together in real estate

Cofinimmo

PRESS RELEASE

REGULATED INFORMATION

Brussels, embargo until 07.02.2014, 7:40 AM CET

2013 Annual Results

Net current result per share – Group share (excluding IAS 39 impact) of €6.78 for 2013, above the forecast of €6.74[1]

- Confirmation of a gross dividend of €6.00 per ordinary share for the FY 2013

Net asset value per share of €91.79 at 31.12.2013, against €85.66 at 31.12.2012 (portfolio in fair value)

On a like-for-like basis, 1.68% increase in gross rental revenues compared to 31.12.2012

Stabilisation of the average residual lease length at 11.6 years at 31.12.2013

0.7% increase in the operating margin (85.6% at 31.12.2013, against 84.9% at 31.12.2012)

- Thorough monitoring of direct and indirect property costs and corporate management costs

On a like-for-like basis, 0.78% decrease in the portfolio's fair value compared to 31.12.2012

Continued growth in the healthcare real estate segment

- €41.2 million invested in constructions and renovations in Belgium and in France
- Acquisitions for €8.0 million of office buildings to be reconverted into clinics in the Netherlands[2]

1% decrease in the debt ratio (48.9% at 31.12.2013, against 49.9% at 31.12.2012)

- Strengthening of equity by €136.5 million gross through the disposal of treasury shares and the reinvestment of 52.7% of the 2012 dividends in new shares

Refinancing of debts maturing before June 2015

- Signature of new credit lines for a total amount of €270.0 million
- Placement of convertible and non-convertible bonds for a total amount of €240.8 million

2014 Forecast

Forecast of a net current result per share – Group share (excluding IAS 39 impact) of €6.61 for 2014

- Forecast of a gross dividend of €5.50 per ordinary share for the FY 2014, 8.3% lower than the proposed dividend for the FY 2013 and better aligned with the cash flow per share forecasted for the FY 2014
- At this level, it corresponds to a gross yield of 6.23% against the average share price of the ordinary share during 2013, and a gross yield of 5.99% against the net asset value of the share at 31.12.2013 (in fair value)

[1] See also our press release dated 02.05.2013, available on our website.
[2] Of which €1.4 million under restriction of the procurement of the permit necessary to convert the asset into an acute care clinic.

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1. Summary of activities and consolidated key figures

1.1. Summary of activities

The net current result – Group share (excluding IAS 39 impact) stands at €119.2 million for the FY 2013, compared to €121.8 million for the FY 2012. Per share, this result is €6.78 for 2013, against €7.61 for 2012, a 10.9% decrease. This depreciation results, on the one hand, from the payment by Belfius Bank, in 2012, of a non-recurrent indemnity in compensation for the early termination of its lease for the Livingstone I and II buildings, for an amount of €0.70 per share. It results, on the other hand, from the increase of the number of shares entitled to share in the result of the period: it moved from 16,015,572 at 31.12.2012 to 17,593,767 at 31.12.2013. The net current result – Group share (excluding IAS 39 impact) of €6.78 lies above the forecast of €6.74 for the FY 2013.

The Board of Directors will propose to the Ordinary General Shareholders' Meeting of 14.05.2014 a gross dividend of €6.00 per ordinary share for the FY 2013, payable in June 2014. This represents a pay-out ratio of 88.5% of the aforementioned profit.

The result on the portfolio – Group share decreased from €0.6 million at 31.12.2012 to €-46.2 million at 31.12.2013, of which €-26.3 million of change in the fair value of investment properties and €-21.0 million of impairment of the goodwill on the Pubstone portfolio. The change in the fair value of investment properties is negative at 31.12.2013, as a result of the depreciation of a number of office buildings requiring major renovation works in the five coming years. On a like-for-like basis, the portfolio's fair value decreased by 0.78% compared to 31.12.2012. The impairment of the Pubstone goodwill, on the other hand, amounts to €-21.0 million at 31.12.2013, against €-7.1 million at 31.12.2012. This is a result of the complete update of the parameters used to calculate the utility value of the pubs portfolio at the end of the FY 2013. This impairment has no impact on the valuation of this portfolio, which on the contrary recorded a latent gain of €1.3 million at 31.12.2013.

In total, the net result – Group share reaches €58.7 million for 2013, compared to €98.1 million for 2012. Per share, this result is €3.34 for the FY 2013, against €6.12 for the FY 2012.

In 2013, Cofinimmo invested €41.2 million in constructions/extensions/renovations in the healthcare real estate segment in Belgium and in France. The Group also acquired, for €8.0 million, three former office buildings to be reconverted into acute care clinics in the Netherlands[1]. The three assets are rented to the Dutch operators Bergman Clinics and Equipe Zorgbedrijven Holding for an initial duration of 15 years (see below).

In addition, the reconversion works of the Woluwe 34 and Livingstone I office buildings into residential units have started. They should be finalised in the beginning of 2015. At the publication date of this press release, respectively 74% and 50% of the apartments under construction are reserved or sold. The renovation works of the Livingstone II office building started in March 2013. Their delivery is expected

[1] Of which €1.4 million under restriction of the procurement of the permit necessary to convert the asset into an acute care clinic.

to take place in August 2014. The marketing of the building is well underway and promising. In the beginning of September 2013, the renovation works of the Nelson Mandela Residence for student housing in Brussels were delivered. The building is rented to the Université Libre de Bruxelles (Brussels University) until July 2039.

On the equity side, in addition to the reinvestment of 52.7% of the 2012 dividends in new shares for €43.9 million, the company sold treasury shares for €92.6 million. Furthermore, Cofinimmo continued raising funds by signing five new credit lines for a total amount of €270.0 million and by issuing convertible and non-convertible bonds for €190.8 million and €50.0 million respectively. At the end of 2013, 100% of the debts maturing in 2014 and 58% of the debts maturing in 2015 were refinanced. The consolidated debt ratio of the Group stands at 48.9% at 31.12.2013, 1% lower than 12 months earlier.

1.2. Consolidated key figures

Global information

(x €1,000,000)	31.12.2013	31.12.2012
Portfolio of investment properties (in fair value)	3 ,347.0	3,308.6
(x €1000)	**31.12.2013**	**31.12.2012**
Property result	216,909	222,373
Operating result before result on the portfolio	185,619	188,839
Financial result	-74,935	-83,877
Net current result (Group share)	104,924	97,486
Result on the portfolio (Group share)	-46,187	586
Net result (Group share)	58,737	98,072
(in %)	**31.12.2013**	**31.12.2012**
Operating costs/average value of the portfolio under management[1]	0.83%	0.87%
Operating margin	85.57%	84.92%
Weighted residual lease term[2] (in years)	11.6	11.7
Occupancy rate[3]	95.43%	95.71%
Gross rental yield at 100% occupancy	7.03%	7.01%
Net rental yield at 100% occupancy	6.55%	6.55%
Average interest rate on borrowings[4]	3.92%	4.11%[5]
Debt ratio[6]	48.87%	49.90%
Loan-to-value ratio[7]	49.61%	51.21%

Figures per share[8] (in €)

Results	31.12.2013	31.12.2012[9]
Net current result – Group share – excluding IAS 39 impact	**6.78**	**7.61**
IAS 39 impact	-0.82	-1.52
Net current result – Group share	**5.96**	**6.09**
Realised result on the portfolio	-0.02	0.02
Unrealised result on the portfolio[10]	-2.60	0.01
Net result – Group share	**3.34**	**6.12**

[1] Average value of the portfolio plus the value of sold receivables relating to buildings whose maintenance costs payable by the owner are still met by the Group through total cover insurance premiums.
[2] Up until the date of the tenant's first break option.
[3] Calculated according to actual rents and the estimated rental value for unoccupied buildings.
[4] Including bank margins.
[5] Until the end of 2012, the calculation of the average interest rate on borrowings included the depreciation costs of hedging instruments pertaining to the period. As a result of the restructuration of the hedging scheme during 2013, the method used for the calculation of the average interest rate on borrowings has been reviewed and no longer includes these costs. If this calculation method had been applied at 31.12.2012, the average interest rate on borrowings would have stood at 3.77% instead of 4.11%.
[6] Legal ratio calculated in accordance with the legislation regarding Sicafis/Bevaks as financial and other debts divided by total assets.
[7] Ratio calculated as net financial debt divided by total of the portfolio's fair value and finance lease receivables.
[8] Ordinary and preference shares.
[9] The calculation of the results per share at 31.12.2012 takes into account the disposal of 8,000 treasury shares in January 2013.
[10] This consists mainly of the changes in fair value of investment properties and the impact of the impairment test on the goodwill.

