

OPTIONAL DIVIDEND MEMO TO COFINIMMO SHAREHOLDERS

I. SUMMARY OF OPTIONAL DIVIDEND PROCEDURE

I.1. FOR ORDINARY SHAREHOLDERS (BE0003593044)

- **Three options**

Shareholders may choose to exchange no. 24 coupons for:

- a cash amount;
- new ordinary shares;
- or a combination of the two (cash and new ordinary shares).

- **Issue price**

The issue price for new ordinary shares is €85.50

This price reflects the closing price on 13 May 2014 which stood at €91.51, of which was deducted the gross dividend of the ordinary share of €6.00, which results in an adjusted price of €85.51.

- **Exchange rate**

Holders of ordinary shares who wish to obtain a new ordinary share need to contribute 19 no. 24 net coupons.

I.2. FOR HOLDERS OF PREFERENTIAL I SHARES (BE0003811289)

- **Three options**

Shareholders may choose to exchange no. 13 coupons for:

- a cash amount;
- new ordinary shares;
- or a combination of the two (cash and new ordinary shares).

- **Issue price**

The issue price for new ordinary shares is €85.50.

This price reflects the closing price on 13 May 2014 which stood at €91.51, of which was deducted the gross dividend of the ordinary share of €6.00, which results in an adjusted price of €85.51.

- **Exchange rate**

Holders of preference I shares who wish to obtain a new ordinary share need to contribute 18 no. 13 net coupons.

In exchange for these 18 coupons, the shareholder will receive a new ordinary share, plus €0.495 in cash (after deduction of Belgian withholding tax).

I.3. FOR HOLDERS OF PREFERENTIAL II SHARES (BE0003813301)

- **Three options**

Shareholders may choose to exchange no. 12 coupons for:

- a cash amount;
- new ordinary shares;
- or a combination of the two (cash and new ordinary shares).

- **Issue price**

The issue price for new ordinary shares is €85.50.

This price reflects the closing price on 13 May 2014 which stood at €91.51, of which was deducted the gross dividend of the ordinary share of €6.00, which results in an adjusted price of €85.51.

- **Exchange rate**

Holders of preference II shares who wish to obtain a new ordinary share need to contribute 18 no. 12 net coupons.

In exchange for these 18 coupons, the shareholder will receive a new ordinary share, plus €0.495 in cash (after deduction of Belgian withholding tax).

II. FREQUENTLY ASKED QUESTIONS

- **What is an optional dividend?**

The optional dividend attached to Cofinimmo's ordinary and preference I and II shares gives shareholders the choice of being paid:

- in cash; or
- in new ordinary shares; or
- or in a combination of the two (cash and new ordinary shares).

N.B. The shareholder alone is solely responsible for deciding between these options.

- **What is payment of the dividend in shares?**

Shareholders who opt for payment of their dividend in shares receive a whole number of new ordinary shares, plus an amount in cash for preference shareholders.

- **Why is Cofinimmo offering an optional dividend?**

The decision by the Board of Directors dated 7 May, 2014 to offer an optional dividend and carry out a capital increase up to the total amount of dividends received from shareholders is part of a policy to optimise management of the company's equity and cash-flow. It makes it possible to form closer links with shareholders by allowing them to subscribe to new ordinary shares in the company.

- **Who benefits from the optional dividend and is therefore entitled to subscribe to Cofinimmo's new ordinary shares?**

All shareholders with a sufficient number of coupons with the following numbers:

- For the ordinary share: coupon no. 24;
- For the preference I share: coupon no. 13;
- For the preference II share: coupon no. 12.

This option is not open, however, to shareholders residing in any country in which legislation requires registration, authorisation or any other formality to be carried out in relation to the local authorities. Shareholders residing outside Belgium must therefore ensure they are informed about any applicable local restrictions and comply with them. Cofinimmo explicitly reserves the right not to accept orders from shareholders residing outside Belgium.

If the shares are subject to a usufruct, the choice shall be made (and, in the case of the option of a dividend payment in shares, the new ordinary shares acquired) by the usufructuary.

N.B. Shareholders expose themselves to the risk of dilution if they choose to have their dividend paid in cash or if they only convert some of their coupons into shares, as well as if they fail to express a choice during the subscription period.

