ANNUAL FINANCIAL REPORT 2012

Cofinimmo

table of contents

history

2012

Strengthening of its key position within the healthcare sector in Europe through the acquisition of an orthopaedic clinic (ZBC) in the Netherlands.
Adoption of the FBI regime.
Launch of the construction of the new prison of Leuze-en Hainaut (PPP).

2011

Pursuit of the diversification strategy. Strengthening of the “property of distribution networks” portfolio via the acquisition of a significant network of insurance agencies in France (Cofinimur I).
Placement of convertible bonds.

2011- 2010 -2009

Leading healthcare real estate investor position in Continental Europe.

2008

Establishment in France in the healthcare real estate sector.
Adoption of the SIIC regime.

2007

Partnership with AB InBev Group concerning the acquisition of a large portfolio of pubs located in Belgium and in the Netherlands (Pubstone).

2006

Award of the PPPs relating to the Antwerp Fire Station and the HEKLA Police Station (Antwerp region).

2005

Diversification in the nursing homes and service-flats sector.
Award of the first Public-Private Partnership (PPP): the Antwerp Court of Justice.

2004

Acquisition of the Egmont office complex.
Issue of preference shares.

2003

Inclusion in the BEL20, MSCI World and GPR15 indexes.
Acquisition of the North Galaxy towers.

2002-2001-2000

Acquisition of several major office portfolios.

1999

Internalisation of property management.

1996

Adoption of the Sicafi/Bevak regime.

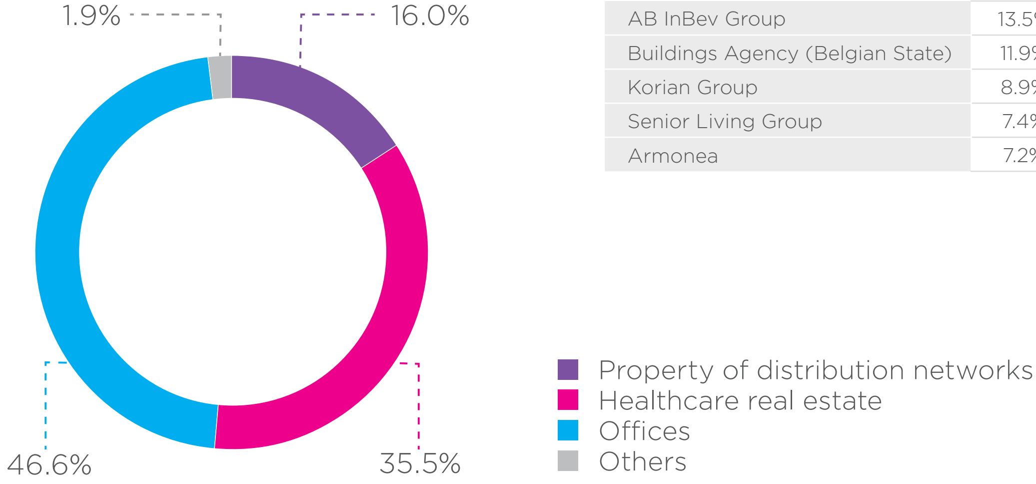
1994

Listing on the Brussels Stock Exchange.

1983

Establishment.

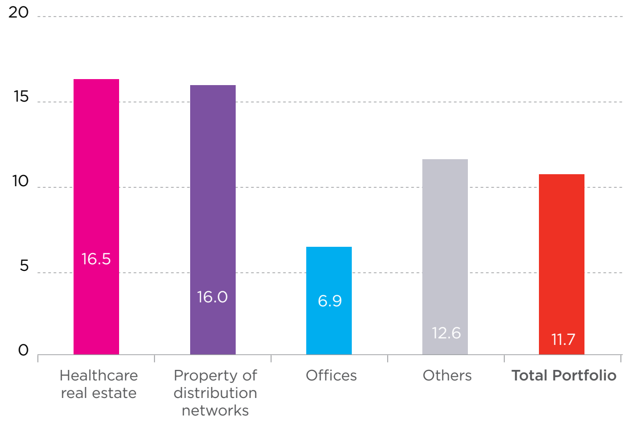
BREAKDOWN OF THE PORTFOLIO IN FAIR VALUE (in %)



