

Letter to the Shareholders

APRIL 2016

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Dear Shareholders,

During 2015, Cofinimmo's operational and financial teams carried out a number of assignments and transactions that are fully in line with the Group's strategic priorities:

Management of the existing portfolio and commitments:

The Group completed various healthcare real estate construction projects (in particular the Noordduin and Tillens Residence nursing homes in Koksijde and in Brussels), as well as various office building renovation (Guimard 10-12) and reconversion (Woluwe 34 and Livingstone I) projects. The redevelopment of other buildings in the portfolio (in particular the Woluwe 106-108 and Belliard 40 office buildings and the Tenreuken site) also received special attention. A number of mature assets were also sold (mainly the Livingstone II office building and Silverstone nursing home portfolio), generating gains of 22.4 million EUR.

New commitments made in healthcare real estate abroad:

Since the capital increase in May, Cofinimmo has entered into new agreements in healthcare real estate in Germany and the Netherlands for 115.8 million EUR. The assets involved are varied (sport and wellness centres, medical office buildings, revalidation clinics, etc.), thus increasing the

diversification of the healthcare real estate portfolio. Initial gross rental yields stand between 7.2% and 8.3%.

Active debt management:

In 2015, in a volatile financial environment, the Group took advantage of favourable market conditions to refinance bilateral and syndicated bank loans (for a total of 749 million EUR) and carry out a private placement of bonds (for 190 million EUR). Interest rate hedging instruments were restructured: the last COLLARs were cancelled, and new Interest Rate Swaps were entered

into. Consequently, the average cost of debt dropped from 3.4% in 2014 to 2.9% in 2015 and its maturity was extended from 3.4 years to 5.3 years between the end of 2014 and the end of 2015. ●

Thanks to the 285.4 million EUR capital increase completed in May 2015 and the sale of various assets in 2015 for 225.0 million EUR, Cofinimmo Group's consolidated debt ratio stood at 38.6% as at 31.12.2015. The Group therefore has a significant investment capacity at the end of 2015, allowing it to fund its growth strategy in healthcare real estate abroad and its office redevelopment programme.



Jean-Edouard CARBONNELLE
CEO

André BERGEN
Chairman of the Board of Directors

PERFORMANCE

The net current result¹ - Group share amounted to 128.5 million EUR as at 31.12.2015.

This figure is to be compared with 120.5 million EUR as at 31.12.2014, i.e. an improvement of 6.7%. Per share, these figures amount to 6.46 EUR for the financial year 2015 and 6.70 EUR for the financial year 2014, with the number of shares included in the calculation of the result per share increasing from 17,971,494 to 19,888,379 (+10.7%) between these two dates. The net result amounts to 97.7 million EUR as at 31.12.2015, compared with -15.7 million EUR as

at 31.12.2014, or 5.23 EUR per share as at 31.12.2015 and -2.93 EUR per share as at 31.12.2014. The figures as at 31.12.2014 had been negatively impacted by the mark to market value of interest rate hedging instruments, in accordance with IAS 39. The result on the portfolio for 2015 is positive by 6.2 million EUR thanks to the realisation of gains on the sale of properties. The 2015 results validate the proposal to the next General Meeting of a gross dividend of 5.50 EUR per ordinary share, payable in 2016.

Thanks to the 285.4 million EUR capital increase completed in May 2015 and the sale of various assets in 2015 for 225.0 million EUR, the Group's debt

ratio has been reduced significantly: it stood at 38.6% as at 31.12.2015 vs. 48.1% as at 31.12.2014. The Group therefore has a significant investment capacity at the end of 2015, allowing it to fund its growth strategy in healthcare real estate abroad and its office redevelopment programme. ●

Barring any unforeseen events, the forecast for the net current result¹ - Group share for the financial year 2016 is 6.19 EUR per share, and the forecast gross dividend payable in 2017 is 5.50 EUR per ordinary share.

