

A decorative graphic on the left side of the slide, composed of numerous overlapping circles in various colors including blue, green, orange, purple, and pink, creating a colorful, abstract pattern.

Cofinimmo: Investing in diversified listed real estate

by Marc Hellemans, CFO

Tour & Taxis, November 16th, 2013



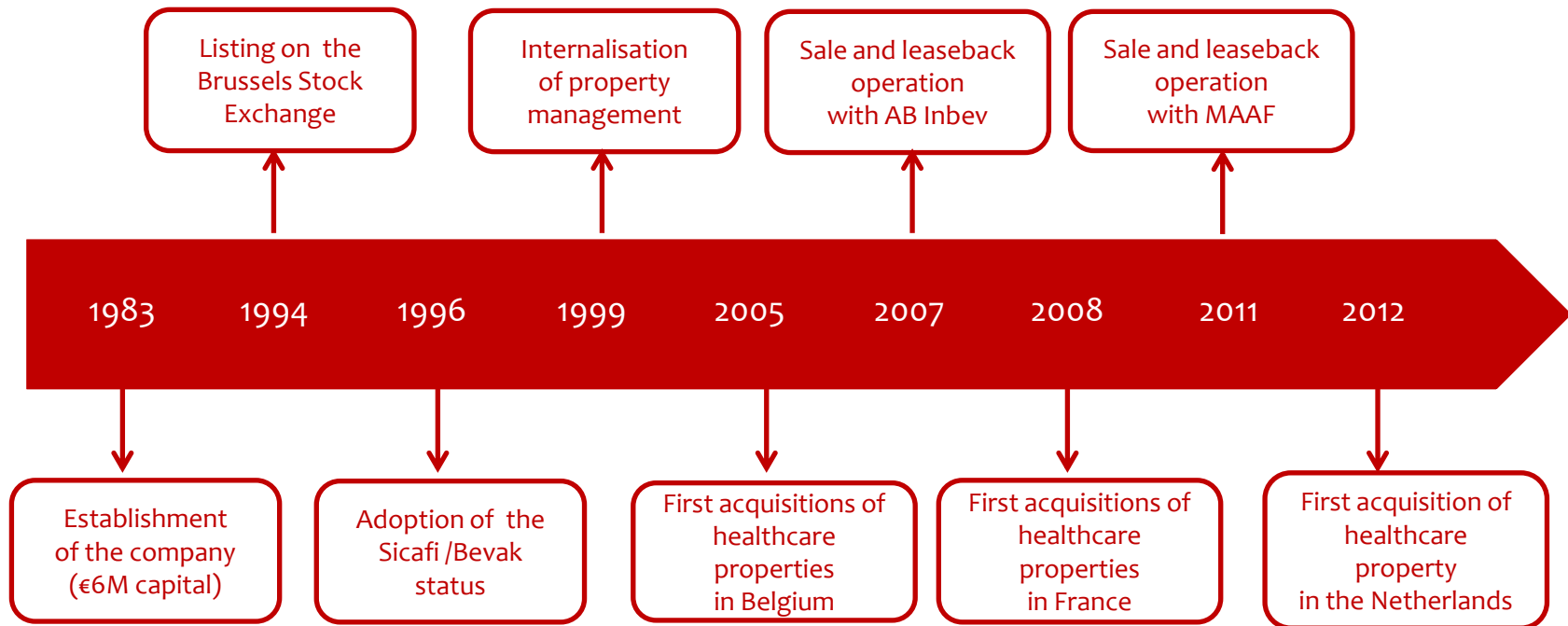
Cofinimmo in a nutshell

- **Leading Belgian listed real estate company**, exposed to:
 - The **office property** market in Brussels,
 - **Healthcare real estate** in Belgium, France and the Netherlands,
 - **Property of distribution networks** in Belgium, France and the Netherlands,
 - **Public-Private Partnerships** in Belgium.
- **Fair value of the total portfolio** at 30.09.2013: €3.3 billion
- **Internal real estate management**: 110 employees
- **SICAFI/BEVAK** status in Belgium, **SIIC** status in France and **FBI** status in the Netherlands
- Included in **BEL20, Euronext 150 and EPRA Europe indexes**
- **Total market capitalisation** at 30.09.2013: €1.54 billion