FIVE MAIN CLIENTS - IN CONTRACTUAL RENTS (in %)

AB InBev Group	13.5%
Buildings Agency (Belgian State)	11.9%
Korian Group	8.9%
Senior Living Group	7.4%
Armonea	7.2%

AVERAGE RESIDUAL LEASE LENGTH PER SECTOR (in number of years)



- Total occupancy rate : **95.71%**
- Gross rental yield : **7.01%**
- Loan-to-value ratio : **51.21%**

COFINIMMO is the foremost listed Belgian real estate company specialising in rental property. The company benefits from the Sicafi/Bevak regime in Belgium, the SIIC regime in France and the FBI regime in the Netherlands. Its core activity segments are office property and healthcare real estate.

The portfolio also includes a «Property of distribution networks» segment, accounting for 16.0%, grouping the Pubstone and Cofinimur I portfolios.

The majority of the assets are located within Belgian territory (79.4%). The foreign part represents 15.7% in France (healthcare real estate, MAAF agencies network) and 4.9% in the Netherlands (Pubstone portfolio and healthcare real estate).

In total, the properties have an area of 1,865,527m^2 and a fair value of €3,308.6 million. The company's strategic priorities are the creation of value for its investors, a sound relationship of trust with its clients and sustainable management of its investments.

Cofinimmo is an independent company, which manages its properties and clients-tenants in-house. It is listed on Euronext Brussels, where it is included in the BEL20 index. Its shareholders are mainly private individuals and institutional investors from Belgium and abroad, looking for a moderate risk profile combined with a high and regular dividend yield.

Together in real estate

Cofinimmo's role is to answer the specific needs in the real estate market:

- → Corporate and public authorities' demand for flexible offices
- → Elderly and medical care operators' demand for healthcare real estate
- → Corporate demand for sale and leasebacks of distribution networks
- → Public authorities' need for purpose-built facilities

This strategy also enables the Group to offer its shareholders an attractive dividend yield.

The Group is implementing this strategy while each year rolling out an increasingly ambitious corporate responsibility policy in terms of energy performance of existing buildings and those under construction. It also looks after its societal role vis-à-vis people and associations.

Risk factors

→ This chapter covers the main risks faced by the company, their potential effects on its activities and the various factors and actions cushioning the potential negative impact of these risks. The mitigating factors and measures are detailed further on in this Annual Financial Report under the relevant chapters.

MARKET

The markets in which the Cofinimmo Group operates are partly influenced by trends in the general economic climate. The office market is influenced in particular by economic trends, whereas the healthcare real estate sector, the property of distribution networks portfolio and the Public-Private Partnerships (PPP) are characterised by a stable rental environment.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	MITIGATING FACTORS AND MEASURES[1]
DETERIORATION IN THE ECONOMIC CLIMATE IN RELATION TO THE CURRENT SITUATION	**1.** Negative impact on demand and occupancy rate of space and on rents at which the properties can be relet. **2.** Downwards revision of the value of the real estate portfolio.	The nursing homes and clinics and the Public-Private Partnerships (together 36.5% of the portfolio under management) are insensitive or not very sensitive to variations in the general economic climate. (1,2). Long weighted average duration of leases (11.7 years on 31.12.2012). (1,2) 37.8% of the office tenants belong to the public sector.
DETERIORATING ECONOMIC CLIMATE IMPACTING THE PROPERTY OF DISTRIBUTION NETWORKS PORTFOLIO	The property of distribution networks portfolio leased to industrial and service companies is subject to the impact that general economic conditions may have on these tenant companies.	The impact occurs at the end of the leases, which are long-term leases. The network functions as a contact points for the tenant's customers and is therefore necessary for its commercial activity.
CONVERSIONS OF OFFICE PROPERTIES INTO RESIDENTIAL PROPERTIES	Uncertainty about the price and timing of sales.	Sale before launch of the conversion works.