KEY FIGURES

(in millions of EUR)	31.12.2015	31.12.2014
Portfolio of investment properties (in fair value)	3,134.4	3,199.2
(in thousands of EUR)	31.12.2015	31.12.2014
Gross rental revenues	215,414	213,600
Operating result before result on the portfolio	174,341	177,742
Financial result (excluding IAS 39 impact)	-37,235	-51,432
Net current result (excluding IAS 39 impact) - Group share	128,517	120,479
IAS 39 impact	-30,811	-136,134
Net current result - Group share	97,706	-15,655
Result on the portfolio - Group share	6,261	-37,016
Net result - Group share	103,967	-52,671
	31.12.2015	31.12.2014
Operating margin	84.0%	85.4%
Weighted residual lease term (in years)	10.5	11.0
Occupancy rate	94.9%	95.2%
Gross rental yield at 100% occupancy	6.9%	6.9%
Net rental yield at 100% occupancy	6.4%	6.5%
Debt ratio	38.6%	48.1%
Average cost of debt	2.9%	3.4%
Average debt maturity (in years)	5.3	3.4

¹ Excluding the impact of applying IAS 39.

PERFORMANCE

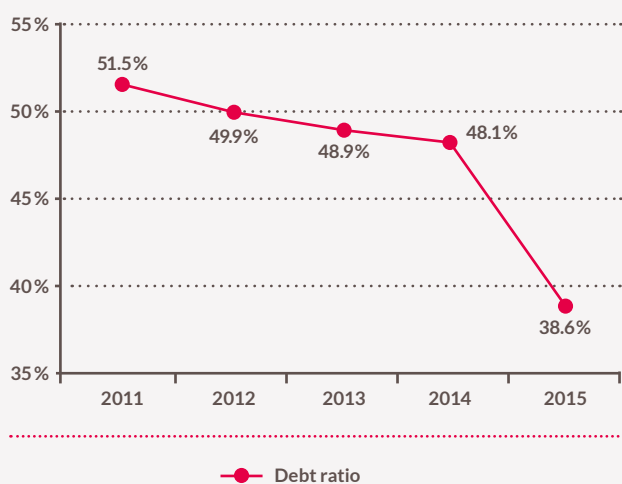
COUPONS, EX DATES AND DIVIDEND PAYMENT DATES

Coupon number	Fiscal year to which the dividend coupon relates	Ex date	Dividend payment date
27	From 01.01.2015 to 11.05.2015	22.04.2015	As from 17.05.2016
28	From 12.05.2015 to 31.12.2015	13.05.2016	As from 17.05.2016

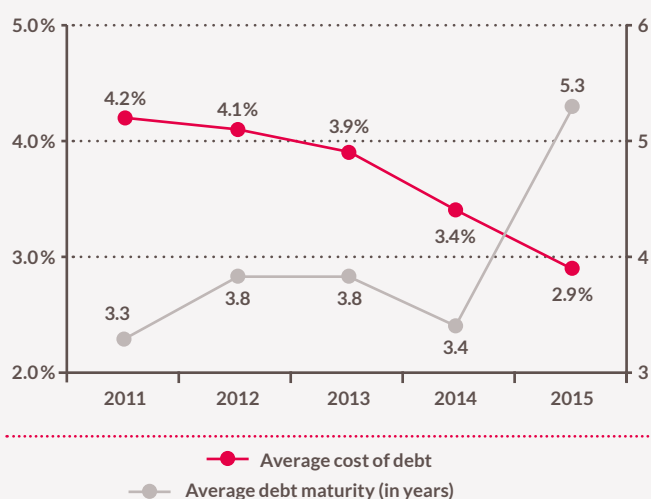
WHAT IS THE WITHHOLDING TAX RATE?

One of the measures implemented by the Federal Government as part of the 'tax shift' concerns the increase in the withholding tax payable on dividends. In January 2016, this increased from 25% to 27%. The gross dividend on the Cofinimmo ordinary share of 5.50 EUR would therefore correspond to a net dividend of 4.015 EUR per share, instead of 4.125 EUR per share previously.