- **How many new ordinary shares are being issued?**

It is not possible to determine the number of ordinary shares which will be issued since this depends on the number of coupons presented by shareholders to be exchanged for new shares. The Board of Directors has decided that for this share capital increase (authorised capital) the total contribution in kind of receivables shall not exceed € 79,583,153.12.

- **When should I subscribe to the new ordinary shares?**

The subscription period lasts from 22 May, 2014 until 2 June, 2014 at 4pm.

Payment of the dividend in cash and/or delivery of new ordinary shares will take place on 6 June, 2014.

- **What will happen to my coupons if I have not subscribed by the deadline?**

Shareholders who have not submitted their no. 24, 13 and/or 12 coupons, as relevant, by 2 June, 2014 at 4pm, for exchange against new ordinary shares, shall no longer be entitled to new shares and their dividend shall be automatically paid in cash.

- **How has my contribution (dividend receivable) been calculated?**

Net dividend receivables in respect of the company, to be contributed to Cofinimmo's share capital if the shareholder opts for dividends in shares, have been valued at their nominal value, i.e. the amount of the net dividend approved by the General Meeting on 14 May, 2014:

- either a net dividend of €4.50¹ per ordinary share;
- or a net dividend of €4.7775² per preference share (I and II).

For shareholders able to demonstrate exemption from withholding tax, the difference between the net and gross amounts will be paid in cash. This difference is therefore not included in the valuation of the contribution.

- **What is the proposed issue price for a new ordinary share and how has it been determined?**

The issue price for a new ordinary share has been set at €85.50.

¹ Corresponding to a gross dividend, before Belgian withholding tax of 25%, of € 6.00. For information on exemptions, shareholders are asked to contact their financial institution.

² Corresponding to a gross dividend, before Belgian withholding tax of 25%, of € 6.37. For information on exemptions, shareholders are asked to contact their financial institution.

- **How many coupons do I need to contribute to obtain a new ordinary share?**

Shareholders subscribe to a new ordinary share by:

- contributing 19 net no. 24 coupons for ordinary shareholders; or
- contributing 18 net no. 13 coupons for preference I shareholders; or
- contributing 18 net no. 12 coupons for preference II shareholders.

This exchange rate has been determined as follows:

Ordinary share: issue price of €85,50/net dividend of €4,50 = 19 coupons for one new ordinary share.

Preference share (I or II): issue price of €85,50/net dividend of €4,7775 = 17.89 coupons for one new ordinary share. The result of this calculation is rounded up to the next whole number, i.e. 18 coupons. The share of the receivable dividend which, after rounding up, is not contributed to the company's capital, corresponding to €0,495, shall be paid in cash.

You will find attached as an appendix a few examples illustrating the number of new shares and any cash adjustments to which shareholder are entitled.

- **What happens if I do not have the required number of coupons to subscribe to a new ordinary share?**

Shareholders who do not have the required number of coupons to subscribe to a new ordinary share will receive their dividend in cash. It is not possible to supplement dividend entitlements with a contribution in cash. These shareholders therefore face a risk of dilution.

Furthermore, coupons 24, 13 and 12 will not be publically listed. This means shareholders will not be able to acquire these coupons on the stock market.

- **Can I combine my ordinary and/or preference coupons?**

Shareholders who have both ordinary shares, preference I shares and/or preference II shares will not be able to consolidate their shares.

- **In what form can I contribute my coupons?**

Coupons linked to ordinary shares issued in registered form (recorded in the Company's share register) must be contributed in registered form.

Coupons linked to ordinary shares issued in dematerialised form (registered in a securities account) must be contributed in dematerialised form.

Preferential I and II shares are exclusively registered. Coupons no. 13 and 12 therefore need to be supplied in this form.

- **In what form will the new ordinary shares be issued?**

The new ordinary shares will be issued in registered form if the coupons presented are registered.

N.B. Shares subscribed by usufructuary shareholders will be registered in their name.

The new ordinary shares will be issued in dematerialised form if the coupons presented are dematerialised.

- **How will these new ordinary shares be sent to me?**

New registered ordinary shares will be transferred to the shareholder by recording them in Cofinimmo SA's register of shareholders.