[1] The numbered reference in the mitigating factors and measures establishes the link with the potential impact of each risk.

PROPERTY PORTFOLIO

The Group's investment strategy is reflected in a diversified portfolio of assets with limited development activity for own account (construction of new buildings or complete renovation of existing buildings). Occasionally, the company converts office properties at the end of their operating period into apartments that it then puts up for sale.
The management of operating properties is carried out in-house by a proactive team.
The asset diversification aims at a distribution of market risks.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	MITIGATING FACTORS AND MEASURES
INAPPROPRIATE CHOICE OF INVESTMENTS OR DEVELOPMENTS	**1.** Change in the Group's income potential. **2.** Mismatch with market demand resulting in vacancies. **3.** Expected yields not achieved.	Strategic and risk analysis and technical, administrative, legal, accounting and taxation *due diligence* carried out before each acquisition. (1,2,3) In-house and external valuations (independent experts) carried out for each property to be bought or sold. (1,2,3) Marketing of development projects before acquisition. (1,2,3)
EXCESSIVE OWN ACCOUNT DEVELOPMENT PIPELINE	Uncertainty regarding future income.	Activity limited to maximum 10% of the fair value of the portfolio.
POOR MANAGEMENT OF MAJOR WORKS	**1.** Non-respect of the budget and timing. **2.** Increase in costs and/or income reduction; negative impact on the profitability of the projects.	In-house specialised Project Management team. (1,2) Specialised external Project Managers selected for larger projects. (1,2)
NEGATIVE VARIATION IN THE FAIR VALUE OF THE PROPERTIES	Negative impact on the net result, net assets and debt ratio. On 31.12.2012, a 1% variation in value would have had an impact of approximately €33.09 million on the net result and of approximately €2.07 on the intringic value per share. It would also have had an impact of approximately 0.51% on the debt ratio.	Property portfolio valued by independent experts on a quarterly basis conducive to corrective measures being taken. Clearly defined and prudent debt policy. Investment strategy focusing on quality assets and offering stable income. Multi-asset portfolio subject to different valuation trends making up for one another. Principal asset representing only 5.93% of the portfolio.
NEGATIVE VARIATION IN THE FAIR VALUE OF REAL ESTATE ASSETS ON THE COMPANY'S ABILITY TO DISTRIBUTE A DIVIDEND	Total or partial incapacity to pay a dividend if the cumulative changes in fair value exceed the distributable reserves.	The company has substantial distributable reserves. In the past, the Group conducted certain transactions to ensure the distribution of its dividend: distribution of dividends by subsidiaries to the parent company and restatement of non-distributable reserves, corresponding to gains realized during mergers with the parent company, into distributable reserves. As a reminder, the transfer of €214,087,000 approved by the Extraordinary General Shareholders' Meeting of 29.03.2011 has, on the one hand, increased the distributable amount by an equivalent amount and made the total amount of the company reserves and the result carried forward of Cofinimmo SA/NV positive, and, on the other hand, reduced the combined share capital and share premium account[1].

[1] For more details, see page 54 of the 2010 Annual Financial Report.