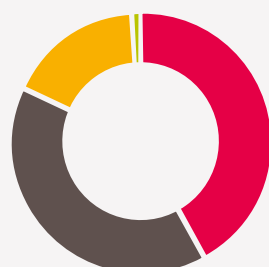
EVOLUTION OF THE DEBT RATIO



EVOLUTION OF THE AVERAGE COST AND AVERAGE MATURITY OF THE DEBT

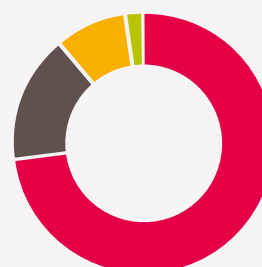


BREAKDOWN OF THE PORTFOLIO BY SEGMENT AS AT 31.12.2015



- 42% Healthcare real estate
- 40% Offices
- 17% Property of distribution networks
- 1% Others

BREAKDOWN OF THE PORTFOLIO BY COUNTRY AS AT 31.12.2015



- 74% Belgium
- 16% France
- 8% Netherlands
- 2% Germany

ACCOMPLISHMENTS

GROWTH IN HEALTHCARE REAL ESTATE IN THE NETHERLANDS AND GERMANY

JUNE 2015

UHLENHORST CENTRE - Hamburg (DE)



Acquisition of an operational sport and wellness centre

Surface area: 7,800 m²

Investment: 25.5 million EUR

Operator: Aspria Group

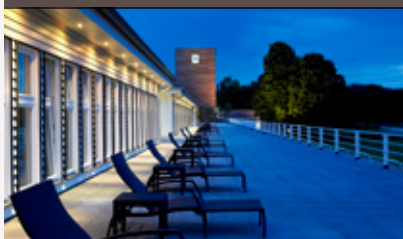
Lease: 30 years - "double net"

During 2015, the Cofinimmo Group invested and entered into commitments in healthcare real estate in Germany and the Netherlands for a total of 135.6 million EUR, including 115.8 million EUR on top of the pipeline of committed investments

announced at the time of the capital increase carried out in May 2015.

As at 31.12.2015, the healthcare real estate portfolios in the Netherlands and Germany represented 105.0 million EUR and 67.1 million EUR respectively. ●

MASCHSEE CENTRE - Hanover (DE)



Acquisition of an operational sport and wellness centre

Surface area: 10,000 m²

Investment: 28.1 million EUR

Operator: Aspria Group

Lease: 30 years - "double net"

OCTOBER 2015

AMPHIA HOSPITAL PARKING - Breda (NL)



Signature of an agreement for the construction of a visitors' car park on the site of the main hospital of the city and the region

Number of parking spaces: 900

Timing of works: Q1 2016 - Q3 2016

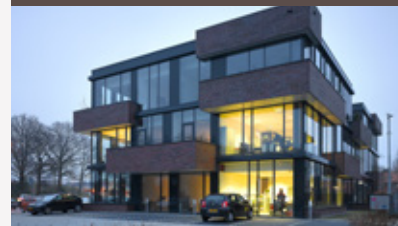
Investment: 9.7 million EUR

Operator: Stichting Amphia

Lease: 30 years - "double net"

NOVEMBER 2015

STRIJP-Z MEDICAL OFFICE BUILDING - Eindhoven (NL)



Delivery of the construction works of a medical office building

Surface area: 2,237 m²

Timing of works: Q1 2015 - Q4 2015

Investment: 4.5 million EUR (acquisition price of the plot of land + budget of works)

Operator:

Stichting Gezondheidscentra Eindhoven (SGE)

Lease: 25 years - "double net"

PLATAAN REVALIDATION CLINIC - Heerlen (NL)



Acquisition of a revalidation clinic to be renovated

Surface area: 14,700 m²

Investment: 14.8 million EUR (acquisition price of the plot of land and the existing building + budget of works)

Timing of works: Q1 2016 - Q1 2017

Operator: Sevagram

Lease: 15 years, renewable for 10 years - "triple net"

DECEMBER 2015

RIJNSTATE MEDICAL OFFICE BUILDING - Arnhem-Zuid (NL)