Track record





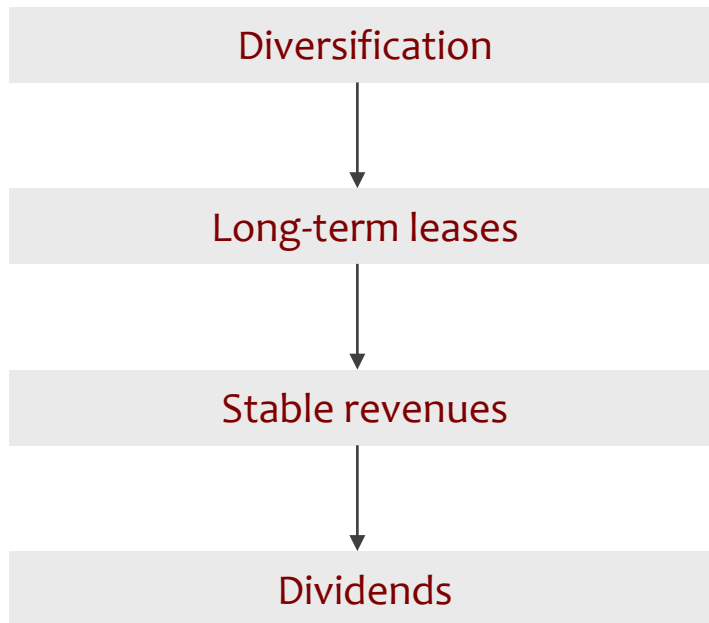
What is a SICAFI/BEVAK?

- **Société d'Investissement à Capital Fixe Immobilière**
Vastgoed Beleggingsvennootschap met Vast Kapitaal
- **Goal:** to promote collective placement in real estate
- Under surveillance of the **FSMA** (Financial Services & Markets Authority)
- **Specific legislation:**
 - Quoted on the stock exchange;
 - Debts limited to 65% of total assets at market value;
 - Portfolio accounted for at market value, without depreciation: quarterly valuation of the portfolio by independent real estate experts;
 - Risk diversification: max. 20% of the portfolio invested in one single site;
 - Exemption from corporate tax if min. 80% of results are distributed;
 - 25% withholding tax on dividends paid.
- **Equivalent regimes abroad:**
 - SIIC (Société Investissement en Immobilier Cotée) in France;
 - FBI (Fiscale Beleggingsinstelling) in the Netherlands.



Our mission

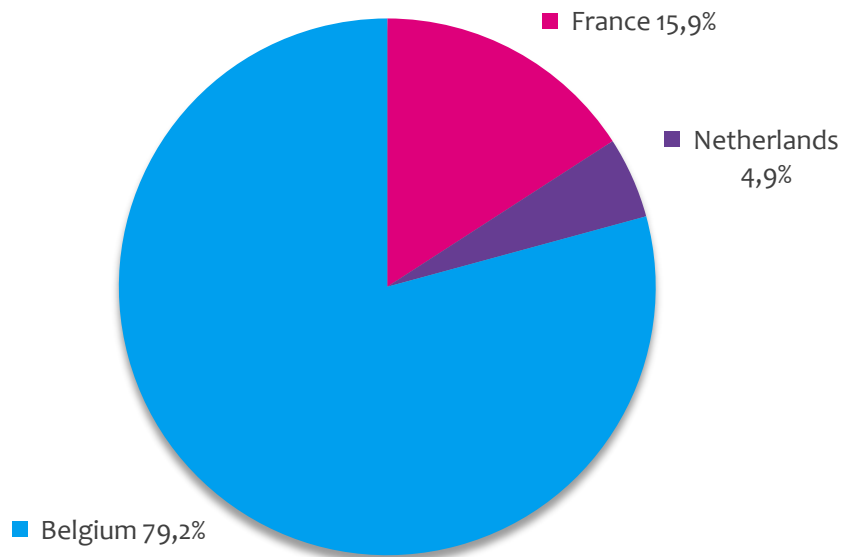
To transform rents into dividends



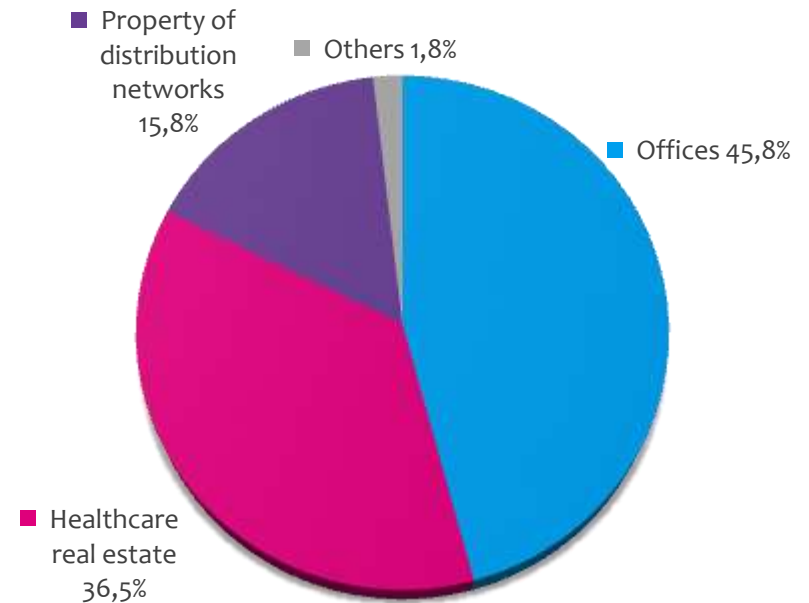


Breakdown of assets by country and by segment

Breakdown of portfolio by country
at 30.09.2013 (in fair value)