VACANCY OF THE PROPERTIES	**1.** Loss of rental income. **2.** Downwards revision of rents and granting of rent-free periods/incentives. **3.** Increase in commercial costs to attract new tenants with an impact on the results. **4.** Fall in value of the properties. On 31.12.2012, a 1% variation in value would have had an impact of approximately €33.09 million on the net result and of approximately €2.07 on the intrigic value per share. It would also have had an impact of approximately 0.51% on the debt ratio.	(Pro)active commercial and property management by in-house Account and Property Management teams. (1,3) Long average duration of leases (11.7 years) with max. 9% expiring in a single year. (1,2,4) Preference given to long leases: the office properties are when possible let for a medium and even long term; the healthcare real estate properties very long term (initial length of 27 years in Belgium, 12 years in France); the pubs for an initial term of min. 23 years and the financial services agencies (let to MAAF) for an initial term of 9.7 years; the occupancy rate of offices stands at 91.65%; that of healthcare assets and pubs stand at 100%; that of the agencies at 96.96%. (1,2,4). On 31.12.2012, the occupancy rate[1] for the total portofolio stood at 95.71%, versus 95.34% in 2011, i.e. an increase of 0.37%.
MAINTENANCE COSTS	Fall in the results.	Almost all the leases for healthcare assets are *triple net* contracts; for the pubs and agencies, the maintenance obligations are limited. For the offices, strict regular maintenance policy.
WEAR AND TEAR AND DETERIORATION OF PROPERTIES	Architectural or technical obsolescence, resulting in reduced commercial attractiveness.	Long-term policy of systematic replacement of equipment. Regular renovation of the properties to keep them attractive. Sale of properties if the price offered exceeds the estimated value net of the anticipated renovation costs.
DESTRUCTION OF BUILDINGS	Interrupted activity, resulting in loss of tenant and reduced rental income.	Portfolio insured for a total reconstruction value of €1.78 billion[2], including site (i.e. vs. the fair value of €1.49 billion for the same assets). Cover against vacancies caused by disasters. Civil liability insurance as owner or project supervisor.

CLIENTS

The Group actively manages its client base in order to minimise vacancies and rotation of office tenants. It is in no way involved in the operational management of the healthcare assets, pubs and insurance agencies.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	MITIGATING FACTORS AND MEASURES
REDUCED SOLVENCY/ BANKRUPTCY OF CLIENTS	**1.** Loss of rental income. **2.** Unexpected vacancy. **3.** Commercial costs incurred in reletting. **4.** Reletting at a lower price/ granting of rent-free periods and incentives (offices).	Quality of tenants: the two main office clients belong to the public sector. (2) Before accepting a new client, a credit risk analysis is requested from an outside rating agency. (2) Advance/bank guarantee corresponding to six months' rent generally required from non-public sector tenants. (1) Rents are payable in advance (monthly/quarterly/ annually) + quarterly provision to cover property charges and taxes which are incurred by the Group but can contractually be invoiced to tenants. (1) The solvency risks for an individual nursing home are mutualised at the level of the operating Group. (2.3) Under the terms of the operating licences issued to nursing home operators in Belgium, France and the Netherlands, a large portion of their income is received directly from the social security bodies; Cofinimmo invests exclusively in authorized medical beds. (1,2,3)

[1] The occupancy rate is calculed by taking into account the contractual rents and the potential rents on vacant spaces.
[2] The insurances cover 53.9% of the portofolio. This amount does not include the insurances taken during works or insurances for which the occupants are contractually responsible (i.e. for healthcare assets in Belgium, in France and in the Netherlands, properties of distribution networks and certain office properties). The corresponding insurance premium is €639,026.

		The losses on rental receivables net of recovery represent 0.061% of the total turnover for the period 1996-2012. Rent-free periods/incentives in line with market conditions and which do not put the Group's solvency at risk can be granted in some cases in the office segment. They are calculated taking into account the lease length, the state of the building and its location.
DOMINANCE OF THE LARGEST TENANTS	Significant negative impact on rental income in case of departure.	Diversified client base: Cofinimmo has 365 clients in total, with the largest client representing <15%, and the second largest belonging to the public sector and spread over six properties. Very diversified number of different operators of healthcare assets.
NON-RENEWAL OF LEASE, CONTRARY TO EXPECTATIONS, AND BREAKING OF LEASE BEFORE EXPIRY	**1.** Vacancy. **2.** Higher commercial costs caused by vacancy. **3.** Negative reversion of rents. **4.** Rent-free period and other incentives granted.	(Pro)active Commercial and Property Management. (1,2,3) Permanent contacts of in-house Account Management Team with real estate agencies. (1) All the leases provide for compensation in the case of early departure. (2) Rent-free periods/incentives complying with the market conditions may be granted in certain circumstances in the office segment. They are calculated taking into account the lease length, the state of the building and its location.