Acquisition of an operational medical office building

Surface area: 4,200 m²

Investment: 5.0 million EUR

Operator: Stichting Rijnstate

Lease: 20 years - "double net"

KAISER KARL CLINIC - Bonn (DE)



Acquisition of an operational revalidation clinic

Surface area: 15,500 m²

Investment: 30.0 million EUR

Operator: Eifelhöhen-Klinik AG

Lease: 25 years - "double net"

ACCOMPLISHMENTS

HEALTHCARE REAL ESTATE HAS BECOME THE LARGEST SEGMENT OF COFINIMMO'S PORTFOLIO

With a value of 1,328.3 million EUR, healthcare real estate represents 42.4% of Cofinimmo's total real estate portfolio as at 31.12.2015 and is now the Group's largest segment. The portfolio of healthcare assets consists of 124 properties, representing a total above-ground surface area of more than 660,000 m², across four countries (Belgium, France, the Netherlands and Germany). The occupancy rate is close to 100%.

HEALTHCARE REAL ESTATE IN BELGIUM : DEVELOPMENT PROJECTS

Cofinimmo has the in-house skills and expertise to build customised buildings for operators of medical establishments. The company is a true real estate partner and supports these operators in their growth, helping them to renovate and extend their properties to face up to current and future demand for accommodation and care.

As an example, Cofinimmo assisted Armonea, one of its largest tenants, in the construction of two new nursing and care homes, which were delivered during 2015:



NOORDDUIN NURSING AND CARE HOME - KOKSIJDE
Surface area: 6,440 m²
Number of beds: 87
Lease: 27 years - "triple net"



RESIDENCE TILLENS (PREVIOUSLY SUZANNA WESLEY) NURSING AND CARE HOME - BRUSSELS
Surface area: 4,960 m²
Number of beds: 87
Lease: 27 years - "triple net"

SALE OF 95 % OF THE SHARES OF SILVERSTONE SA/NV, OWNER OF 20 NURSING AND CARE HOMES IN BELGIUM

At the end of 2015, Cofinimmo sold its 95% stake in Silverstone SA/NV to a company of the Senior Assist Group for 92.6 million EUR. Silverstone SA/NV owns 20 nursing and care homes in Belgium, operated by the Senior Assist Group.

In light of the other assets and liabilities of the sold company, the transaction values the properties at 134.5 million EUR, i.e. 12.7 million EUR above their fair value as determined by the independent real estate expert as at 31.12.2014. Over the period during which it owned the assets, Cofinimmo realised an average annual internal rate of return (IRR) of 8.5%

on Silverstone's portfolio.

The sale of Silverstone enables Cofinimmo to rebalance its healthcare real estate portfolio from a geographical point of view. The income from this transaction will be used to acquire assets in other countries. ●

As a reminder, Cofinimmo had already sold seven healthcare assets in France during 2014, for a total of 46.8 million EUR. The Group has implemented a selective arbitrage policy, which consists in selling non-strategic assets and reinvesting the income earned in other assets that are more in line with the Group's vision, particularly new builds. The criteria taken into account in the decision to sell a healthcare asset relate in particular to its size, age, location, operational use (characteristics of the operator, occupancy rate by residents, competitiveness in terms of prices offered to residents, etc.) and the remaining term of the lease.

ACCOMPLISHMENTS

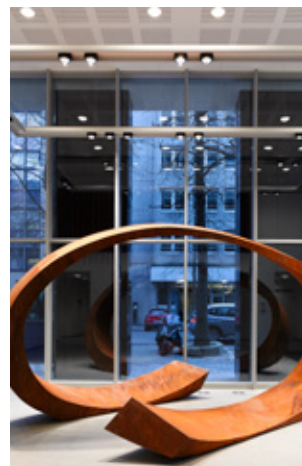
RENOVATION OF THE GUIMARD 10-12 OFFICE BUILDING

After the departure of the European Commission in September 2014, the office building Guimard 10-12, located in the heart of the European district in Brussels, underwent a full renovation.