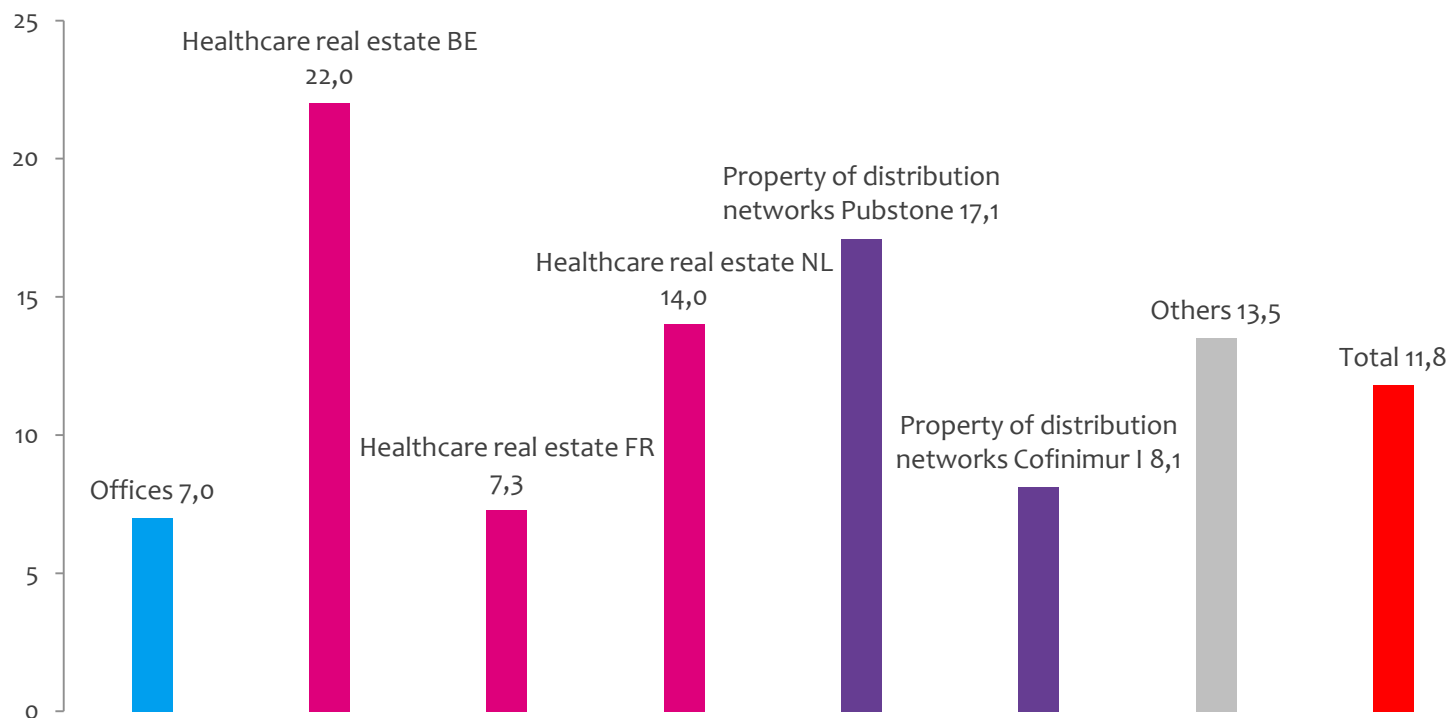
Breakdown of portfolio by segment
at 30.09.2013 (in fair value)





Occupancy rate and residual lease length

- **Occupancy rate of total portfolio** at 30.09.2013: 95.45%
- **Average residual lease length** (until the first break option by the tenant) at 30.09.2013: 11.8 years