LEGISLATION

Cofinimmo benefits from a favourable tax regime (Sicafi/Bevak in Belgium, SIIC in France, FBI in the Netherlands) which exempts it from corporate tax in return for an obligation to distribute 80% (Belgium), 85% (France) or 100% (Netherlands) of its profits (see page 186). Apart from the obligations relating to company law, the company is also required to comply with the legislation on listed companies and on collective investment undertakings. It is also subject to the specific town-planning and environmental protection legislation.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	MITIGATING FACTORS AND MEASURES
NON-COMPLIANCE WITH THE SICAFI/BEVAK REGIME	**1.** Loss of approval as Sicafi/Bevak and the associated fiscal transparency regime (exemption from income tax at Sicafi/Bevak level/taxation at shareholder level). **2.** Compulsory early repayment of certain loans.	Professionalism of the teams ensuring rigorous compliance with the obligations.
NON-COMPLIANCE WITH THE SIIC OR THE FBI REGIME	Loss of the fiscal transparency regime.	Professionalism of the teams ensuring rigorous compliance with the obligations.
UNFAVOURABLE CHANGES TO THE SICAFI/BEVAK, SIIC OR FBI REGIME	Fall in the results or the net asset value.	Regular contact with public authorities. Participation in associations and federations representing the sector.
CHANGES TO THE TOWN-PLANNING OR ENVIRONMENTAL LEGISLATION	**1.** Reduction in the fair value of the property. **2.** Increase in the costs to be incurred to maintain the property so that it can operate. **3.** Unfavourable effect on the ability of the Group to operate a property.	Active energy performance and environmental policy for offices, anticipating the legislation as far as possible.

CHANGES TO THE SOCIAL SECURITY SYSTEM FOR THE HEALTHCARE PROPERTY PORTFOLIO: REDUCTION IN SOCIAL SECURITY SUBSIDIES TO THE OPERATORS NOT OFFSET BY AN INCREASE IN THE PRICES PAID BY RESIDENTS OR BY PRIVATE INSURANCE INTERVENTION	Impact on the solvency of the nursing home/clinics operators.	Annual solvency analysis of the operators on the basis of regular financial reporting. Monitoring of the regulatory trends.
LEGAL PROCEEDINGS AND ARBITRATION AGAINST THE COMPANY	Negative impact on the result for the period and possibly on the company's image and share price.	Control of all internal elements at the company that could negatively influence the poor execution of a contractual obligation. Professionalism of teams by ensuring strict compliance with obligations.
HIDDEN LIABILITIES RESULTING FROM MERGERS, DEMERGERS AND CONTRIBUTIONS	Negative effect on net asset value. Reduced results.	Sufficient *due diligence* audits when acquiring real estate companies and assets. Declarations and guarantees required from sellers.
THE EXIT TAX IS CALCULED TAKING INTO ACCOUNT THE PROVISIONS OF THE CIRCULAR CI.RH.423/567.729 OF 23.12.2004, OF WHICH THE INTERPRETATION OR PRACTICAL APPLICATION CAN BE MODIFIED AT ANY TIME. THE "REAL VALUE" OF A PROPERTY AS STATED IN THE CIRCULAR IS CALCULATED AFTER DEDUCTION OF THE REGISTRATION DUTIES OR OF THE VAT. THIS "REAL VALUE" VARIES FROM (AND CAN THEREFORE BE INFERIOR TO) THE FAIR VALUE OF THE PROPERTY AS LISTED IN THE IFRS BALANCE SHEET STATEMENT OF THE SICAFI/BEVAK.	Increase of the basis upon which the exit tax is calculed.	The Group considers to be respecting all the points of the administrative circular concerning the calculation of the exit tax for which it is liable.
INTERESTS ON LOANS/RENTAL INCOME RECEIVED WHICH EXCEED THE THRESHOLD ESTABLISHED BY THE ROYAL DECREE ON SICAFI/BEVAK	Non-compliance with regulation.	Continuous update of a five-year financial plan.
APPLICATION OF THE AIFM DIRECTIVE ON SICAFIS/BEVAKS	Reintroduction of the depositary function and negative impact on administrative expenses. Application of the EMIR regulation with negative impact on debt level and financial charges. Indirect impact on the debt ratio.	Professionalism of teams by ensuring strict compliance with obligations. Regular contact with public authorities to measure any impact of this new legislation. Participation in associations and federations that represent the sector.