In addition to the upgrade of the technical installations and internal fittings to bring them up to current standards and the full insulation of all the facades and roofs, a new entrance lobby was designed and built over two storeys on the corner of the Rue Guimard/Guimardstraat and the Rue du Commerce/Handelsstraat. The renovation works were delivered during the third quarter of 2015. The project's total budget amounted to 14.8 million EUR. The property has an occupancy rate of 100%. ●



On the roof of the building, wooden decking was installed, laid out with potted plants and a bench in the form of the Cofinimmo logo. It offers the tenants an additional outdoor space for relaxation, meetings or events.



In the entrance lobby, the sculpture with aerial curves in Corten steel by Belgian artist Damien Moreau fits perfectly with the 1970s architecture of the building and can be seen from outside.

ACCOMPLISHMENTS

SALE OF THE SHARES OF LIVINGSTONE II SA/NV, OWNER OF THE LIVINGSTONE II OFFICE BUILDING

In November 2015, Cofinimmo sold all its shares in the company Livingstone II SA/NV, owner of the Livingstone II office building, located in the heart of the European district in Brussels.

The shares were acquired for 60.0 million EUR. In light of the liabilities and assets other than real estate, this transaction values the building at 63.9 million EUR, an amount above the investment value of the asset as determined by the independent real estate expert as at 31.12.2014.

The contractual rent in relation to this valuation represents a gross yield of 4.28%.

As a reminder, the company Livingstone II SA/NV completed the full renovation of the building in 2014. The building has an above-ground surface area of 16,000 m² over six storeys. In August 2014, it was fully let for 15 years to the European Commission, to house its new training centre. ●



FINALISATION OF THE REPOSITIONING OF THE LIVINGSTONE SITE

With the sale of Livingstone II, Cofinimmo successfully completed the repositioning of the entire Livingstone site, which is made up of two main buildings, with a surface area of 17,700 m² each (Livingstone I and II). Acquired in 2002, the site was fully vacated by Belfius Insurance at the end of 2011 in return for an indemnity for the early termination of their lease, equivalent to 21 months of lease.

The Livingstone I building was converted into 122 apartments, which were then put up for sale. At the time of the delivery of the works in mid-2015, all the apartments were sold.

RENEWAL OF CREDIT LINES FOR 749 MILLION EUR

In 2015, in a volatile financial environment, Cofinimmo took advantage of favourable market conditions to extend nine credit lines with four financial institutions for a total of 449 million EUR. The term of

these extensions varies from five to seven years.

Furthermore, in November 2015, a five-year syndicated loan was renewed. At the same time,

the loan amount was increased to 300 million EUR. Six banking institutions participated in the syndicate. ●

SUSTAINABLE DEVELOPMENT AND MANAGEMENT POLICY

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND COMMUNICATION

In 2015, Cofinimmo again participated in the annual CDP (Carbon Disclosure Project) campaign to collect information on companies' greenhouse gas emissions and the actions that they undertake to deal

with climate change. At the same time, the company again participated in the GRESB (Global Real Estate Sustainability Benchmark) survey, the reference benchmark for CSR practices in the real estate sector.

The company also publishes the key CSR performance indicators defined by the EPRA (European Public Real Estate Association) on its website. In addition, Standard Ethics has issued a rating for Cofinimmo's CSR policy. ●

THE RATINGS OBTAINED ARE SHOWN IN THE TABLE BELOW:

	Score 2013	Score 2014	Score 2015
ERPA ¹	Silver	Gold	Gold
GRESB ²	38	45	57
CDP ³	81C	89C	96C
Standard Ethics ⁴			EE+

MATERIALITY MATRIX OF SOCIAL, ECONOMIC AND ENVIRONMENTAL CHALLENGES

Cofinimmo's first materiality matrix was developed in 2014, in line with the GRI G4 guidelines and based on discussions led by Cofinimmo with its stakeholders: shareholders, tenants, employees, suppliers, supervisory bodies, public authorities, media, etc. 21 themes related to the environment were identified and ranked in order of importance within one of the following families:



SOCIAL

- Indirect job creation
- Safety and well-being*
- Fight against illegal employment
- Aesthetics, respect for public spaces and the diversity of districts*
- Acces for people with disabilities
- Access to housing for all
- Employee training*
- Respect for differences and cultural diversity*