Net Asset Value per share	31.12.2013	31.12.2012[1]
Revalued net asset value in fair value[2] after distribution of the dividend for the year 2012	91.79	85.66
Revalued net asset value in investment value[3] after distribution of the dividend for the year 2012	96.26	90.31

Diluted Net Asset Value per share[4]	31.12.2013	31.12.2012[1]
Diluted revalued net asset value in fair value[2] after distribution of dividend for the year 2012	95.74	88.23
Diluted revalued net asset value in investment value[3] after distribution of dividend for the year 2012	99.55	92.35

EPRA performance indicators[5] (in € per share)

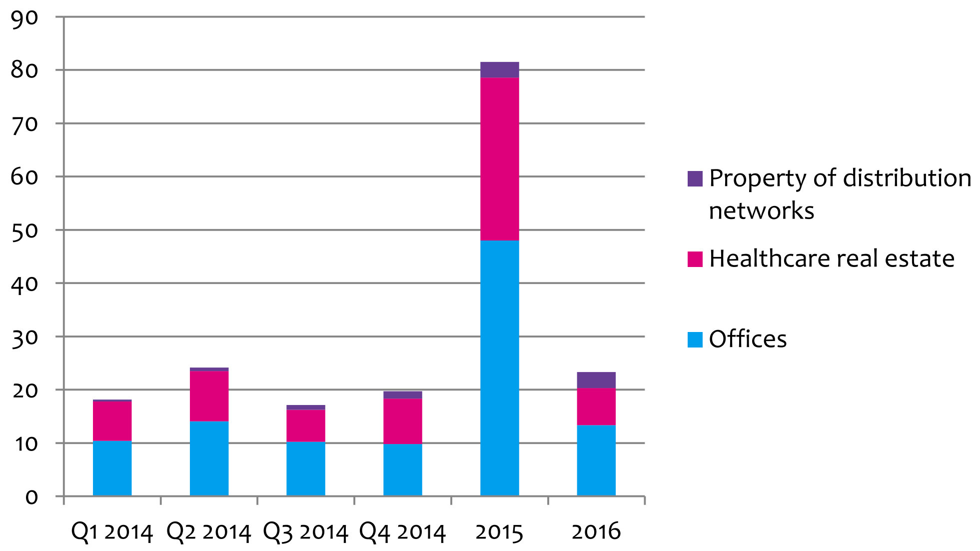
	31.12.2013	31.12.2012
EPRA Earnings	6.78	7.61[1]
EPRA Net Asset Value (NAV)	98.85	102.04[1]
EPRA Adjusted Net Asset Value (NNNAV)	95.74	94.38[1]
EPRA Net Initial Yield (NIY)	6.20%	6.19%
EPRA “Topped-up” NIY	6.16%	6.10%
EPRA Vacancy Rate	5.04%	4.70%
EPRA Cost ratio (direct vacancy costs included)	18.87%	18.69%
EPRA Cost ratio (direct vacancy costs excluded)	16.01%	16.17%

[1] Takes into account the disposal, in January 2013, of 8,000 treasury shares.
[2] Fair value: after deduction of transactions costs (mainly transfer taxes) from the value of investment properties.
[3] Investment value: before deduction of transactions costs.
[4] By assuming the theoretical conversion of the convertible bonds issued by Cofinimmo, the mandatory convertible bonds issued by Cofinimur I and the stock options.
[5] These data are not compulsory according to the Sicafi/Bevak regulation and are not subject to verification by public authorities. The auditor verified whether the “EPRA Earnings”, “EPRA NAV” and “EPRA NNNAV” ratios are calculated according to the definitions included in the “2013 EPRA Best Practices Recommendations” and if the financial data used in the calculation of these ratios comply with the accounting data included in the audited consolidated financial statements.

2. 2014 Forecast

The investments scheduled for the years 2014 to 2016, based on the commitments made to date, amount to €184.0 million, of which:
- €105.8 million for the reconstruction/renovation of offices;
- €68.9 million for constructions/extensions/renovations in healthcare real estate;
- €9.3 million for renovations in property of distribution networks.

In € million:



The most important office projects are the Science 15-17 and the Livingstone II buildings (see below). All the newly-built/extended/renovated healthcare assets are pre-let.

Based on the current expectations and in the absence of major unforeseen events, the company has set an objective for its net current result – Group share (excluding IAS 39 impact) of €6.61 per share for the FY 2014, a 2.5% decrease compared to the FY 2013 (€6.78).

The Board of Directors considers that the dividend per share will need to be reduced starting from the FY 2014 (dividend payable in June 2015). It plans to offer the shareholders a gross dividend per ordinary share of €5.50, better aligned with the cash flow per share forecasted for the FY 2014.

The proposed dividend level of €5.50 for the FY 2014 corresponds to a gross yield of 6.23% against the average share price of the ordinary share during the FY 2013, and a gross yield of 5.99% against the net asset value of the share at 31.12.2013 (in fair value). These yields remain significantly higher than the average yield of European real estate companies[1].

[1] The EPRA Euronext index offers a gross dividend yield of 4.51% at 31.12.2013.

This proposal will be in line with the provisions of Article 27 of the Royal Decree of 07.12.2010, in that it exceeds the minimal requirement to distribute a 80% of the net income of Cofinimmo SA (unconsolidated) foreseen for 2014.

3. Review of 2013 activities

3.1. Evolution of the portfolio

Offices/Other properties[1]

Disposal of a semi-industrial building

On 27.03.2013, Cofinimmo sold the semi-industrial building located in Diegem – Woluwelaan 145 for a gross amount of €3.8 million. This amount is greater than the investment value of the property as determined by the independent real estate expert as at 31.12.2012.

(Re)developments

During 2013, the Group invested €10.8 million in renovations and redevelopments in the offices/other properties segment.

The Project Management department managed the following main projects in 2013:

Building	Type of works	Surface area	(Expected) end of works
Livingstone II	Renovation of offices	17,000m²	Q3 2014
Science 15-17	Construction of a new office building + retail space on the ground floor + 17 apartments	20,000m²	/
Tervuren 270-272	Middle-scale renovation (phases II, III, IV and V)	4,060m²	Q3 2013
Woluwe 34	Reconversion into 63 apartments + 1 office space on the ground floor	6,680m²	Q1 2015

In 2014, excluding the projects that were started but not yet completed in 2013, the main projects will be:

Building	Type of works	Surface area	(Expected) end of works
Guimard 10-12	Renovation of offices	15,400m²	Q3 2015
Tervuren 270-272	Middle-scale renovation (phase VI)	3,391m²	Q3 2014

Woluwe 34

The town planning and environmental permits needed to reconvert the former office building Woluwe 34 into apartments were granted in June 2013. Works started in July 2013 and are expected to be completed in early 2015. The total budget for the project is estimated at €13 million, excluding VAT. At the publication date of this press release, 74% of the apartments have been sold or reserved.

[1] The category « Other properties » includes semi-industrial buildings, a leisure facility and a police station.

Livingstone I

The various permits required to reconvert the former office building Livingstone I into apartments were granted in January 2013. Works started in February 2013 and their delivery is scheduled for early 2015. They are being entirely financed by the general contractor Cordeel, to which Cofinimmo has transferred the risk associated with selling the apartments: the price Cofinimmo will receive upon sale of the units is fixed at €24.0 million. At the publication date of this press release, 50% of the apartments have been sold or reserved.

Livingstone II

The permits for the renovation works of the Livingstone II office building were issued in 2012. The project started in March 2013 and is expected to be completed in August 2014. The budget for the works is estimated at €21 million, including VAT. The marketing of the building is well underway and promising.

Science 15-17

The applications for the various permits needed for the redevelopment of the Science 15-17 office building were submitted. The works are expected to take two years and will start when a lease agreement, possibly partial, has been signed. The budget for the project is estimated at €42 million, including VAT.

Souverain 23-25

Last June Cofinimmo was notified of Axa's decision to vacate its headquarters at Boulevard du Souverain 23-25, 1170 Brussels, when its current lease expires on 02.08.2017. The site, which covers 11 ha, comprises two buildings with a total aboveground surface area of close to 57,000m². Cofinimmo will take advantage of Axa's early decision in order to reposition the site optimally. An addendum to the Axa lease has already been signed, by which Axa gave up part of the plot of land, in exchange for an extension option for the tenant on the current lease. The Group is considering developing a residential project on the vacated plot of land.

Healthcare real estate

Acquisition of two former office buildings to be reconverted into acute care clinics for the operator Bergman Clinics

During 2013, Cofinimmo, via its Dutch subsidiary Superstone, acquired two former office buildings located in the Netherlands to be reconverted into acute care clinics equipped with consultation rooms, medical diagnosis rooms, operating suites and recovery rooms:

- On 02.07.2013 Cofinimmo acquired a former office building located in Rijswijk, in a suburb south of The Hague, for an amount of €3.1 million. The asset will be reconverted into a modern clinic for eye and skin care. Delivery of the works is scheduled for the end of February 2014. The renovated property will measure 2,133m² and comprise 25 parking spaces.

- On 12.12.2013, Cofinimmo acquired a former office building located in Ede, between Arnhem and Utrecht, for an amount of €3.5 million. This asset is to be reconverted into an eye care clinic. Delivery of the works is scheduled for April 2014. The renovated property will measure 2,700m² and comprise 60 parking spaces.

In both cases, the reconversion works will be entirely financed by the Dutch group Bergman Clinics, which will rent both clinics under long-term leases of 15 years, with an option to extend the lease for a further 10 years, for which the long-lease holder must come to a decision in the 10th year. The long leases make the holder responsible for maintenance costs and taxes ("triple net" lease contracts). The rents will be indexed annually to the household consumer price index. In "double net"[1] equivalent, the initial rental yields stand at 7.83% for the asset located in Rijswijk and at 7.79% for the asset located in Ede.

Acquisition of a former office building to be reconverted into an acute care clinic for the operator Equipe Zorgbedrijven Holding

In December 2013, Cofinimmo, via its Dutch subsidiary Superstone, signed an agreement for the acquisition of a former office building to be reconverted into a clinic, located in Eindhoven, in the south of the Netherlands, for an amount of €1.4 million. The sales contract will be signed once the permit needed to carry out the works has been obtained.

The renovated establishment will measure 3,046m² and comprise around 100 parking spaces. The total budget for the works is estimated at €6.0 million, of which €3.2 million for the construction, which will be borne by Cofinimmo, and €2.8 million for the fitting out, which will be borne by the operator Equipe. Delivery of the works is scheduled for Q2 2015 at the latest.

[1] The double net equivalent rental yield allows for an adequate comparison with the office segment yields.

