026	1,448,760
Provisions	17,927	19,234
Non-current financial debts	1,475,782	1,226,815
Other non-current financial liabilities	89,490	69,693
Deferred taxes	45,827	133,018
Current liabilities	373,552	466,268
Current financial debts	193,019	313,730
Other current financial liabilities	58,377	62,780
Trade debts and other current debts	86,145	62,631
Accrued charges and deferred income	36,011	27,127
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,473,747	3,381,906

Consolidated balance sheet
at 30.09.2011
(x €1,000)

	30.09.2011 9 months	30.09.2010 9 months
A. NET CURRENT RESULT		
Rental income net of rental-related expenses	142,130	146,713
Writeback of lease payments sold and discounted (non-cash)	15,702	13,124
Taxes and charges on rented properties not recovered	397	-151
Redecoration costs net of tenant compensation for damages	-1,202	-1,086
Property result	157,027	158,600
Technical costs	-2,774	-3,050
Commercial costs	-1,059	-1,175
Taxes and charges on unlet properties	-2,813	-2,698
Property result after direct property costs	150,381	151,677
Property management costs	-11,130	-10,830
Property operating result	139,251	140,847
Corporate management costs	-5,414	-4,671
Operating result (before result on portfolio)	133,837	136,176
Financial income (IAS 39 excluded) ¹	4,614	4,933
Financial charges (IAS 39 excluded) ²	-47,266	-51,508
Revaluation of derivative financial instruments (IAS 39)	2,727	-21,310
Taxes	-5,596	-4,600
Net current result³	88,316	63,691
Minority interests	65	-332
Net current result – Group share	88,381	63,359
B. RESULT ON PORTFOLIO		
Gains or losses on disposals of investment properties	4,920	3,092
Changes in fair value of investment properties	-16,201	-31,240
Other portfolio result ⁴	33,786	-172
Result on portfolio	22,505	-28,320
Minority interests	-4,000	-215
Result on portfolio – Group share	18,505	-28,535
C. NET RESULT		
Net result – Group share	106,886	34,824

Consolidated
income statement
at 30.09.2011 (9m)
(x €1,000)

Disclaimer:

This presentation is directed to financial analysts and institutional investors and is not to be considered as an incentive to invest or as an offer to acquire Cofinimmo shares. The information herein is extracted from Cofinimmo annual and half-yearly reports and press releases but does not reproduce the whole content of these documents. Only the French annual and half-yearly reports and press releases form legal evidence.



Together
in real estate

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