ECONOMIC

- Innovation*
- Profitability for investors and access to capital
- Type of occupation
- Business ethics*



ENVIRONMENTAL

- Energy consumption and CO₂ emissions*
- Construction waste
- Waste linked to occupation
- Use of sustainable/recycled materials
- Water consumption
- Mobility*
- Impact on green spaces
- Noise pollution
- Disturbances linked to occupation

*Main challenges

¹ European Public Real Estate Association (www.epra.com)

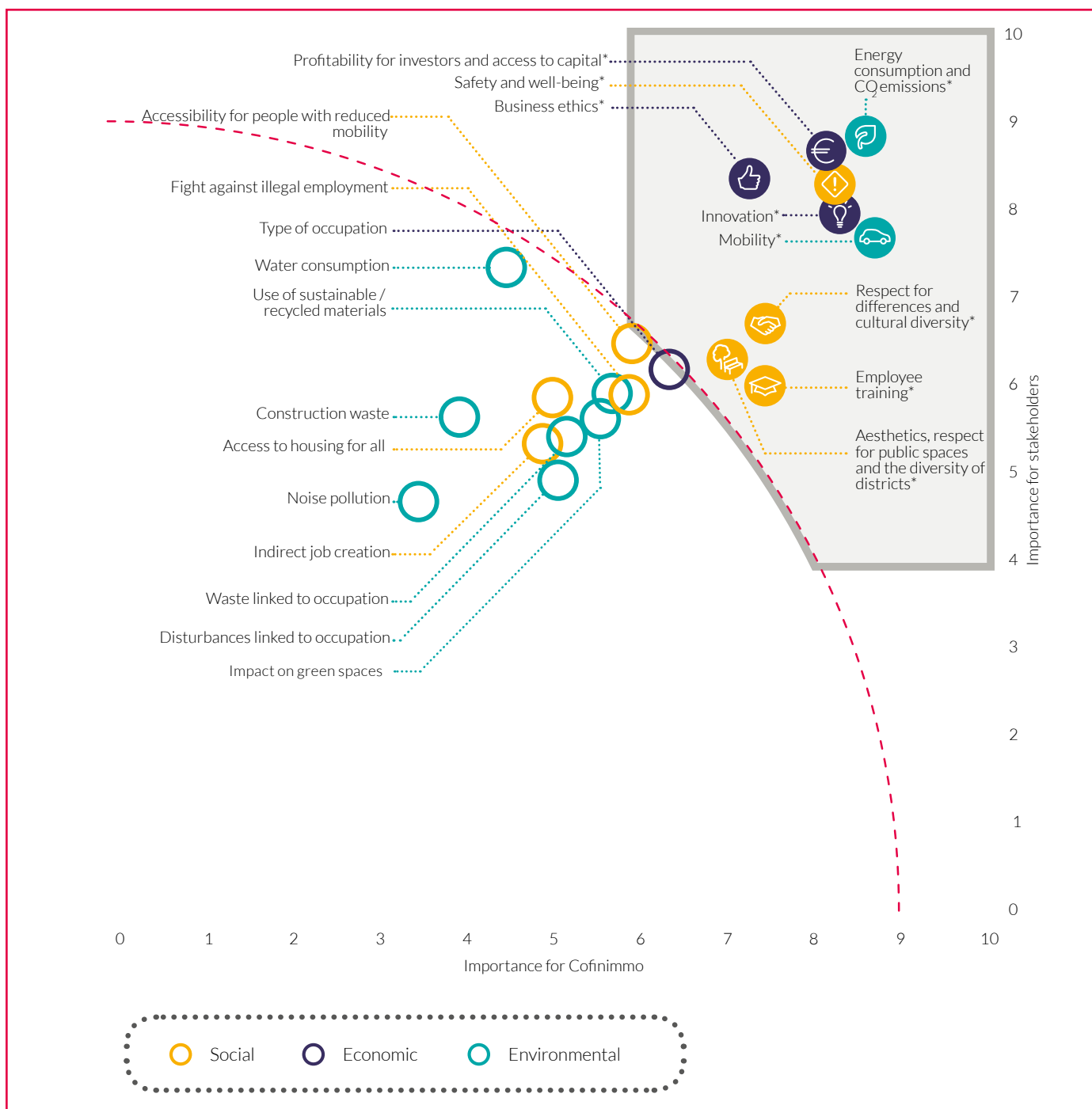
² Global Real Estate Sustainability Benchmark (www.gresb.com)