Equipe Eindhoven, a subsidiary of Equipe Zorgbedrijven Holding, will rent the clinic under a long-term 15-year lease with an option to extend for a further 10 years, for which the long-lease holder must come to a decision in the 10th year. The long lease makes the holder responsible for maintenance costs and taxes ("triple net" lease contract). The rent will be indexed annually to the household consumer price index. The initial rental yield will be 7.50% in "double net"[1] equivalent.

Equipe Zorgbedrijven Holding is a Dutch operator that has been in business since 1995, specialising in plastic surgery and dermatology (Velthuis Clinic), phlebology and proctology (Helder Clinic), and surgery of hands and wrists (Xpert Clinic). The Group operates on five sites, which are all located in the Netherlands.

Situation before works

Projected situation after works

Disposal of a revalidation clinic ("Clinique de Soins de Suite et de Revalidation") in France

On 24.10.2013, Cofinimmo, via one of its French subsidiaries, disposed of the La Pinède SSR clinic, located in Sigean in France and vacated by the Korian Group on 30.09.2013, for €0.7 million gross. This price lies above the investment value of the asset as determined by the independent real estate expert as at 31.12.2012.

Constructions, extensions and renovations

During 2013, the Group carried out construction, extension and renovation works in the healthcare real estate segment in Belgium and France for an amount of €41.2 million.

[1] The double net equivalent rental yield allows for an adequate comparison with the office segment yields.

The main projects managed in 2013 are the following:

Belgium					
Building	**Operator**	**Type of works**	**Number of (additional) beds**	**(Additional) surface area**	**(Expected) end of works**
Dageraad - Antwerp	Armonea	New construction	94 beds	5,020m²	Q2 2013
De Couverture (Solva) – Aalst	Senior Assist	New construction	80 beds + 29 service flats	7,894m²	Q1 2014
Lucie Lambert – Halle	Orpea	Extension	+ 17 beds	+ 2,614m²	Q3 2013
Parkside – Brussels	Le Noble Age	Renovation and extension	+ 15 beds	2,362m²	Q1 2013
Prinsenpark - Genk	Senior Living Group	Extension	+65 beds + 22 service flats	+ 5,239m²	Q2 2013
Zonnetij – Aartselaar	Senior Living Group	Extension	Transformation of double rooms into single rooms	+ 1,216m²	Q3 2013
Zonnewende – Aartselaar	Senior Living Group	Extension	Transformation of double rooms into single rooms	+ 600m²	Q3 2013

France					
Building	**Operator**	**Type of works**	**Number of (additional) beds**	**(Additional) surface area**	**(Expected) end of works**
Le Clos Saint Sebastien – Saint Sébastien sur Loire	Orpea	Extension	+ 12 beds	+ 786m²	Q1 2014
Lo Solehl - Béziers	Korian[1]	Renovation	+ 13 EHPA beds	/	Q2 2013

These establishments are all pre-let.


Dageraad - Antwerp

[1] In November 2013, Korian and Medica announced their plan to merge during 2014.

For 2014-2015, excluding the projects that were started but not yet completed in 2013, the main planned construction and renovation projects are the following:

Belgium					
Building	**Operator**	**Type of works**	**Number of (additional) beds**	**(Additional) surface area**	**(Expected) end of works**
7 Voyes – Vedrin	Senior Assist	Renovation (phase II)	/	/	Q4 2015
Brise d'Automne & Chêne – Ransart	Senior Assist	Renovation and extension	+ 16 beds + 6 service flats	+ 3,088m²	Q4 2016
Damiaan – Tremelo	Senior Living Group	Renovation and extension	/	+ 556m²	Q1 2014
De Mouterij – Aalst	Senior Assist	New construction	120 beds + 13 service flats	7,643m²	Q3 2014
De Nieuwe Seignerie – Rumbeke	Armonea	Extension	+ 31 beds	+ 1,688m²	Q2 2015
De Nootelaer – Keerbergen	Senior Living Group	Extension	+ 5 service flats	+ 500m²	Q1 2015
Den Brem - Rijkevorsel	Armonea	Extension	+ 36 beds	+ 1,300m²	Q2 2015
Les Jours Heureux – Lodelinsart	Senior Assist	New construction	20 beds	1,345m²	Q1 2014
Noordduin – Koksijde	Armonea	New construction	87 beds	6,440m²	Q1 2015
Saint Ignace – Laeken (Brussels)	Senior Assist	Renovation	/	/	Q3 2014
Susanna Wesley – Uccle (Brussels)	Armonea	New construction	87 beds	4,960m²	Q2 2015
Vishay – Evere (Brussels)	Armonea	New construction	165 beds	8,565m²	Q4 2014

De Nieuwe Seigneurie – Rumbeke (project)

France					
Building	**Operator**	**Type of works**	**Number of (additional) beds**	**(Additional) surface area**	**(Expected) end of works**
Debussy – Carnoux en Provence	Medica[1]	Extension	+ 20 beds	+ 1,370m²	Q3 2015
Frontenac – Bram	Korian[1]	Renovation and extension	+ 8 beds	+ 700m²	Q2 2014
Gléteins – Jassans-Riottier	Korian[1]	Renovation and extension	+ 30 beds	+ 2,567m²	Q4 2015
Les Lubérons – Le-Puy-Sainte-Réparade	Korian[1]	Renovation and extension	+ 25 beds	+ 1,400m²	Q3 2015
William Harvey – Saint Martin d'Aubigny	Korian[1]	Renovation and extension	+ 10 beds	+ 670m²	Q1 2015

These establishments are also all pre-let.

Property of distribution networks

Acquisition of two insurance services agencies in France

On 18.11.2013 and 28.11.2013, Cofinimmo, via its French subsidiary Cofinimur I, bought two insurance services agencies, located in Oullins and Corbeil-Essonnes (France) respectively, for a gross total amount of €0.6 million.

The two agencies are leased to MAAF[2] for a fixed nine-year term and offer a gross rental yield of 7.59% for the agency in Oullins and 7.88% for the agency in Corbeil-Essonnes.

Disposal of five insurance services agencies in France

In the course of 2013, Cofinimmo, via its French subsidiary Cofinimur I, sold five insurance services agencies, located in Avignon, Noisiel, Marseille, Riom and Vernon respectively, for a gross total amount of €1.5 million, greater than the investment value of the five assets as determined by the real estate expert at 31.12.2012.

As a reminder, at the time of the acquisition of the MAAF portfolio by Cofinimmo at the end of 2011, five of the 265 agencies acquired were vacant and five others were subject to a one-year tenancy-at-will[3]. At the publication date of this press release, out of these ten assets at risk, seven have already been sold. The realised gains on these sales amount on average to 5% of the last investment value as determined by the independent real estate expert.

[1] In November 2013, Korian and Medica announced their plan to merge during 2014.
[2] Subsidiary of the French insurance group Covéa. In December 2011, the Cofinimmo Group had already acquired a portfolio of 263 insurance services agencies, leased to MAAF. See also our press release dated 21.12.2011, available on our website.
[3] See also our press release dated 21.12.2011, available on our website.

Disposal of three pubs in Belgium and one pub in the Netherlands

During 2013, Cofinimmo also sold three pubs located in Belgium (Brussels, Hoegaarden and Namur) and a pub located in the Netherlands (Dordrecht) for a gross total amount of €1.8 million, greater than the investment value of the assets as determined by the independent real estate expert at 31.12.2012.

Since the acquisition of the portfolio of 1,068 pubs at the end of 2007, 21 pubs have been sold. The realised gains on these sales amount on average to 34% of the last investment value as determined by the independent real estate expert.

Developments

The property of distribution networks portfolio has undergone renovation works amounting in total to €3.2 million in 2013. This amount breaks down as follows:

- Pubstone Belgium: €2.3 million;
- Pubstone Netherlands: €0.8 million;
- Cofinimur I France: €0.1 million.

Public-Private Partnerships

Delivery of the reconstruction works of a student housing building in Brussels

The delivery of the reconstruction works of the Nelson Mandela Residence for student housing, located Avenue des Courses in Brussels, took place on 11.09.2013. As a reminder, in April 2012 Cofinimmo won the call of tenders of the Université Libre de Bruxelles (ULB - Brussels University) for a Public-Private Partnership concerning two student housing buildings of which one, Avenue des Courses in Brussels, was in need of a major renovation[1].

The budget invested by Cofinimmo in the renovation stood at €14.2 million, VAT included. The asset is rented to the ULB until July 2039, after which the full ownership of the building reverts to the University.

Construction of a prison in Leuze-en-Hainaut (Belgium)

The construction works of the prison in Leuze-en-Hainaut, which had started in July 2012, continued in 2013. Their delivery is scheduled for the second quarter of 2014. The total budget for the development project is €105.6 million. It is being financed by the SPV Future Prison, through equity and a construction loan. As a reminder, Cofinimmo has a 50% stake in the SPV Future Prison, Cordeel Zetel Temse a 49% stake and Willemen a 1% stake.

Upon delivery of the works, Cofinimmo will take over the balance of the shares of the SPV and will reimburse the construction loan via the sale of 90% of the receivables corresponding to the investment fees, which cover a period of 25 years. FPR Leuze has agreed to the construction loan and the future assignment of receivables with KBC Bank. The anticipated internal rate of return (IRR) is 10%.

[1] See also our press release dated 23.04.2012, available on our website.

