COFINIMMO CAPITAL INCREASE: FREQUENTLY ASKED QUESTIONS

SUBSCRIPTION TO THE OFFERING

Q1: What is the purpose of the offering?

The net proceeds from the capital increase, provided it is fully subscribed, should amount to approximately €281. These funds will be allocated to the investments already planned by Cofinimmo for 2015 to 2017; they should also allow Cofinimmo to strengthen its balance sheet structure in order to pursue its growth, in the context of its committed investment program 2015-2017 (amounting to €250 million) and the strategic priorities which the Group has set for itself.

Q2: What is offered to Cofinimmo's shareholders?

Cofinimmo offers to its shareholders to subscribe new shares at a price of €95 per share, by exercising 6 Preferential Rights for 1 new share.

Q3: What is a Preferential Right?

The Preferential Right protects the interest of the shareholders of a company raising capital as it allows to either maintain their ownership percentage in the capital of the company (by using the Preferential Right to subscribe new shares) or to receive a financial compensation for the decrease in their ownership percentage in the capital of the company (by selling the Preferential Right).

The Preferential Right is detached from the existing shares of the company after market closing the day before the first day of the subscription period. In the context of Cofinimmo's current capital increase, only the Preferential Rights of the ordinary shares can be traded on the stock market.

The Preferential Right allow the shareholders either to preferentially subscribe new shares with a discount to the share price before the transaction, or to receive a financial compensation by selling the Preferential Right.

Q4: What is the timetable of the offering?

The subscription period for the new shares is expected to start on 22 April 2015 at 9.00 am CET and end on 6 May 2015 (by 4.00 pm CET)

Q5: What is the dividend attached to the new shares?
The new shares shall only be profit sharing as from the closing date (on or about 12 May 2015) i.e. the new shares will be entitled to the dividend of the current financial year (started on 1 January 2015) to be declared by the general shareholders' meeting of 2016 calculated pro rata temporis as from the closing date until 31 December 2015. The new shares will be issued with coupon n° 28 attached, i.e. the coupon representing the right to a dividend for the second part of the current financial year starting on the closing date until 31 December 2015.

RISKS

Q1: Please enumerate the main risks identified by the management Cofinimmo?
Please refer to the risks sections of the prospectus.
The most important risks are:
1. Vacancy and market rent levels in all markets where Cofinimmo is present;
2. Interest rate levels at the time hedges in place come to an end;
3. Counterparty solvency (tenants and others);
4. Regulatory and fiscal changes.

STRATEGY

Q1: In Healthcare, and senior housings in particular, how does Cofinimmo explain that the German/Dutch markets seem less developed in terms of institutional investors focussing on such RE assets? Do these markets present higher risks than in Belgium/France?
These markets show significant differences a.o. in public vs. private pay, regulations and, more importantly, concentration of healthcare operators. The concentration is highest in France and Belgium. It is lowest in the Netherlands and intermediary in Germany, for the segment of elderly care for dependent persons. Institutional investors are active for real estate assets in all these countries however.

Q2: Does the company intend to invest in a new real estate segment, outside offices, healthcare and distribution networks/PPPs?
No considering that these categories are fairly broad.

Q3: Will Cofinimmo consider expanding its business to real estate development?
No, but for its own portfolio. The RREC legislation prohibits real estate development.

Q4: Does the company intend to invest in other European countries (beyond Belgium, France, the Netherlands and Germany)? Why (not)?
Not at this point in time. The four jurisdictions offer sufficient opportunities and no active prospection work is undertaken in another country. But an unexpected opportunity may always be brought to our attention.

Q5: Does the company envisage an important strategic alliance with another REIT in Belgium / in Europe?
No.

Q6: How does the management of Cofinimmo see the further evolution of the office segment?
As a result of the new ways of working and of the need for more efficient buildings, Cofinimmo anticipates a progressive contraction of the share of its total portfolio dedicated to offices but also a steady reinvestment in the facilities (reconstruction or renovation) to improve and upgrade the assets in terms of flexibility for the occupants as well as energy performances.