The new dematerialised ordinary shares will be transferred to the shareholder by recording them in the relevant securities account.

- **What taxes apply to this operation?**

The fiscal preview set out below is based on Belgian legislation applicable on the date of this memo. It does not take account of foreign tax legislation. Neither is it an exhaustive summary covering the particular situation of specific investors. Potential investors are advised to consult a tax advisor to find out about the specific tax implications of their personal situation.

The tax applicable to the dividend results from the tax reforms covering income from securities (bill dated 27 December, 2012 which came into force on 1 January, 2013).

In principle, the fact that shareholders are able to choose between an amount in cash or in new ordinary shares has no effect on the tax applicable to the dividend.

A withholding tax of 25% on the total gross dividend will be retained at source by Cofinimmo, unless the shareholder can demonstrate entitlement to a specific exoneration. In principle, the withholding tax of 25% is a flat-rate tax on the transaction for individuals investing in a private capacity, entities subject to corporation tax and non-residents who have not allocated the shares as part of a professional activity in Belgium.

For taxpayers subject to corporation tax, the withholding tax of 25% is not a flat-rate tax. These companies must declare gross dividends and will be subject to corporation tax at the rate of 33.99% (except in circumstances where a reduced rate applies).

Any investors benefitting from an exoneration or reduction in the rate of withholding tax, pursuant to a provision of domestic law or a double taxation agreement, must provide the necessary declarations, in accordance with the law and the administrative requirements, to the financial institution with which the dematerialised shares are held, or Banque Degroof if the shares are held in registered form, at the latest by 31 May, 2014.

- **What fees apply to this subscription and who pays them?**

All administrative and legal fees relating to the capital increase are covered by the company.

- **Will the new ordinary shares be listed on the stock exchange?**

The new ordinary shares will be listed on NYSE Euronext Brussels with coupon no. 25 attached, from 6 June, 2014.

- **When will the new ordinary shares be included in the company's results?**

The new ordinary shares will be included in the company's results from 1 January, 2014.

- **Under what circumstances can this operation be cancelled or suspended by Cofinimmo?**

The Board of Directors has delegated joint powers to two directors, who are members of the Management Committee, to suspend or cancel the capital increase, if, during the period from 7 May, 2014 to 9 May, 2014 inclusive, the share price on NYSE Euronext Brussels increases or decreases by more than 15% compared with the closing price on 14 May, 2014 or if, during the period from 9 May, 2014 to 2 June, 2014 inclusive, an event occurs of an exceptional nature or a nature that is likely to unfavourably influence the capital markets in a significant way.

- **Additional information**

This memo is also available from the website www.cofinimmo.com.

The Board of Directors' special report dated 7 May, 2014 and the Auditor's special report are available from the website www.cofinimmo.com.

- **Contacts**

- * For shareholders with dematerialised shares: the financial institution which manages your shares.

- * For shareholders with registered shares:

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APPENDIX: EXAMPLES

The exchange of coupons for new shares is based on the net dividend.

- **Example 1: Shareholder 1 with 95 ordinary shares with 95 coupons attached**

Shareholder 1 may exchange 95 no. 24 coupons for either:

- €427.50 (95 x €4.50) paid in cash; or
- 5 new ordinary shares; or
- 4 new ordinary shares + 19 x €4.50 = €85.50; or
- 3 new ordinary shares + 38 x €4.50 = €171.00; or
- 2 new ordinary shares + 57 x €4.50 = €256.50; or
- 1 new ordinary share + 76 x €4.50 = €342.00.

- **Example 2: Shareholder 2 with 31 ordinary shares with 31 coupons attached**

Shareholder 2 may exchange 31 no. 24 coupons for either:

- €139.50 (31 x €4.50) paid in cash; or
- 1 new ordinary share + €54.00.

- **Example 3: Shareholder 3 with 36 preference II shares with 36 coupons attached.**

Shareholder 3 may exchange 36 no. 12 coupons for either:

- €171.99 (36 x €4.7775) paid in cash; or
- 2 new ordinary shares + €0.99 (share of the non-contributed dividend receivable); or
- 1 new ordinary share + €0.495 (share of the non-contributed dividend receivable) + 18 x €4.7775 = €85.995