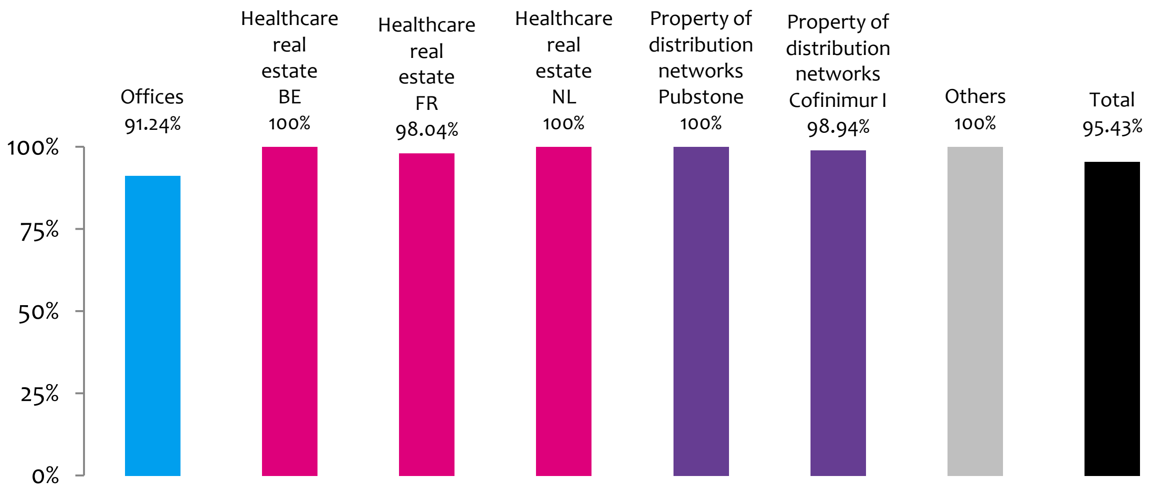
Roll-forward of the total portfolio, in investment value (x €1,000,000):

Investment value of the total portfolio at 31.12.2012			**3,436.1**
Offices			-4.0
	Renovations		10.8
	Disposals		-14.8
		Livingstone I	-14.0
		Woluwe 34	-0.7
		Others	-0.1
Healthcare real estate			47.5
	Acquisitions		6.6
		Clinic Rijswijk (Netherlands)	3.1
		Clinic Ede (Netherlands)	3.5
	Constructions/renovations		41.3
	Disposals		-0.4
		SSR Clinic Pinède – Sigean (France)	-0.4
Property of distribution networks			1.0
	Acquisitions		0.6
		Agency Oullins (France)	0.2
		Agency Corbeil-Essonnes (France)	0.4
	Renovations		3.2
	Disposals		-2.6
		5 agencies (France)	-1.4
		3 pubs (Belgium)	-1.0
		1 pub (Netherlands)	-0.2
Other buildings			-3.7
	Disposals		-3.7
		Woluwelaan 145	-3.7
Writeback of lease payments sold and discounted			25.3
Change in investment value of investment properties			-23.3
Investment value of the total portfolio at 31.12.2013			**3,478.9**

3.2. Commercial results

During the FY 2013, Cofinimmo signed leases for over 66,150m² of office space, representing contractually guaranteed revenues, net of rent-free periods, of €41.8 million[1]. The most important transactions are related to the buildings Bourget 40, 44 and 50, Guimard 10-12, Noordkustlaan 16 and Maire 19 – Tournai.

Occupancy rate



For comparison, the occupancy rate on the Brussels office market stood at 89.3% at 31.12.2013 (source: DTZ Research).

[1] Spread over the firm length of the new or renegotiated lease agreements.

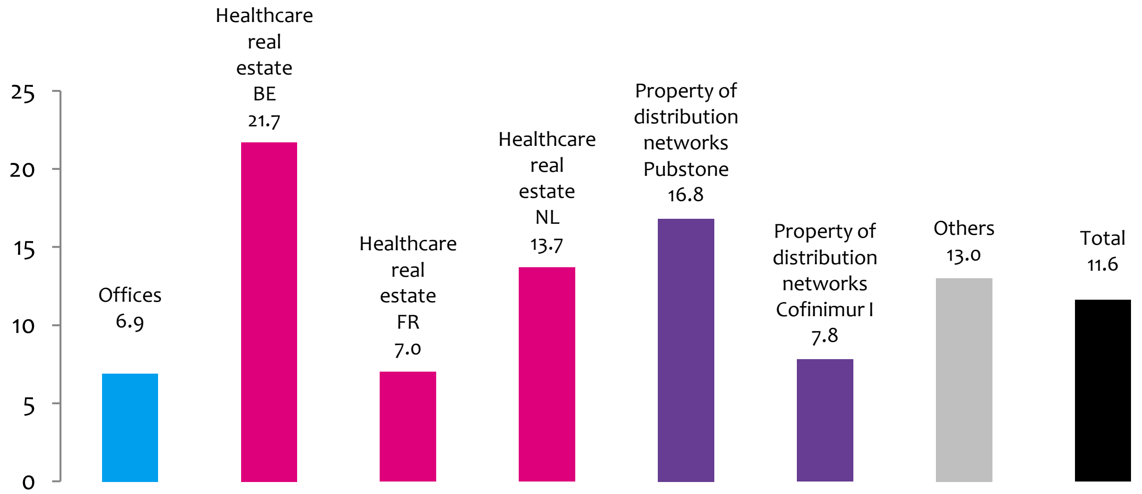
Major tenants

Tenants	Contractual rents	Average residual lease term (in years)
AB InBev	13.5%	16.8
Belgian Public Sector	12.6%	16.0
Medica[1]	8.6%	19.5
Armonea	8.4%	20.8
Korian[1]	7.7%	7.0
Top 5 tenants	50.8%	16.2
Axa Group	5.2%	3.6
International Public Sector	4.6%	5.0
Orpea	4.1%	12.0
MAAF	3.5%	7.8
Senior Assist	3.0%	23.7
Top 10 tenants	71.2%	14.2
Top 20 tenants	81.2%	13.3
Other tenants	18.8%	4.4
TOTAL	**100.0%**	**11.6**

In the office sector, public tenants represent 35.4% of the portfolio, making rental incomes very stable.

Average residual lease term

In years, up until the date of the tenant's first break option:



If the break option is not exercised and the tenants remain in the leased premises until the contractual expiry of their lease contracts, the average residual lease term increases to 12.5 years.

[1] In November 2013, Korian and Medica announced their plan to merge during 2014.

Maturity of the portfolio

Leases > 9 years	51.9%
Offices (public sector)	11.1%
Healthcare real estate	23.5%
Property of distribution networks Cofinimur I	1.9%
Property of distribution networks Pubstone	13.5%
Offices (private sector)	0.1%
Autres	1.7%
Leases 6-9 years	14.2%
Offices	5.7%
Healthcare real estate	7.5%
Property of distribution networks Cofinimur I	1.0%
Leases < 6 years	33.9%
Offices	29.9%
Healthcare real estate	3.2%
Property of distribution networks Cofinimur I	0.6%
Others	0.2%

Over 50% of the leases are long-term leases (more than 9 years).

3.3. Management of financial resources

Financing

Sale of treasury shares for €92.6 million gross

During the first half of 2013, Cofinimmo sold 1,056,283 own ordinary shares on the stock market for an average gross price of €87.69 per share (average net price of €86.78 per share), thereby strengthening its equity by €91.7 million. Of these 1,056,283 own ordinary shares, 989,413 were sold via an accelerated bookbuilding offering at a gross price of €87.50 per share[1].

Strengthening of shareholder equity for €43.9 million through the distribution of dividends in shares

The shareholders' equity was increased by €43.9 million, further to a decision by the shareholders of Cofinimmo to reinvest 52.7% of their 2012 dividends in new ordinary shares. The subscription price of the new ordinary shares was €82.875[2].

Placement of convertible bonds for €190.8 million

On 20.06.2013, Cofinimmo successfully closed a placement of convertible bonds for a total amount of €190.8 million. The bonds will mature on 20.06.2018 and are convertible into ordinary shares of the company. They were issued and are repayable at maturity at 100% of the par value, set at € 108.17 per bond. Their coupon amounts to 2%, payable annually in arrears. The bonds are listed on the regulated market of the Luxembourg Stock Exchange.

The convertible bonds enable their holder to receive ordinary Cofinimmo shares at the initial rate of one share for one bond. The initial conversion price is equal to the par value of € 108.17, which was also the subscription price. This conversion price was set at a premium of 27.50% to the reference share price[3].

In accordance with the Royal Decree of 07.12.2010 relating to Sicafis/Bevaks, the bonds were offered initially and attributed on a provisional basis (subject to a clawback by the shareholders) to institutional investors following an accelerated bookbuilding procedure, then they were offered to the existing shareholders, both private and institutional, during a three-day priority subscription period. They exercised their right to clawback to the tune of 1.69%[4].

Private placement of a non-convertible bond for €50,0 million

On 09.10.2013, Cofinimmo successfully closed the private placement of a four-year non-convertible bond, for a total amount of €50 million, offering a fixed coupon of 2.78%. The operation was placed by Bank Degroof with a limited number of institutional investors.

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[1] See also our press releases dated 25.03.2013 and 26.03.2013, available on our website.

[2] See also our press releases dated 08.05.2013 and 06.06.2013, available on our website.

[3] The reference share price of €84.8364 represents the volume-weighted average price of the company's ordinary shares on Euronext Brussels from launch to pricing. For more details on the conversion price, see the prospectus for this operation, available on our website.

[4] See also our press releases dated 11.06.2013 and 17.06.2013, as well as the prospectus for this operation, available on our website.

Signature of five credit lines for a global amount of €270,0 million

At the start of February 2013, Cofinimmo signed two new credit lines to replace two existing maturing credit lines. The new lines, each for €50 million, have a maturity of three years and five years respectively.

In July 2013, Cofinimmo signed three other credit lines: two lines, for an amount of €50 million each, maturing in 2018 and in 2019 respectively, and one line, for an amount of €70 million, maturing in March 2018 and replacing a credit line maturing in March 2014.