Offices



Omega Court - Brussels



Loi 56 - Brussels



Serenitas - Brussels



Meeus 23 - Brussels



Souverain 23-25 - Brussels

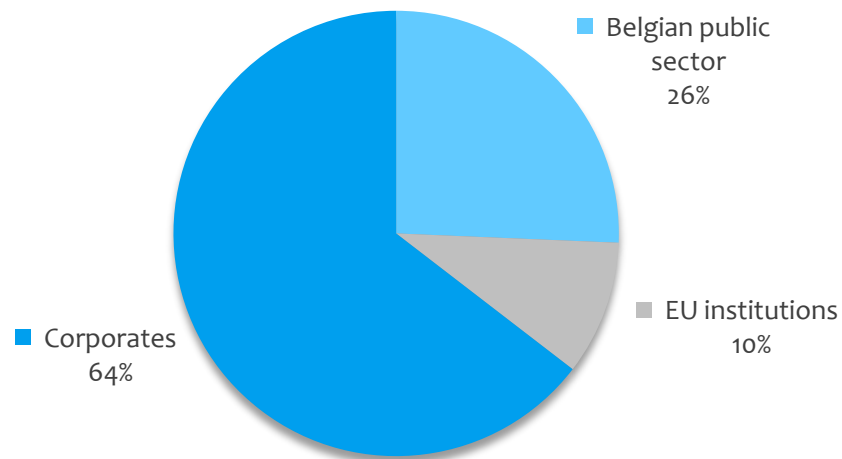


North Galaxy - Brussels



Office Portfolio

- **Fair value of office portfolio at 30.09.2013: € 1,529 billion**
- **88.6% of offices located in Brussels**
- **Occupation rate of the office portfolio at 30.09.2013: 91.54%**
> vs. 89.2% for the Brussels office market (source: DTZ Research)
- **Main clients/tenants (in contractual rents) at 30.09.2013:**



> 36% of the contractual rents of the office portfolio come from tenants belonging to the Belgian or EU institutions



Offices reconversion projects

Reconversion of 2 office buildings into apartment buildings.



Livingstone 1 (16,000m²)

- Reconversion into 125 apartments;
- Start of works: February 2013;
- End of works: beginning of 2015;
- At end October 2013, 40% of the apartments have a purchase agreements or have been reserved;
- Sale price of the apartments: +/- €3,500/m².



Woluwe 34 (7,000m²)

- Reconversion into 69 apartments;
- Start of works: July 2013;
- End of works: beginning of 2015;
- At end October 2013, 71% of the apartments have a purchase agreement or have been reserved;
- Sale price of the apartments: +/- €3,350/m².



Healthcare real estate



La Goélette – Equeurdreville Haineville (FR)



Hélio Marin – Hyères (FR)



La Cambre – Brussels (B)



Prinsenpark – Ghent (B)



Healthcare real estate portfolio (1)

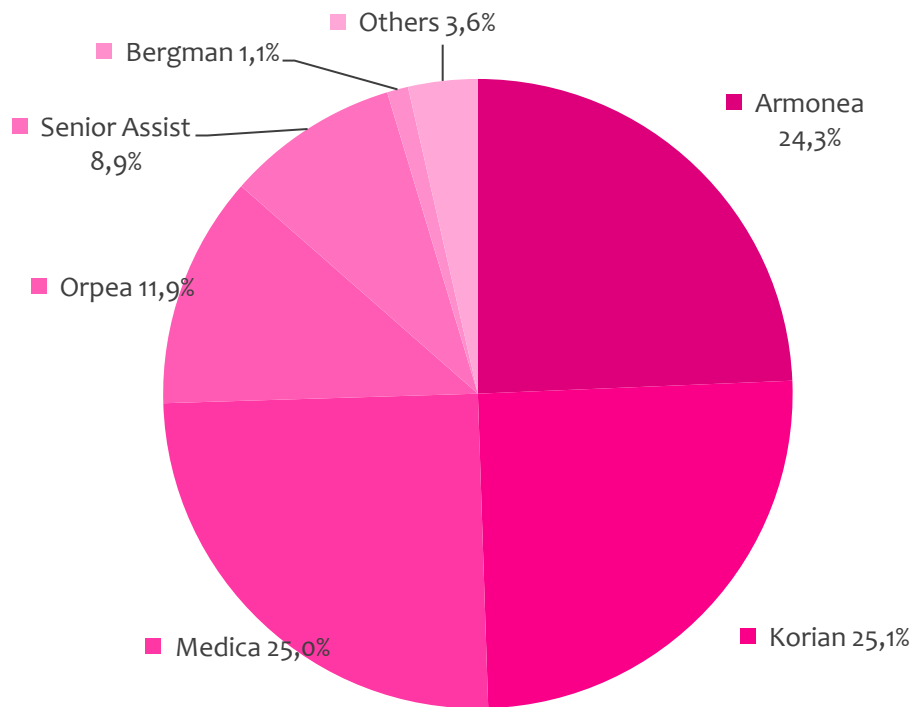
- At 30.09.2013:
 - **Number of healthcare assets in portfolio:** 70 in Belgium, 57 in France and 1 in the Netherlands
 - **Number of beds in portfolio:** 8,530 in Belgium, 4,757 in France and 39 in the Netherlands
 - **Fair value of the healthcare real estate portfolio:** €1,218 million
- **High barriers at entry** for competitors due to the quotas on the number of authorised beds per geographical location





Healthcare real estate portfolio (2)

Breakdown of healthcare real estate assets by operator at 30.09.2013 (in contractual rents)



- Long-term leases:
 - 27 years in Belgium,
 - 12 years in France,
 - 15 years in the Netherlands.
- Fixed rents indexed annually
- Leases signed with group operator
- Solvency of tenants supported by the intervention of Social Security in their revenues: 50% in Belgium and up to 30% in France
- Limited maintenance obligation

