

## APM (Alternative Performance Measures) calculation details used by Cofinimmo as at 30.09.2018

### Rental income, net of rental-related expenses

**Definition:** Rents, less rent-free periods, concessions granted to tenants and rental-related expenses, plus compensation for early termination of the lease.

**Purpose:** To measure rental income, net of rent-free periods, concessions, termination indemnities and other rental-related expenses.

(x 1,000 EUR)	30.09.2018	30.09.2017
Rents	160,684	157,574
Cost of rent-free periods	-2,981	-2,960
Concessions granted to tenants	-456	-621
Early lease termination indemnities	142	469
Rental-related expenses	-756	125
<b>Rental income, net of rental-related expenses</b>	<b>156,632</b>	<b>154,587</b>

### Rental-related expenses and taxes on rented properties not recovered

**Definition:** Difference between rental-related expenses and taxes borne by the owner, and the recuperation of rental-related expenses and taxes borne by the tenant on rented properties.

**Purpose:** To measure the rental-related expenses and taxes on rented properties which are not charged to tenants.

### Taxes on refurbishment not recovered

**Definition:** Taxes borne by the owner on buildings under renovation and therefore not chargeable to tenants.

**Purpose:** To measure the taxes relating to properties under renovation.

(x 1,000 EUR)	30.09.2018	30.09.2017
Rental-related expenses and taxes on rented properties not recovered	-1,359	-1,407
Taxes on refurbishment not recovered	-4,472	-2,124
<b>Total</b>	<b>-5,831</b>	<b>-3,531</b>

(x 1,000 EUR)	30.09.2018	30.09.2017
Recovery income of charges and taxes normally payable by the tenant on let properties	37,015	38,680
Charges and taxes normally payable by the tenant on let properties	-42,846	-42,211
<b>Total</b>	<b>-5,831</b>	<b>-3,531</b>

### **Redecoration costs, net of tenant compensation for damages**

**Definition:** Redecoration costs borne by the owner at the end of the lease, net of compensation for damage received.

**Purpose:** To measure the costs of redecorating the rental spaces following the departure of tenants, net of compensation for damage received from these tenants.

<b>(x 1,000 EUR)</b>	<b>30.09.2018</b>	<b>30.09.2017</b>
Recovery of property charges	-23	1,719
Costs payable by the tenant and borne by the owner for rental damage and redecoration at end of lease	-1,303	-2,790
<b>Redecoration costs, net of tenant compensation for damages</b>	<b>-1,327</b>	<b>-1,071</b>

### **Net result from core activities - Group share**

**Definition:** Net result - Group share excluding result on financial instruments - Group share and result on portfolio - Group share.

**Purpose:** To measure the result of the strategic operational activities, excluding (i) the change in fair value of financial instruments, (ii) the cost of restructuring financial instruments, and (iii) realised and unrealised gains and losses on the portfolio, or to measure the result directly impacted by the company's property and financial management, excluding the impact related to the volatility of property and financial markets.

Calculation details as at 30.09.2018: see income statement - analytical form in the body of this press release.

### **Restructuring costs of financial instruments**

**Definition:** Impact of the recycling under the income statement of hedging instruments for which the relationship with the hedged risk was terminated, as well as the result relating to the sale of hedging instruments.

**Purpose:** To measure the impact on the result for the period of the restructuring of financial instruments.

<b>(x 1,000 EUR)</b>	<b>30.09.2018</b>	<b>30.09.2017</b>
Impact of the recycling under the income statement of hedging instruments for which the relationship with the hedged risk was terminated	578	-8,461
Others	876	-81
<b>Restructuring costs of financial instruments</b>	<b>1,454</b>	<b>-8,542</b>

### **Result on financial instruments - Group share**

**Definition:** Change in the fair value of financial instruments, plus the restructuring costs of financial instruments and the share in the result on financial instruments of associated companies and joint ventures, and less minority interests related to the items listed above.

**Purpose:** To measure unrealised gains and losses related to financial instruments, as well as the costs related to their restructuring.

Calculation details as at 30.09.2018: see income statement - analytical form in the body of this press release.

### **Result on the portfolio - Group share**

**Definition:** Gains or losses on disposals of investment properties and other non-financial assets, plus/less the change in the fair value of investment properties, plus the share in the result on the portfolio of associated companies and joint ventures, and other items related to the portfolio and less minority interests related to the items listed above.

**Purpose:** To measure realised and unrealised gains and losses related to the portfolio, compared to the last valuation by independent real estate experts.

Calculation details as at 30.09.2018: see income statement - analytical form in the body of this press release.