Debt

Debt structure

At 31.12.2013, the Cofinimmo Group consolidated borrowings amounted to € 1,722.2 million, comprising of:

- €394.4 million in the form of four bonds:

Issuer	Par value (x1,000,000)	Issue price	Coupon	Issue date	Maturity date
Cofinimmo Luxembourg SA	€100.0	101.434%	5.25%	15.07.2004	15.07.2014
Cofinimmo SA	€100.0	102%	5.00%	25.11.2009	25.11.2014
Cofinimmo SA	€140.0	100%	3.55%	26.07.2012	07.02.2020
Cofinimmo SA	€50.0	100%	2.78%	23.10.2013	23.10.2017

These bond issues are booked at market value on the balance sheet.

- €373.1 million in the form of two bonds convertible into Cofinimmo shares:

Issuer	Par value (x1,000,000)	Issue price	Coupon	Issue date	Maturity date
Cofinimmo SA	€173.3	100%	3.125%	28.04.2011	28.04.2016
Cofinimmo SA	€190.8	€108.17	2.00%	20.06.2013	20.06.2018

These bond issues are booked at market value on the balance sheet.

- €118.2 million in commercial papers, including €103.2 million with a term of less than one year and €15.0 million with an initial term of more than three years;

- €4.2 million in minimum coupons of the mandatory convertible bonds issued by Cofinimur I in December 2011;

- €816.9 million in bilateral medium- and long-term loans from nine banks, with an initial term of three to ten years;

- €15.4 million in other loans and advances (account debits).

At 31.12.2013, the Cofinimmo Group current consolidated borrowings amounted to €455.5 million, including:

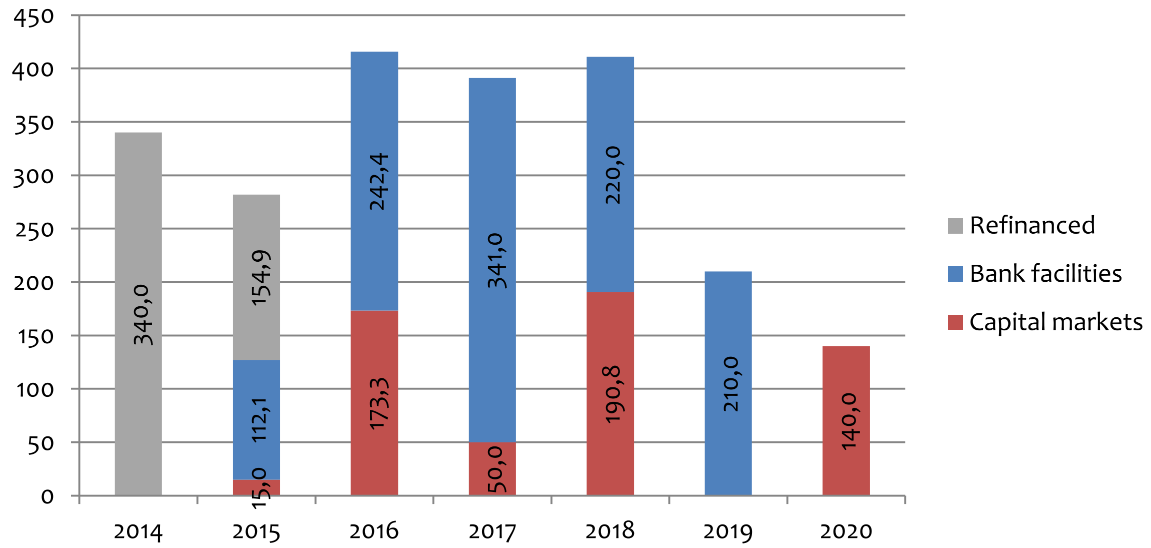
- €103.2 million in commercial papers with a term of less than one year;

- €344.4 million in maturing debts, concerning two bonds for €204.4 million and bank loans for €140.0 million

- €7.9 million in other loans and advances (account debits).

The short-term borrowings (€455.5 million) are fully covered by the undrawn portions of long-term confirmed credit facilities totalling €613.7 million at 31.12.2013.

Repayment schedule of the long-term financial commitments[1] of €2,189.5 million (in € million):



The long-term financial commitments, with a total outstanding amount of €2,189.5 million at 31.12.2013, mature in a staggered manner up to 2020. All loan instalments maturing in 2014 and 58% of the instalments to be reimbursed in 2015 have now already been refinanced.

[1] This schedule takes into account the capital from financial commitments and excludes payment of interest (generally on a monthly or quarterly basis) as well as projected cash flows from derivatives.

The average maturity of Cofinimmo's debt (excluding short-term commercial paper, which is fully covered by the undrawn portions of long-term credit facilities) remained stable at 3.8 years between 31.12.2012 and 31.12.2013.

The average interest rate on Cofinimmo's debt, including bank margins, stands at 3.92% for the FY 2013, against 3.77% for the FY 2012[1].

Consolidated debt ratio

As at 31.12.2013, Cofinimmo is in compliance with the limits of the financial debt ratios. Cofinimmo's regulatory debt ratio[2] is 48.87% (vs. 49.90% at 31.12.2012) and is coherent with the moderate risk profile of assets and cashflow and – in particular – with the long residual term of the leases agreed. As a reminder, the statutory maximum debt ratio for Sicafis/Bevaks is 65%. The Loan-to-Value financial debt ratio[3] stood at 49.61% at 31.12.2013.

Cofinimmo's credit agreements, when they refer to a debt ceiling, refer to the legal debt ratio, with a maximum of 60%.

Interest rate hedging

During 2013, Cofinimmo restructured its interest rate hedging scheme.

COLLARs, consisting of CAPs bought combined with FLOORs sold, were cancelled for the period 2013-2015[4]. The goal of this cancellation was twofold. Firstly, convertible bonds were issued for an amount of €190.8 million at a fixed coupon of 2%, thereby reducing the floating rate debt. Secondly, Cofinimmo saw the opportunity to reduce the expected charges of the sold FLOORs for 2014 and 2015, which will have a positive impact on the result of both fiscal years.

The total cost of the restructuring stands at €25.5 million, of which €20.4 million have been recognized in the income statement at 31.12.2013[5]. The outstanding amount will be recognized in the income statements of 2014 and 2015, in accordance with the applying accounting principles.

Furthermore, additional hedging instruments were set in place in the form of interest rate swaps for an amount of €200 million for the period 2018-2019 and for an amount of €500 million for the period 2020-2022.

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[1] Until the end of 2012, the calculation of the average interest rate on borrowings included the depreciation costs of hedging instruments pertaining to the period. As a result of the restructuration of the hedging scheme in 2013, the method used for the calculation of the average interest rate on borrowings has been reviewed and no longer includes these costs. If this calculation method had been applied at 31.12.2012, the average interest rate on borrowings would have stood at 3.77%, instead of 4.11% as published in the Annual Financial Report 2012.

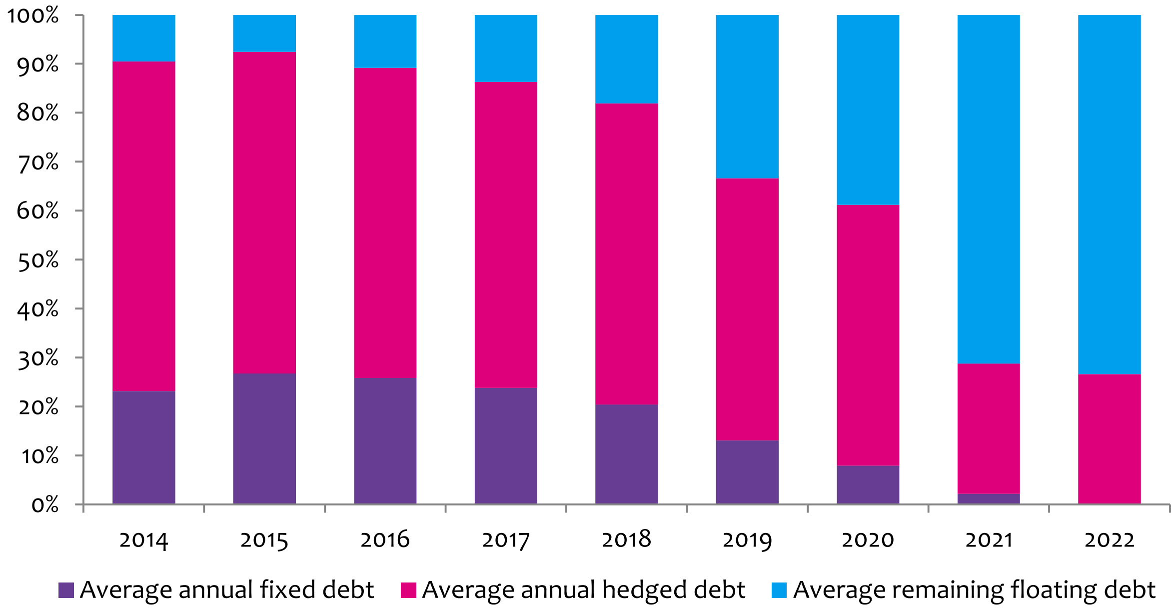
[2] Legal ratio calculated in accordance with legislation regarding Sicafis/Bevaks as financial and other debts divided by total assets.

[3] Ratio calculated as net financial debt divided by total of the portfolio's fair value and finance lease receivables.

[4] For more details on this restructuring, see also our press release dated 31.07.2013, available on our website.

[5] Under the item "Changes in fair value of financial assets and liabilities" of the global result according to the Royal Decree of 07.12.2010 and under the item "Revaluation of derivative financial instruments (IAS 39)" of the income statement - analytical format.