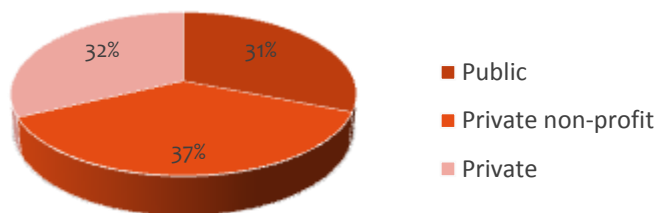


Healthcare Market

Significant demand potential for nursing homes beds due to demographic trends

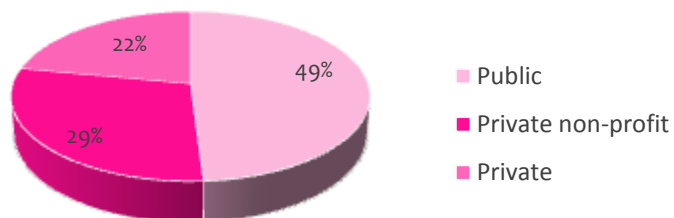
Actual capacity in Belgium: 131,000 beds

Distribution of beds in Belgium

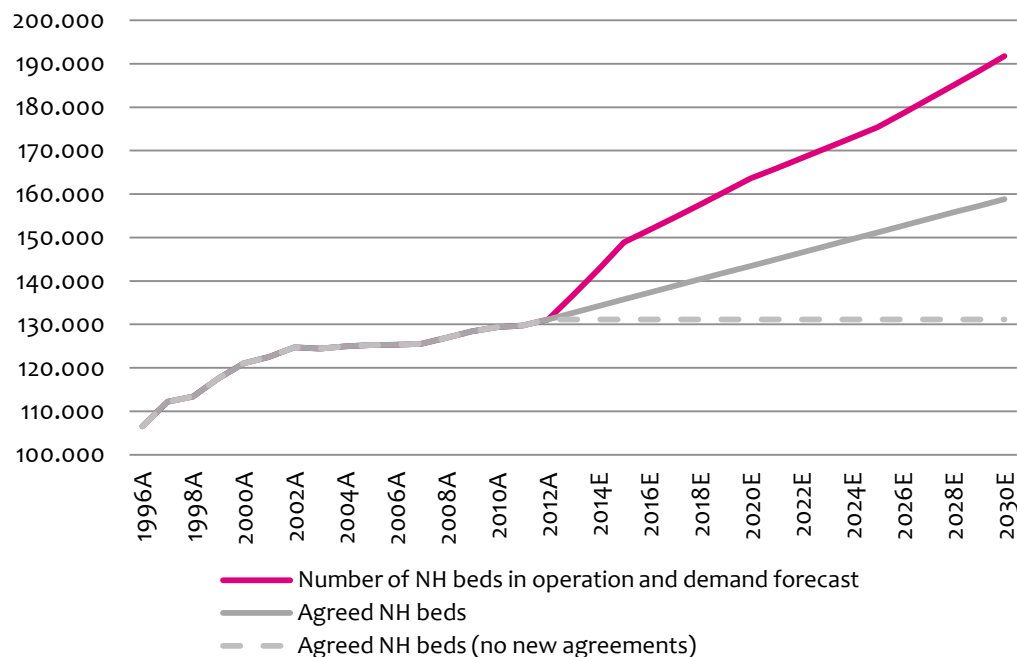


Actual capacity in France: 560,000 beds

Distribution of beds in France



Demand and capacity forecast in Belgium



For Belgium, at the current beds allocation rate, the average yearly deficit of 1,830 beds cumulates to a total gap of over 36,000 beds by 2030.

Sources: DTZ, INAMI/RIZIV, Medica - 2012

Property of distribution networks





Property of distribution networks (1)

- At 30.09.2013:
 - **Surface of the portfolio of distribution network properties:** 423,639m²
 - **Fair value of the portfolio of distribution network properties:** €528 million
- **Characteristics** of the distribution network properties:
 - Sale and leaseback transactions;
 - Strategic distribution networks for the activity of the tenant;
 - Long-term leases;
 - Low rental levels and attractive acquisition prices per m²;
 - High visibility locations;
 - If vacated, large range of alternative uses (residential, retail,...);
 - If vacated, these assets are attractive for local private investors (affordable amounts to be invested);
 - Granularity (small individual units): the risk of having incorrectly estimated the value on divestment is low.