³ Carbon Disclosure Project (www.cdp.net)

⁴ Standard Ethics (www.standardethics.eu)

SUSTAINABLE DEVELOPMENT AND MANAGEMENT POLICY

- These themes were placed in a table, in the form of dots. The place given to each dot is determined jointly by the importance given to it by the stakeholders, on one axis, and the importance given to it by Cofinimmo's employees, on another axis. The colour of the dots indicates the family in which the theme is placed (economy: blue; environment: green; society: orange). The area in the top right corner, outside the red arch, contains the nine priority challenges out of the 21 identified.
- In 2015, Cofinimmo continued to hold discussions with its stakeholders and conducted a survey among all its employees, in order to update the matrix and take into account changes in requirements and perceptions. ●



STOCK MARKET

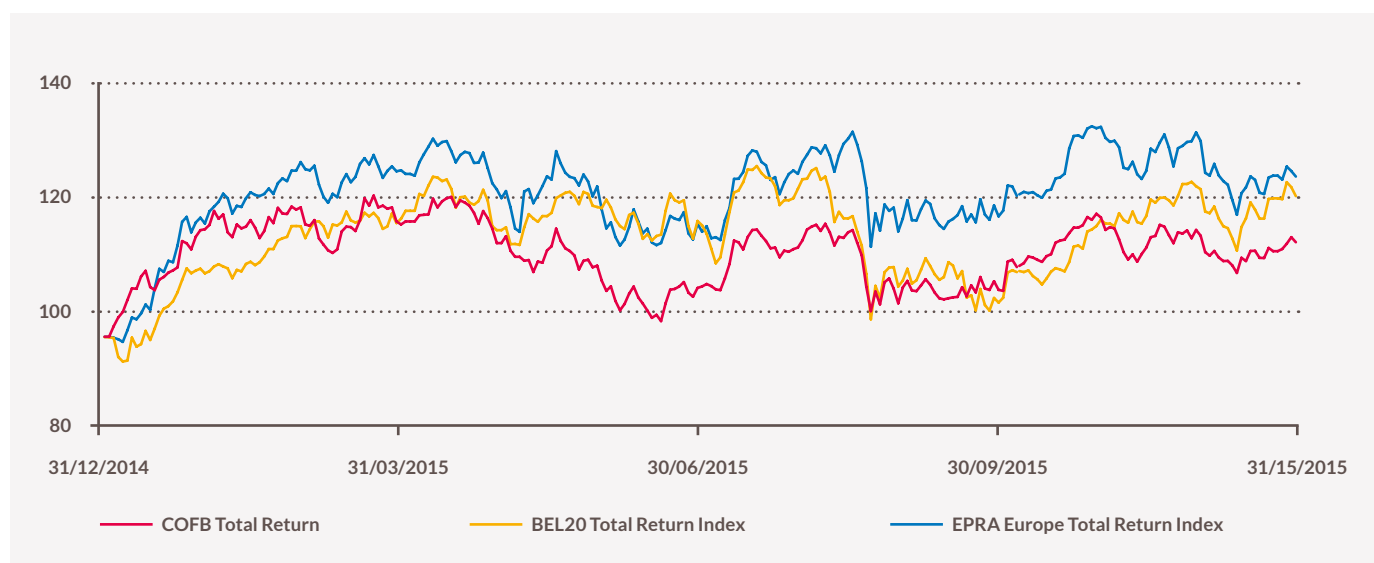
STOCK MARKET PERFORMANCE

Given the high proportion of the profit distributed annually in the form of dividends, the performance of Cofinimmo's share must be assessed in terms of total return, i.e. assuming the reinvestment of gross dividends paid, and

be compared with indices also reflecting the total return of their component shares.