Situation of interest rate hedging for future years (in € million):



Assuming constant gearing, more than 90% of the interest rate risk[1] is covered until mid-2017.

Financial rating

In February 2013, the rating agency Standard & Poor's revised Cofinimmo's financial rating to BBB- for the long-term debt and A-3 for the short-term debt. The reasons for this are a higher debt ratio than the sector's average and the lack of transactions on the Brussels office market.

Since then, Cofinimmo's debt ratio has decreased thanks to the sale of treasury shares, while less than 50% of the 2012 dividend was paid in cash, the remaining (52.7%) being paid in the form of new ordinary shares.

[1] Calculated based on derivative "in-the-money" instruments: IRS and FLOORS sold.

3.4. Sustainable development and management policy

Green Charter

As a reminder, since 01.01.2012, Cofinimmo offers its office tenants a Green Charter. This is a collaboration agreement signed by Cofinimmo, Cofinimmo Services and the tenant, whose purpose is to actively promote sustainable development and encourage all parties to reduce the environmental impact of a rented property.

Since its launch, 19 tenants have signed the charter. Together, they represent 15.5% of all the tenants of Cofinimmo's office portfolio (115,700m²).

ISO 14001:2004 certification

The Veritas bureau renewed the certification of the Environmental Management System of Cofinimmo’s assets according to the ISO 14001:2004 standard. This certification applies to the management of the headquarters, the property management of the office portfolio, as well as the project management of the total portfolio.

Implementation of an energy data management software program

During 2013, Cofinimmo invested in an energy data management software program to facilitate the identification of potential sources of savings and the impact of investments made with a view to reducing consumption. This groups all the consumption data for the overall common areas managed by Cofinimmo Services, as well as the private consumption data provided by tenants on a voluntary basis.

3.5. Ancillary activity of Asset Management for third parties

Having obtained the required administrative authorisations, Cofinimmo Investissements et Services (formerly called Cofinimmo France), a wholly owned subsidiary of Cofinimmo SA/NV, established a subsidiary in Belgium in 2013 for the purpose of offering certain real estate origination and management services to third parties outside the Cofinimmo Group, within the scope of remunerated mandates from institutional investors. The services business line must continue to be ancillary at the level of this company compared to the revenues from its real estate and participations.

The objective of this initiative, besides the financial result that the Cofinimmo Group may gain from it, is to increase the Group's activities for any tenant-clients that might present projects, in Belgium or abroad, in sectors that it knows well but that cannot be incorporated into the Group's balance sheet, either due to the latter's temporary lack of sufficient financial means at the right cost or due to having reached the limits in spreading its investment risks.

During the financial year 2013, this activity consisted of advising an insurer in relation to the acquisition of three nursing homes in Belgium.

4. Summary of results and consolidated accounts at 31.12.2013

The auditor Deloitte, Réviseurs d'Entreprises, represented by Mr. Frank Verhaegen, has completed its plenary audit work and confirmed that the accounting information contained in this press release calls for no reservation on its part and is in agreement with the financial statements adopted by the Board of Directors. The accounting principles and methods adopted for the preparation of the financial statements are identical to those used for the annual financial statements for the FY 2012.

4.1. Consolidated income statement – Analytical form (x €1,000)

	31.12.2013	31.12.2012
A. NET CURRENT RESULT		
Rental income, net of rental-related expenses	195,185	202,357
Writeback of lease payments sold and discounted (non-cash)	25,276	22,994
Taxes and charges on rented properties not recovered	-2,376	-1,968
Redecoration costs, net of tenant compensation for damages	-1,176	-1,010
Property result	**216,909**	**222,373**
Technical costs	-5,114	-6,243
Commercial costs	-956	-1,091
Taxes and charges on unlet properties	-4,075	-3,826
Property result after direct property costs	**206,764**	**211,213**
Property management costs	-14,258	-15,011
Property operating result	**192,506**	**196,202**
Corporate management costs	-6,887	-7,363
Operating result (before result on the portfolio)	**185,619**	**188,839**
Financial income (IAS 39 excluded)[1]	5,723	5,559
Financial charges (IAS 39 excluded)[2]	-66,972	-65,092
Revaluation of derivative financial instruments (IAS 39)	-13,686	-24,344
Share in the result of associated companies and joint ventures	1,425	503
Taxes	-2,179	-4,274
Net current result[3]	**109,930**	**101,192**
Minority interests	-5,006	-3,706
Net current result – Group share	**104,924**	**97,486**
B. RESULT ON THE PORTFOLIO		
Gains or losses on disposals of investment properties and other non financial assets	147	1,414
Changes in fair value of investment properties	-26,260	12,197
Share in the result of associated companies and joint ventures	112	-70
Other result on the portfolio	-22,065	-12,038
Result on the portfolio	**-48,066**	**1,503**
Minority interests	1,879	-917
Result on the portfolio – Group share	**-46,187**	**586**
C. NET RESULT		
Net result – Group share	**58,737**	**98,072**

Number of shares	**31.12.2013**	**31.12.2012[4]**
Number of ordinary shares issued (treasury shares included)	16,954,002	16,423,925
Number of preference shares issued and not converted	688,682	689,397
Number of ordinary shares entitled to share in the result of the period	16,905,085	15,326,175
Number of preference shares entitled to share in the result of the period	688,682	689,397
Total number of shares entitled to share in the result of the period	**17,593,767**	**16,015,572**

[1] IAS 39 included, at 31.12.2013 and 31.12.2012, the financial income stands at K€19,305 and K€8,879 respectively.
[2] IAS 39 included, at 31.12.2013 and 31.12.2012, the financial charges stand at K€-94,240 and K€-92,756 respectively.
[3] Net result excluding gains or losses on disposals of investment properties, changes in fair value of investment properties, the impact of the impairment test on the goodwill, the recovery of deferred taxes and the exit tax.
[4] The calculation of the results per share at 31.12.2012 takes into account the disposal of 8,000 treasury shares in January 2013.

Comments on the consolidated income statement – Analytical form

The rental income amounts to €195.2 million at 31.12.2013, against to €202.4 million at 31.12.2012. This fall is due mainly to the indemnity paid by Belfius Bank in compensation for the termination of its lease contract on the Livingstone I and II buildings. This non-recurrent indemnity of €11.20 million was paid during 2012 and was entirely included in that year's income statement. On a like-for-like basis, the gross rental revenues rose by 1.68% over the last 12 months: the positive effect of lease indexation (+2.05%) and new rentals (+1.92%) was offset by departures (-1.57%) and renegotiations (-0.72%).

Direct and indirect operating costs represent 0.83% of the average value of the assets under management at 31.12.2013, compared to 0.87% at 31.12.2012. The operating result (before result on the portfolio) stands at €185.6 million at 31.12.2013, against €188.8 million one year before.

The financial result (excluding IAS 39 impact) falls from €-59.5 million at 31.12.2012 to €-61.2 million at 31.12.2013. The fall in the debt level partially compensates the rise of the interest rates between these two dates. The average debt level stands at €1,685.8 million at 31.12.2013, against €1,704.7 million at 31.12.2012. On the other hand, the average interest rate, including bank margins, moves from 3.77% to 3.92% as a result of old debts with low margins maturing, and the early refinancing of credit lines maturing in 2014 and 2015.

The item "Revaluation of derivative financial instruments (IAS 39)" of the financial result stands at €-13.7 million at the end of 2013, compared to €-24.3 million at the end of 2012. In 2012, the IAS 39 impact was particularly negative because of the rise in value of the convertible bonds resulting from the strong fall of the interest rates. The balance sheet heading under shareholders' equity "Reserve for the balance of changes in fair value of financial instruments"[1], where changes in the effective value of optional as well as non-optional financial instruments are recorded, comes from €-158.6 million at 31.12.2012 to €-126.3 million at 31.12.2013, namely as a result of the restructuration of the interest rate hedging scheme.

Taxes include the corporate income tax due by subsidiaries which do not benefit from the Sicafi/Bevak, SIIC or FBI tax regime and the tax on non-deductible costs of a Sicafi/Bevak (primarily the office tax in the Brussels Capital Region).

The net current result - Group share amounts to €104.9 million at 31.12.2013, against €97.5 million at 31.12.2012. Per share, it represents €5.96 at 31.12.2013 and €6.09 at 31.12.2012. The number of shares entitled to share in the result of the period increased from 16,015,572 to 17,593,767 between these two dates.

The result on the portfolio – Group share falls from €0.6 million at 31.12.2012 to €-46.2 million at 31.12.2013. At the end of 2013, this item groups two main elements: the change in fair value of investment properties and the impairment on the Pubstone goodwill.

[1] The heading "Reserve for the balance of changes in fair value of financial instruments" is shown on the balance sheet under the heading "Reserve".

The change in fair value of investment properties is negative (€-26.3 million) mainly due to the decrease in value of several office buildings which will be subject to a major renovation in the five coming years. On a like-for-like basis, the change in fair value of investment properties stands at -0.78%.
The impairment of the Pubstone goodwill amounts to €-21.0 million at 31.12.2013, against €-7.1 million at 31.12.2012. This is the result of the complete update of the parameters used to calculate the utility value of the pubs portfolio at the end of the FY 2013. The two main parameters concerned and increased are the future renovation expenses, budgeted by reference to the expenses over the past five years, and the weighted average cost of capital (WACC). This impairment has no impact on the valuation of the pubs portfolio, which on the contrary recorded a latent gain of €1.3 million at 31.12.2013.

The share in the result of associated companies and joint ventures concerns the stakes of 50% and 51% held by Cofinimmo in FPR Leuze SA/NV and Cofinéa I SAS respectively. Minority interests relate to the mandatory convertible bonds issued by the subsidiary Cofinimur I SA, as well as third-party holdings in the subsidiaries Silverstone and Pubstone.