### **Result per share**

**Definition:** Results divided by the number of outstanding shares entitled to the dividend.

**Purpose:** To measure the result per share and enable a comparison with the dividend paid per share.

	<b>30.09.2018</b>	<b>30.09.2017</b>
Net result from core activities - Group share (x 1,000 EUR)	106,951	104,546
Number of outstanding shares entitled to the dividend	21,856,160	21,308,702
<b>Net result from core activities - Group share - per share</b>	<b>4.89</b>	<b>4.91</b>

	<b>30.09.2018</b>	<b>30.09.2017</b>
Result on financial instruments - Group share (x 1 000 EUR)	5,570	3,692
Number of outstanding shares entitled to the dividend	21,856,160	21,308,702
<b>Result on financial instruments - Group share - per share</b>	<b>0.25</b>	<b>0.17</b>

	<b>30.09.2018</b>	<b>30.09.2017</b>
Result on portfolio - Group share (x 1,000 EUR)	32,237	-12,354
Number of outstanding shares entitled to the dividend	21,856,160	21,308,702
<b>Result on portfolio - Group share - per share</b>	<b>1.47</b>	<b>-0.58</b>

	<b>30.09.2018</b>	<b>30.09.2017</b>
Net result - Group share (x 1,000 EUR)	144,758	95,883
Number of outstanding shares entitled to the dividend	21,856,160	21,308,702
<b>Net result - Group share - per share</b>	<b>6.62</b>	<b>4.50</b>

#### Revalued net assets per share in fair value

**Definition:** Book value of the share after deduction of transaction costs (primarily transfer taxes) from the value of investment properties. Amount of shareholders' equity attributable to shareholders of the parent company, divided by the number of outstanding shares entitled to the dividend.

**Purpose:** To measure the fair value of the share and enable a comparison with its stock market value.

	30.09.2018	31.12.2017
Shareholders' equity attributable to shareholders of the parent company (x 1,000 EUR)	2,080,599	1,903,159
Number of outstanding shares entitled to the dividend	22,951,076	21,308,702
<b>Revalued net assets per share at fair value (in EUR/share)</b>	<b>90.65</b>	<b>89.31</b>

#### Revalued net assets per share in investment value

**Definition:** Book value of the share before deduction of transaction costs (primarily transfer taxes) from the value of investment properties. Amount of shareholders' equity attributable to shareholders of the parent company, from which are subtracted the transfer taxes booked under shareholders' equity on the closing date and those booked under the income statement during the period, divided by the number of outstanding shares entitled to the dividend.

**Purpose:** To measure the fair value of the share and enable a comparison with its stock market value.

(x 1,000 EUR)	30.09.2018	31.12.2017
Shareholders' equity attributable to shareholders of the parent company	2,080,599	1,903,159
To exclude:		
Transfer taxes booked under shareholders' equity	-89,570	-83,954
Transfer taxes booked under the income statement	-17,200	-8,464
Total	2,187,370	1,995,577
Number of outstanding shares entitled to the dividend	22,951,076	21,308,702
<b>Revalued net assets per share at investment value (in EUR/share)</b>	<b>95.31</b>	<b>93.65</b>

#### Change in gross rental revenues on a like-for-like basis

**Definition:** Change from one year to the next, expressed as a percentage, of the gross rental revenues, excluding variations related to changes in scope (major renovations, acquisitions and disposals) occurring during the period.

**Purpose:** To identify changes in gross rental revenues which do not result from major renovations, acquisitions or disposals.

(x 1,000 EUR)	
Gross rental revenues at 30.09.2017	157,699
To include:	
Variations not related to changes in scope	2,080
Gross rental revenues at 30.09.2018	159,779
<b>Change in gross rental revenues on a like-for-like basis</b>	<b>1.32 %</b>

### Operating costs/average value of the portfolio under management

**Definition:** Direct and indirect operating costs (direct property costs, property management costs and corporate management costs), divided by the average value of the portfolio under management over the period, taking into account the scope inflows and outflows.

**Purpose:** To measure the level of operating costs compared to the average value of the property portfolio under management.

(x 1,000 EUR)	30.09.2018	31.12.2017
Direct property costs <sup>1</sup>	8,374	12,107
Corporate management costs <sup>1</sup>	18,476	25,789
<b>Direct and indirect operating costs</b>	<b>26,850</b>	<b>37,896</b>
<b>Annualised direct and indirect operating costs</b>	<b>35,800</b>	<b>37,896</b>
Average value of the portfolio under management over the period	3,679,481	3,795,341
<b>Operating costs/average value of the portfolio under management</b>	<b>1.0 %</b>	<b>1.0 %</b>

### Operating margin

**Definition:** Property result divided by the operating result (before result on the portfolio).

**Purpose:** To evaluate the company's ability to generate profit from its sole operating activity without taking into account the financial result, taxes and result on the portfolio.

(x 1,000 EUR)	30.09.2018	30.09.2017
Property result <sup>1</sup>	157,247	158,914
Operating result (before result on the portfolio) <sup>1</sup>	130,397	128,936
<b>Operating margin</b>	<b>82.9 %</b>	<b>81.1 %</b>

### Average cost of debt

**Definition:** Average interest rate of debt obtained by dividing the interest charges recorded by the Group for its various loans (on an annual basis) by the weighted average debt of the current period. The numerator corresponds to annualised net interest charges as shown in the income statement. The denominator corresponds to the average debt of the current period calculated by taking into account the daily drawdowns on loans (bank loans, bonds, commercial paper, etc.).

**Purpose:** To measure the average interest rate of the debt and analyse its evolution over time.

(x 1,000 EUR)	30.09.2018	31.12.2017
Interest charges recorded by the Group, annualised	30,211	29,926
Weighted average over of the period	1,597,311	1,535,055
<b>Average cost of debt</b>	<b>1.9 %</b>	<b>1.9 %</b>

<sup>1</sup> Adjusted in order to spread certain annual taxes and charges recognised during the first quarter over the entire financial year.