Property of distribution networks (2)



Pubstone:

- At the end of 2007, acquisition of a portfolio of pubs from AB InBev
- 819 pubs in Belgium and 245 pubs in the Netherlands
- 1 tenant: AB InBev – no direct relationship with the pub operators
- Initial lease length: 23 years
- Fixed rent, indexed annually

Cofinimur I:

- At the end of 2011, acquisition of a portfolio of insurance agencies from MAAF
- 263 insurance agencies, 15 office buildings and 3 mixed-use buildings, all located in France
- 1 tenant: MAAF
- Initial lease length: 9.7 years
- Fixed rent, indexed annually





Public-Private Partnerships (1)

In a context of demographic growth, increasing need for **purpose-built facilities for public authorities:**

- Police stations, prisons,
- Schools, student housing,
- Public nursing homes,...

One of the options tailored to these needs is the **Public-Private Partnership:**

- Long-term leases with public authorities – no residual value;
- Long-term maintenance obligation;
- Public tenders;
- Financing: banks and insurance companies.

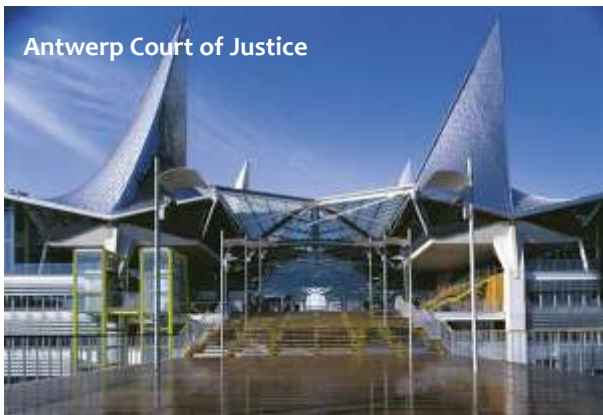




Public-Private Partnerships (2)

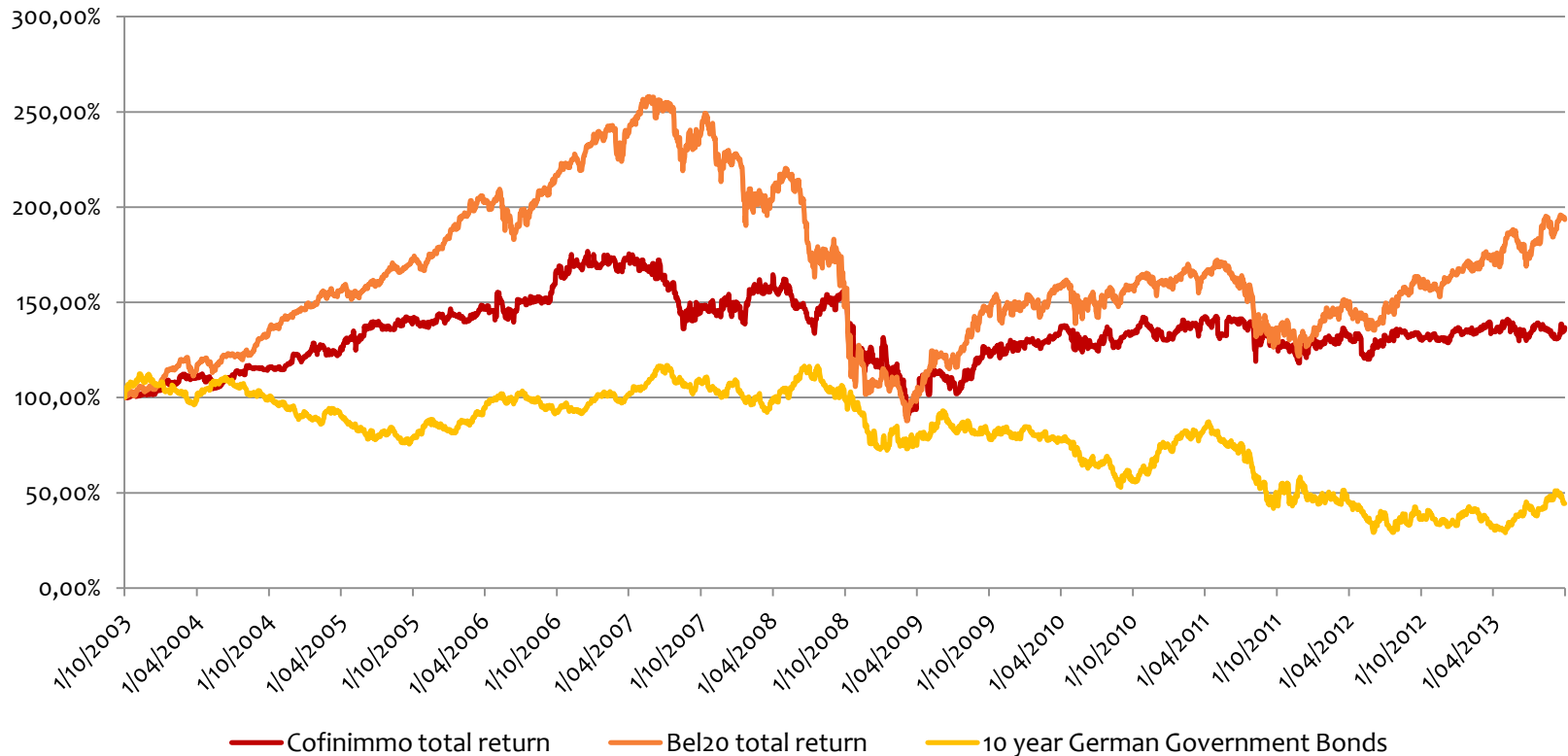
Cofinimmo's public-private partnerships:

- **5 up and running:**
 - Antwerp Court House;
 - Antwerp Fire Station;
 - HEKLA Police Station;
 - Dendermonde Police Station;
 - Student housing in Brussels.
- **1 under construction:**
 - Prison in Leuze-en-Hainaut.





Share performance



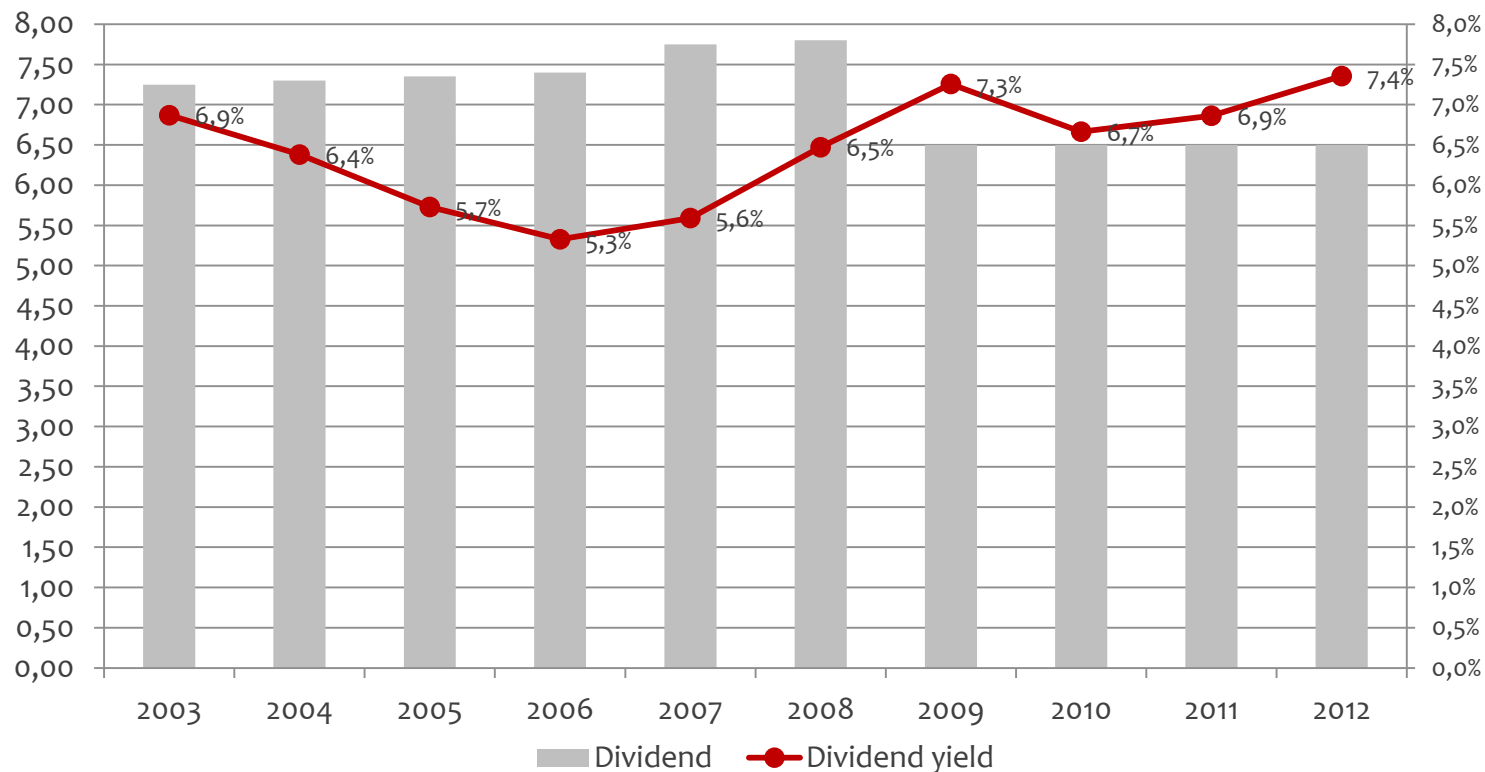
- 10Y Total Return of +36.8%, vs. -55.5% for 10Y German Government Bond
- Low volatility vs. Bel20



Dividend

2013 dividend, payable in June 2014: €6.00 gross (€4.50 net) per ordinary share.