The net result – Group share is €58.7 million at 31.12.2013, compared to €98.1 million at 31.12.2012. Per share, these figures stand at €3.34 at 31.12.2013 and €6.12 at 31.12.2012.

4.2. Consolidated balance sheet (x €1,000)

	31.12.2013	31.12.2012
Non-current assets	**3,565,180**	**3,533,691**
Goodwill	129,356	150,356
Intangible assets	753	605
Investment properties	3,338,709	3,297,900
Other tangible assets	677	856
Non-current financial assets	20,941	24,672
Finance lease receivables	67,449	53,397
Trade receivables and other non-current assets	40	97
Participations in associated companies and joint ventures	7,255	5,808
Current assets	**105,263**	**108,797**
Assets held for sale	8,300	10,670
Current financial assets	2,782	6,501
Finance lease receivables	1,236	2,973
Trade receivables	25,698	22,636
Tax receivables and other current assets	24,304	29,142
Cash and cash equivalents	15,969	3,041
Accrued charges and deferred income	26,974	33,834
TOTAL ASSETS	**3,670,443**	**3,642,488**
Shareholders' equity	**1,681,462**	**1,542,292**
Shareholders' equity attributable to shareholders of parent company	**1,614,937**	**1,476,029**
Capital	942,825	857,822
Share premium account	372,110	329,592
Reserves	241,265	190,543
Net result of the financial year	58,737	98,072
Minority interests	**66,525**	**66,263**
Liabilities	**1,988,981**	**2,100,196**
Non-current liabilities	**1,412,904**	**1,566,005**
Provisions	18,180	20,493
Non-current financial debts	1,266,665	1,388,883
Other non-current financial liabilities	93,304	120,835
Deferred taxes	34,755	35,794
Current liabilities	**576,077**	**534,191**
Current financial debts	455,509	351,203
Other current financial liabilities	21,921	81,959
Trade debts and other current debts	64,680	64,560
Accrued charges and deferred income	33,967	36,469
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,670,443**	**3,642,488**

Comments on the consolidated balance sheet

The fair value of the property portfolio[1], as appears from the consolidated balance sheet, by application of IAS 40, is obtained by deducting transaction costs from the investment value. At 31.12.2013, the fair value stands at €3,347.0 million, compared to €3,308.6 million at 31.12.2012.

The investment value of the property portfolio[1], as established by the independent real estate experts, is €3,478.9 million at 31.12.2013, compared with €3,436.1 million at 31.12.2012.

The heading "Participations in associated companies and joint ventures" concerns the stakes of 50% and 51% held by Cofinimmo in FPR Leuze SA/NV and Cofinéa I SAS respectively.

The heading "Minority interests" includes the mandatory convertible bonds issued by the subsidiary Cofinimur I SA, as well as the minority interests of the Silverstone and Pubstone subsidiaries.

[1] Including buildings for own use and development projects.

5. Property portfolio at 31.12.2013

GLOBAL PORTFOLIO OVERVIEW *Extract from the report prepared by the independent real estate experts Winssinger & Associates and PricewaterhouseCoopers based on the investment value*		
(x €1,000,000)	**31.12.2013**	**31.12.2012**
Total investment value of the portfolio	3,478.9	3,436.1
Projects and development sites	-134.1	-135.2
Total properties under management	**3,344.8**	**3,300.9**
Contractual rents	224.2	221.6
Gross yield on properties under management	**6.70%**	**6.71%**
Contractual rents + estimated rental value on unlet space at the valuation date	235.0	231.6
Gross yield at 100% portfolio occupancy	7.03%	7.01%
Occupancy rate of properties under management[1]	**95.43%**	**95.71%**

At 31.12.2013, the "Projects and development sites" item mainly includes the buildings Livingstone I and II, Science 15-17 and Woluwe 34. It also includes projects or extensions in the healthcare real estate segment, the most important being located in Aalst, Evere (Brussels) and Uccle (Brussels).

Properties	Surface area of superstructure (in m²)	Contractual rents (x €1,000)	Occupancy rate	Rent + ERV on unlet premises (x €1,000)	Estimated Rental Value (ERV) (x €1,000)
Offices	519,385	78,980	88.70%	89,042	80,513
Offices of which receivables have been sold	208,145	26,236	99.83%	26,280	26,280
Sub-total offices	**727,530**	**105,216**	**91.24%**	**115,322**	**106,793**
Healthcare real estate	643,755	76,585	99.27%	77,145	74,079
Pubstone	363,470	30,262	100.00%	30,262	27,306
Cofinimur I	59,572	7,892	98.94%	7,976	8,167
Others	23,026	4,285	100.00%	4,285	3,426
Sub-total investment properties & properties of which receivables have been sold	**1,817,353**	**224,240**	**95.43%**	**234,990**	**219,771**
Projects & renovations	18,392	2		346	346
Development sites		144		144	165
GENERAL TOTAL PORTFOLIO	**1,835,745**	**224,386**		**235,480**	**220,282**

[1] Calculated based on rental income.

Segment	Fair value			Property result after direct costs	
	(in €1,000)	(in %)	Changes over the period[1]	(in €1,000)	(in %)
Offices	**1,524,811**	**45.6%**	**-2.5%**	**89,967**	**43.5%**
Brussels Leopold/Louise districts	298,585	8.9%	-7.0%	17,148	8.3%
Brussels Centre/North	317,297	9.5%	0.2%	17,282	8.4%
Brussels Decentralised	591,643	17.7%	-2.8%	35,336	17.1%
Brussels Periphery & Satellites	143,666	4.3%	-1.6%	8,699	4.2%
Antwerp	62,297	1.9%	-0.9%	4,220	2.0%
Other Regions	111,323	3.3%	2.2%	7,282	3.5%
Healthcare real estate	**1,228,245**	**36.7%**	**0.8%**	**75,542**	**36.6%**
Belgium	791,995	23.7%	0.8%	46,232	22.4%
France	418,130	12.5%	0.7%	28,481	13.8%
Netherlands	18,120	0.5%	3.1%	829	0.4%
Property of distribution networks	**532,818**	**15.9%**	**0.5%**	**37,046**	**17.9%**
Pubstone - Belgium	272,243	8.1%	0.3%	19,482	9.4%
Pubstone - Netherlands	150,650	4.5%	0.3%	10,081	4.9%
Cofinimur I - France	109,925	3.3%	1.2%	7,483	3.6%
Others	**61,135**	**1.8%**	**1.7%**	**4,209**	**2.0%**
TOTAL PORTFOLIO	**3,347,009**	**100.0%**	**-0.8%**	**206,764**	**100.0%**

The total Cofinimmo portfolio records a negative change in fair value of €-26.3 million over 2013: the positive change in the fair value of the healthcare real estate, property of distribution networks and "other" buildings portfolios do not compensate the negative change in the fair value of the offices. The latter is due to the depreciation of a number of office buildings requiring major renovation works in the five coming years.

Yield per segment	Offices	Healthcare real estate Belgium	Healthcare real estate France	Healthcare real estate Netherlands	Property of distribution networks	Others	Total
Gross rental yield at 100% occupancy	7.77%	6.21%	6.46%	7.14%	6.61%	7.06%	**7.03%**
Net rental yield at 100% occupancy	6.78%	6.18%	6.45%	7.08%	6.47%	6.76%	**6.55%**

[1] On a like-for-like basis.

6. Events after 31.12.2013

No major event occurred between 31.12.2013 and the publication date of this press release.

7. Information on shares and bonds

7.1. Share performance

Ordinary share (COFB)

	31.12.2013	31.12.2012	31.12.2011
Share price (over 12 months, in €)			
Highest	93.5	95.0	103.9
Lowest	82.2	83.4	82.3
At close	89.8	89.6	90.8
Average	88.3	88.4	94.8
Dividend yield[1]	**7.4%**	**7.3%**	**6.9%**
Gross return[2] **(over 12 months)**	**7.5%**	**6.0%**	**0.1%**
Volume (over 12 months, in number of shares) on Euronext			
Average daily volume	37,975	33,584	34,683
Total volume	9,911,464	8,765,448	9,017,465
Number of outstanding ordinary shares at end of period[3]	**16,954,002**	**16,007,572**	**14,126,279**
Market capitalisation at end of period (x €1,000)	**1,521,570**	**1,470,688**	**1,365,960**
Free float zone[4]	**90%**	**90%**	**90%**

Preference shares (COFP1 & COFP2)

	COFP1 31.12.2013	COFP1 31.12.2012	COFP2 31.12.2013	COFP2 31.12.2012
Share price (over 12 months, in €)				
At close	95.0	95.0	78.0	82.5
Average	95.0	98.6	84.7	82.3
Dividend yield[1]	**6.7%**	**6.5%**	**7.5%**	**7.7%**
Gross return[2] **(over 12 months)**	**6.7%**	**8.1%**	**-1.9%**	**15.6%**
Volume (over 12 months, in number of shares)				
Average daily volume[5]	0	28	66	91
Total volume	0	139	1,061	2,909
Number of shares	**395,148**	**395,198**	**293,534**	**294,199**
Market capitalisation at end of period (x €1,000)	**37,539**	**37,544**	**22,896**	**24,274**

[1] Gross dividend on average share price.
[2] Increase in share price + dividend yield.
[3] Excluding treasury shares.
[4] Using the Euronext method.
[5] Average calculated based on number of stock exchange days on which a volume was recorded.