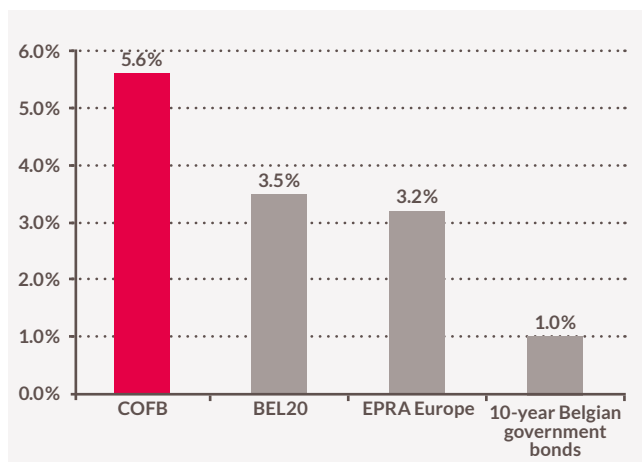
In terms of total return, the Cofinimmo share offered a yield of 11.2% in 2015. The BEL20 and EPRA

Europe indices posted a yield of 16.7% and 18.8% respectively over the same period. ●



DIVIDEND YIELD

The dividend yield is calculated here by dividing the gross dividend by the share price as at 31.12.2015. The Cofinimmo share offers a dividend yield of 5.6% as at 31.12.2015, vs. 3.5% and 3.2% for the BEL20 and EPRA Europe indices. 10-year Belgian government bonds offer a yield of 1.0%. ●



DATA SHEET

Market capitalisation as at 31.12.2015 :

2.1 billion EUR

Number of shares outstanding as at 31.12.2015 :

20,980,112

Listing market :

Euronext Brussels

ISIN code of the ordinary share :

BE0003593044

Euronext code of the ordinary share :

COFB

Bloomberg code of the ordinary share :

COFB BB

Main indices :

BEL20, Euronext 150, EPRA Europe, GPR250

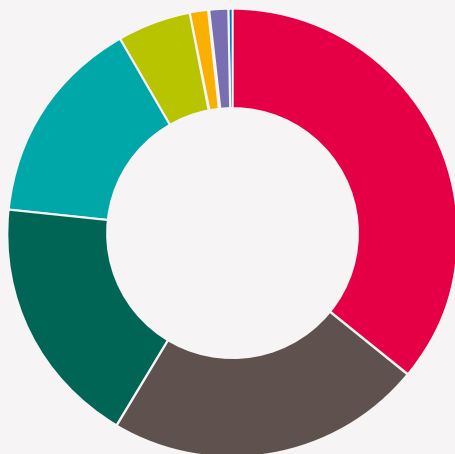
STANDARD & POOR'S RATING

BBB for the long term/Stable outlook

A-2 for the short term

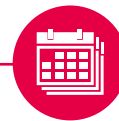
STOCK MARKET

SHAREHOLDERS (ESTIMATED SITUATION AS AT 31.12.2015)



- 36.0% ■ Not identified
- 22.6% ■ Investment funds
- 18.1% ■ Private banking
- 15.1% ■ Retail shareholders
- 5.2% ■ Insurance companies
- 1.5% ■ Pension funds
- 1.2% ■ Sovereign funds
- 0.2% ■ Own shares

FINANCIAL CALENDAR



08.04.2016

Publication of the 2015 Annual Financial Report

08.04.2016

Publication of the 2015 Sustainability Report

28.04.2016

Interim announcement : results as at 31.03.2016

11.05.2016

Ordinary General Meeting relating to 2015

28.07.2016

Half-Yearly Financial Report : results as at 30.06.2016

10.11.2016

Interim announcement : results as at 30.09.2016

09.02.2017

Annual press release : results as at 31.12.2016

CONTACT

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- about the company : **vkibieta@cofinimmo.be**
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