Dividend and dividend yield 2003 - 2012:





Why invest in listed real estate? (1)

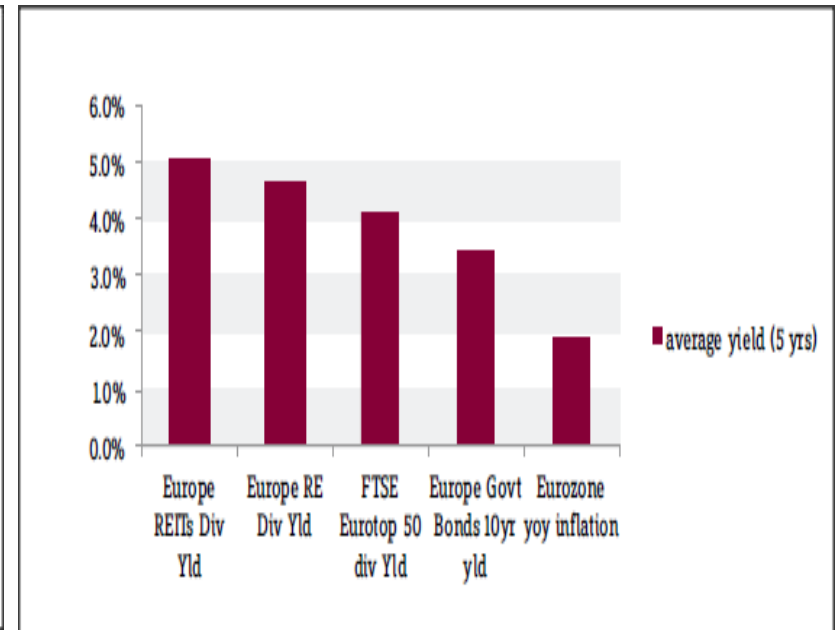
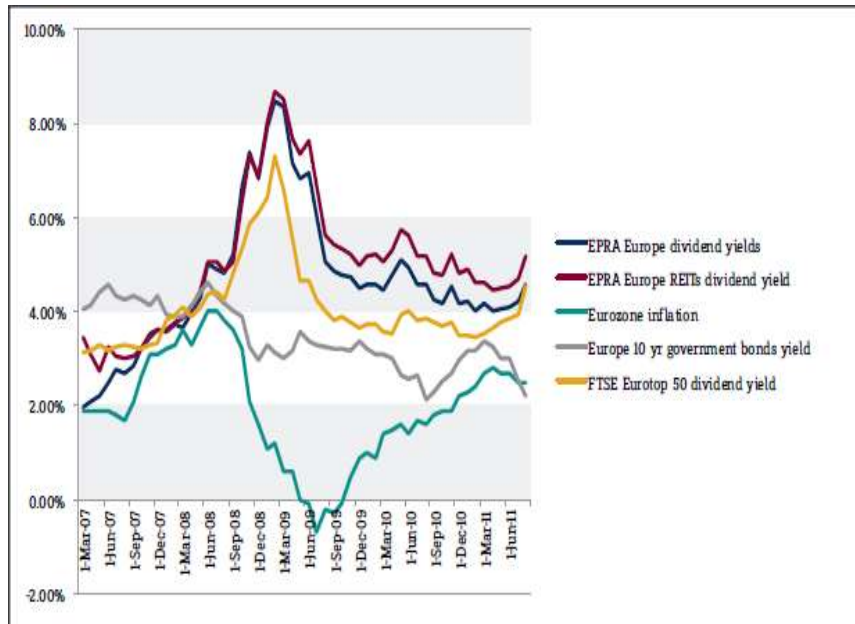
- Possibility to invest in real estate even with limited capital
- Limited transaction costs
- Access to an entire portfolio vs. only 1 or a few assets
- More liquid investment than a direct investment in real estate
- Better spreading of risk
- Professional real estate management





Why invest in listed real estate? (2)

- Between 2007 and 2011, EU REITs generated an average dividend of 5.1%, vs. :
 - General equities: 4.1%;
 - Government bonds: 3.3%;
 - Average annual inflation in the EU zone: 2.0%.
- REITs have a tendency to distribute more important dividends than non-REITs because of their legal obligation to distribute an important part of their result to their shareholders.



Source: EPRA



Why invest in Cofinimmo?

1. High dividend yield
2. Defensive profile
3. Long-term cash flows
4. Indexed leases
5. High occupancy rate
6. Experienced management team
7. Internal property management
8. Portfolio of diversified assets (offices, healthcare real estate, property of distribution networks and Public-Private Partnerships)
9. Diversified geographical presence (Belgium, France and the Netherlands)
10. Advantageous tax regime (Sicafi/Bevak in Belgium, SIIC in France and FBI in the Netherlands)



Q & A





Disclaimer

together in real estate

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