Bonds

	Cofinimmo Luxembourg SA €100 million – 2004-2014 ISIN XS0193197505		Cofinimmo SA €100 million – 2009-2014 ISIN BE0002171370	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Market price (over 12 months, as a % of nominal price)				
At close	102.0%	104.1%	103.0%	103.5%
Average	103.3%	103.7%	104.1%	103.1%
Yield to maturity (12-month average)	**1.7%**	**3.6%**	**2.6%**	**4.3%**
Effective yield at issue	**5.1%**	**5.1%**	**4.5%**	**4.5%**
Interest coupon				
Gross	5.3%	5.3%	5.0%	5.0%
Net	3.9%	3.9%	3.8%	3.8%
Number of securities[1]	**1,000,000**	**1,000,000**	**100,000**	**100,000**

	Cofinimmo SA €140 million – 2012-2020 ISIN BE6241505401		Cofinimmo SA €50 million – 2013-2017 ISIN BE6258604675	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Market price (over 12 months, as a % of nominal price)				
At close	100.1%	97.3%	99.9%	n/a
Average	100.3%	96.7%	99.9%	n/a
Yield to maturity (12-month average)	**3.5%**	**4.1%**	**2.8%**	**n/a**
Effective yield at issue	**3.6%**	**3.6%**	**2.8%**	**n/a**
Interest coupon				
Gross	3.6%	3.6%	2.8%	n/a
Net	2.7%	2.7%	2.1%	n/a
Number of securities[1]	**1,400**	**1,400**	**500**	**n/a**

[1] Per band of €100 for the bond with ISIN code XS0193197505, €1,000 for the bond with ISIN code BE0002171370, €100,000 for the bond with ISIN code BE6241505401 and €100,000 for the bond with ISIN code BE6258604675.

Convertible bonds

	Cofinimmo SA Convertible bonds €173.3 million – 2011-2016 ISIN BE0002176429		Cofinimmo SA Convertible bonds €190.8 million – 2013-2018 ISIN BE6254178062	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Market price (over 12 months)				
At close	102.8%	102.3%	€110.6	n/a
Average	102.9%	98.5%	€109.6	n/a
Yield to maturity (12-month average)	**0.5%**	**2.3%**	**1.5%**	**n/a**
Effective yield at issue	**3.1%**	**3.1%**	**2.0%**	**n/a**
Interest coupon				
Gross	3.1%	3.1%	2.0%	n/a
Net	2.3%	2.3%	1.5%	n/a
Number of securities[1]	**1,486,332**	**1,486,332**	**1,764,268**	**n/a**

7.2. 2012 dividends

The Board of Directors gave the holders of both ordinary and preference shares the option of payment of the 2012 dividend in new ordinary shares or in cash or a combination of the two.

At the end of the offer period, a total of 52.7% of the dividend coupons had been re-contributed to the capital in return for new shares. This resulted in the issuance of 529,362 new ordinary shares, at a subscription price of €82.875, for a total amount of €43.9 million[2].

The new ordinary shares will be entitled to share in Cofinimmo's results as from 01.01.2013 (first dividend payable in June 2014).

7.3. 2013 dividends

At the Ordinary General Shareholders' Meeting of 14.05.2014, the Board of Directors will offer a dividend in line with the forecast published in the 2012 Annual Financial Report. It amounts to €6.00 gross per ordinary share, which corresponds to a gross yield of 6.8% against the average share price of the ordinary share during the FY 2013. The dividend of the preference shares, on the other hand, is fixed at €6.37 gross. Dividends are subject to a 25% withholding tax.

[1] Per band of €116.60 for the bond with ISIN code BE0002176429 and €108.17 for the bond with ISIN code BE6254178062.
[2] See also our press releases dated 08.05.2013 and 06.06.2013, available on our website.

7.4. Conversion of preference shares

In accordance with Article 8.2 of the company's Articles of Association, four new windows to convert Cofinimmo preference shares into Cofinimmo ordinary shares were opened during the FY 2013. Conversion requests totalling 715 preference shares were received. Since the opening of the conversion procedure (01.05.2009), 811,084 preference shares have been converted into ordinary shares. The number of preference shares still outstanding is 688,682.

7.5. Shareholders

At 31.12.2013, no shareholder notified the company of crossing the threshold of 5% of the total number of existing voting rights. The Cofinimmo Group holds 0.3% of its own shares.

Company	Ordinary shares	Preference shares	Total number of shares (voting rights)	%
Cofinimmo Group	48,917		48,917	0.3%
Total number of issued shares	**16,954,002**	**688,682**	**17,642,684**	**100.0%**

8. Corporate Governance

Appointment, renewals of terms of office and resignation

The Ordinary General Meeting of 08.05.2013 decided to appoint Mrs. Inès Reinmann as an Independent Director within the meaning of Article 526ter of the Company Code to replace Mr. Gilbert van Marcke de Lummen, whose term of office expired at the end of this Ordinary General Meeting. Her term of office will run until 10.05.2017.

The Ordinary General Meeting of 08.05.2013 also decided to renew the terms of office of Mrs. Françoise Roels, as an Executive Director and member of the Executive Committee, of Mr. Alain Schockert, as a Director representing the shareholder Bank Degroof, and of Mr. André Bergen, as an Independent Director within the meaning of Article 526ter of the Company Code. Their terms of office will run until 10.05.2017.

In addition, Mr. Marc Hellemans, Chief Financial Officer and Director of Cofinimmo, informed the Board of Directors at the end of December 2013 that he wishes to leave Cofinimmo to join an unlisted company that is not in the real estate sector[1]. His successor has not yet been appointed.

[1] See also our press release dated 24.12.2013, available on our website.

9. 2014 shareholders' calendar

Event	Date
Publication of the 2013 Annual Financial Report	14.04.2014
Interim statement: results at 31.03.2014	25.04.2014
Ordinary General Shareholders' Meeting for 2013	14.05.2014
Dividend payment date (ordinary and preference shares)[1] : - Coupon detachment date (*Ex date*)[2] - Record date[3] - Dividend payment date Financial service Coupons - Ordinary share - Preference share	 19.05.2014 21.05.2014 As from 26.05.2014 Bank Degroof (principal paying agent) or any other financial institution Coupon N° 24 Coupon N° 12 (COFP2) Coupon N° 13 (COFP1)
Half-yearly Financial Report: results at 30.06.2014	01.08.2014
Interim statement: results at 30.09.2014	07.11.2014
Annual press release: results at 31.12.2014	06.02.2015

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About Cofinimmo:

Cofinimmo is the foremost listed Belgian real estate company specialising in rental property. The company owns a property portfolio worth over €3.3 billion, representing a total area of 1,840,00m². Its main investment segments are offices and healthcare properties, and property of distribution networks. Cofinimmo is an independent company, which manages its properties in-house. It is listed on Euronext Brussels (BEL20) and benefits from the fiscal REIT regime in Belgium (Sicafi/Bevak), in France (SIIC) and in the Netherlands (FBI). Its activities are controlled by the Financial Services and Markets Authority (FSMA). At 31.12.2013, its total market capitalisation stands at €1.6 billion.

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[1] Subject to the approval of the Ordinary General Shareholders' Meeting of 14.05.2014.
[2] Date from which the share is traded without a right to payment of future dividends.
[3] Date on which positions are closed in order to identify the shareholders who qualify to receive a dividend.

Appendix: Consolidated global result – in accordance with the Royal Decree of 07.12.2010 (x €1,000)

	31.12.2013	31.12.2012
A. NET RESULT		
Rents and guaranteed revenues	197,455	192,280
Cost of rent free periods	-2,479	-1,673
Client incentives	-631	-803
Rental indemnities	846	12,620
Rental income	**195,191**	**202,424**
Writeback of lease payments sold and discounted	25,276	22,994
Rental-related expenses	-6	-67
Net rental income	**220,461**	**225,351**
Recovery of property charges	101	756
Recovery income of charges and taxes normally payable by the tenant on let properties	48,826	41,581
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-1,277	-1,766
Charges and taxes normally payable by the tenant on let properties	-51,202	-43,549
Property result	**216,909**	**222,373**
Technical costs	-5,114	-6,243
Commercial costs	-956	-1,091
Taxes and charges on unlet properties	-4,075	-3,826
Property management costs	-14,258	-15,011
Property charges	**-24,403**	**-26,171**
Property operating result	**192,506**	**196,202**
Corporate management costs	-6,887	-7,363
Operating result before result on the portfolio	**185,619**	**188,839**
Gains or losses on disposals of investment properties	147	1,414
Changes in fair value of investment properties	-26,260	12,197
Other result on the portfolio	-22,683	-11,442
Operating result	**136,823**	**191,008**
Financial income	5,723	5,559
Net interest charges	-66,043	-64,208
Other financial charges	-929	-884
Changes in fair value of financial assets and liabilities	-13,686	-24,344
Financial result	**-74,935**	**-83,877**
Share in the result of associated companies and joint ventures	1,537	433
Pre-tax result	**63,425**	**107,564**
Corporate tax	-2,179	-4,273
Exit tax	618	-596
Taxes	**-1,561**	**-4,869**
Net result	**61,864**	**102,695**
Minority interests	-3,127	-4,623
Net result – Group share	**58,737**	**98,072**
Net current result – Group share	**104,924**	**97,486**
Result on the portfolio – Group share	**-46,187**	**586**

B. OTHER ELEMENTS OF THE GLOBAL RESULT RECYCABLE IN THE INCOME STATEMENT		
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-2,141	-2,550
Change in the effective part of the fair value of authorised cash flow hedging instruments as defined under IFRS	57,288	-50,374
Other elements of the global result	**55,147**	**-52,924**
Minority interests	+35	8
Other elements of the global result – Group share	**55,182**	**-52,916**

C. GLOBAL RESULT	**117,011**	**49,771**
Minority interests	-3,092	-4,615
Global result – Group share	**113,919**	**45,156**