Q7: There has been a significant evolution towards an increase in healthcare real estate assets instead of office real estate assets. Has the management a specific target ratio (% healthcare and %office) of the portfolio in mind?
Yes, healthcare properties should increase from 40 to 47 % and offices decrease from 41 to 36 % by the end of 2017.

Q8: With regard to the investment pipeline: how does the company intent to finance these? Will they be financed by equity and/or debt? What is the target ratio the management has in mind?
The pipeline of committed investments reaches M€250 over 2015-2017 and is 100% covered by the expected net proceeds from the capital increase. The uncommitted acquisitions are expected to reach M€600 over the same period, of which M€250 financed by disposals and the remainder by debt as well as by the proceeds of optional dividends in shares likely to be offered again in 2016 and 2017.

Q9: The company has planned a total amount of €250m over the time horizon 2015 – 2017. What investments are planned to be realized in 2015? As of when will they generate cashflows?
Very few projects of the M€250 pipeline of committed investments will be completed in 2015, and even fewer early enough in 2015 to deliver a significant additional cash flow in the year 2015. Certain uncommitted acquisitions – if they effectively materialize – might deliver additional cash flow in the second half of 2015.

DIVIDEND

Q1: To compensate for the higher amount of shares resulting from the rights issue, Cofinimmo will have to increase the pay-out ratio to maintain a stable dividend per share of €5.50 for the year 2015, payable 2016. What will be the pay-out for the year 2015, and what will be the policy going forward?

As we see it today the dividend pay out on net consolidated current result per share (excluding IAS 39 impact) for 2015 will be €5.50/€5.93 = 92.7%. However, investments or divestments other than those committed may take place already in 2015 and may influence the net current result of year 2015 and impact this ratio.

The Company as a matter of policy has not made and will not make public a forecast beyond any current year. A forecast is published every month of February for the dividend payable in June of the following year, i.e. providing dividend guidance over 16 months, which is reasonable in the Board's opinion. Hence, the pay out ratio of future years cannot be predicted. However, the Company intends to maintain a steady level of pay out from current earnings as, by the way, is required by its status of SIR/GVV.

Q2: Will the dividend of the new shares benefit from any reduced withholding tax? What is the dividend yield expected for new shareholders for the year 2015? Can you please elaborate again to which dividends an old and new shareholder is entitled?

No, under the current tax rules. For a new shareholder, the dividend yield in 2015 is €5.50 * (days from Closing to Dec. 31 2015 / 365) divided by the sum of the subscription price of €95 and the cost of acquiring the rights on Euronext or the scrips in the ABB. For the existing shareholder who subscribes, it is €5.50 divided the weighted average of the acquisition price of the shares he or she already owns and the subscription price of the new share, the weighting being the ratio of existing to new shares in the offering.

FINANCIALS

Q1: In terms of interest rate hedging, given the very low rate environment, does the company intend to re-enter into derivatives to limit financing costs? And what are the risks related to such derivatives instruments?

Cofinimmo's policy is to cover forward interest rate risks on a rolling basis and the very low level of future rates entices to extend the hedging horizon. Derivative products (IRS or Collars) are an option like fixed rate debt in this respect. Derivative products are marked-to-market under IAS 39 but B-REITs are excluded from the scope of EMIR and, consequently, do not have to borrow in order to respond to margin calls when these derivatives turn negative.

Q2: How will the company intend to potential dilution related to the outstanding convertible bonds?
The company has the option to settle the convertible bonds in cash or shares at its own choice and in the proportion it chooses. If it has sufficient investment projects when conversions are requested by the bondholders, it will deliver shares; if it is not the case, it will rather deliver cash. This would minimize the dilution or even potentially create a relution, depending on the profitability of the investments. The conversion price of one of the CBs is currently in the money, the other not.

Q3: The company has recently issued M€190 bonds? Doesn't the company become too leveraged? What is its policy going forward with respect to LTV?
The policy is to keep the debt ratio (as defined by the law governing SIR/GVV) under 50%.

Q4: Isn't the size of the capital increase too large in view of the immediate reinvestments? Will the market be able to absorb this new issue?
No, the size is right considering the committed investment pipeline for 2015-2017, as well as the uncommitted investments for which Cofinimmo sees an opportunity in the market over the same period.