Cofinimmo

REGULATED INFORMATION
EMBARGO UNTIL 28.07.2011 – 8:00 AM

Press release rectifying a comment appearing in the press release of 01.07.2011 on the approval of Pubstone SA as institutional Sicafi and relating to the accounting treatment of the goodwill and its impact on the net asset value of the Cofinimmo share

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Brussels, 28.07.2011, 8:00 AM CET

This press release provides a correction of a comment appearing in the press release of 01.07.2011 relating to the approval of Pubstone as institutional Sicafi.

Upon the acquisition in 2007 of the shares in Immobrew SA (the former name of Pubstone SA), subsidiaries of public (i.e. listed) Sicafis were not allowed to opt for the Sicafi status and it was not planned to merge Pubstone into Cofinimmo, insofar as InBev intended to perpetually maintain a stake of 10% in the company. When the assets were booked in Cofinimmo’s consolidated accounts at fair value, a deferred tax on the unrealised gain was recognised, at the full corporate tax rate of 33.99%. A goodwill was recognised in the balance sheet equivalent to the amount of this deferred tax alongside with a goodwill corresponding to the amount of the transaction costs (transfer taxes of 10.0% or 12.5%, the properties having an individual value below €2.5 million) which was deducted from the investment value of the properties as determined by the real estate experts in order to book these at their fair value. These 2 goodwill components were then the subject of impairment tests at each closing date.

The Royal Decree of 07.12.2010 authorised subsidiaries of public Sicafis to adopt the institutional Sicafi status, in which case they are liable to pay an exit tax at the rate of 16.995% on the effective conversion date. Pubstone SA converted effective 30.06.2011.

At the beginning of financial year 2011, the deferred tax at the rate of 33.99% stood at €87.3 million while the provision for the payment of the exit tax at the rate of 16.995% to be recorded at 30.06.2011 reached €48.0 million.

When preparing the press release of 01.07.2011, based on the foregoing and in view of prudence, it was considered appropriate to reduce the goodwill by an amount equal to the difference between the deferred tax and the provision for exit tax. It subsequently appeared that such a deduction is not allowed by IAS 12 § 60. Therefore in the consolidated financial statements at 30.06.2011 this difference will be recognised as profit in the income statement and thus incorporated in the shareholders' equity, to a 90% extent for the Group share and 10% for the minority interests.

As a result, contrary to what had been announced in the press release dated 01.07.2011 which stated that the (revalued) net asset value of the Cofinimmo share would not be impacted by the conversion of Pubstone to institutional Sicafi, all other things remaining equal, the net asset value of the Cofinimmo share will be increased by €2.59 as a result of this conversion.

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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 30.06.2011, its total market capitalisation stood at €1.5 billion.

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