FINANCIAL MANAGEMENT[1]

Cofinimmo's financial policy aims to optimise the financing cost and to limit the Group's liquidity risk and the counterparty risk.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	MITIGATING FACTORS AND MEASURES
FINANCIAL AND BANKING MARKETS UNFAVOURABLE TO REAL ESTATE AND/OR TO COFINIMMO	**1.** Access to credit impeded and more expensive. **2.** Reduced liquidity.	Rigorous financial policy (1,2): • diversification of financing sources between the banking markets (46.3%) and various capital market compartments (53.7%); • stable, well-spread banking pool; • well-balanced maturity spreads over time. Full cover of the treasury bills programme. (1) Sufficient reserve of undrawn portions of confirmed credit lines to cover medium-term operational/acquisition/construction expenditure and short-term refinancing (1.2)
INSOLVENCY OF FINANCIAL OR BANKING COUNTERPARTIES	Negative impact on the results.	Diversified number of banking counterparties with good financial ratings.
VARIATIONS IN (FUTURE) MARKET INTEREST RATES	**1.** Revaluation of financial instruments[2]. **2.** Unfavourable impact on financial charges. **3.** Negative impact on the net asset value and on the result of the period. **4.** Downgrade of the Group's rating, with an unfavorable impact on the financing cost and the liquidity (see "Change in the Group's rating").	Part of the debt is contracted at floating rate or immediate conversion from fixed to floating rate. Interest rates locked in over a period of minimum three years for at least 50% of the debt. Use of derivative instruments (Interest Rate Swaps and CAP and FLOOR options) to lock the interest rate into a corridor between a minimum and a maximum rate. (1,2,3) (In 2013, assuming the structure and the level of debt remain identical to those of 31.12.2012, and taking into account the cover instruments put in place for 2013, a rise or fall in interest rates of 0.5% would result in no significant change of the financial cost). As of 31.12.2012, 14.2% of the debt is financed at fixed rate, while 85.8% is financed at variable rate. In the absence of hedging, an interest rate increase of 10 basis points would increase charges by €1.49 million. Nearly 100% of the variable rate debt is hedged using derivatives until 2015.
INCREASE IN CREDIT MARGINS	Increased financial charges .	Diversification of sources of borrowed capital to optimise average credit line margins and capital raised for the medium or long term with fixed margins.

[1] See also the chapter "Management of financial resources" on page 54.
[2] Interest rate derivatives being measured at market value.

NON-RENEWAL OR TERMINATION OF THE FINANCING CONTRACTS	Negative impact on liquidity.	10 reknown banks. Various financing forms: bank debt, bond emissions,... Refinancing performed at least 12 months in advance in order to optimise the negotiations.
CHANGE IN FAIR VALUE OF HEDGING INSTRUMENTS	Positive or negative effect on shareholders' equity and intrinsic value per share. Had Cofinimmo closed its positions at 31.12.2012, the settlement amount would have equaled €-177.2 million. The variation in fair value had the interest rates been 1% above the reference rate, would have stood at €-157.09 million and €-198.87 million had they been 1% below the reference rate.	Cofinimmo uses hedging for its entire portfolio, not for specific credit lines.
RISK OF DEFLATION	Negative impact on rental income.	The leases usually foresee that the new rent may not be lower than either the previous rent or the rent of the first year of the lease. The indexation of certain minor technical charges can be higher than that of rents.
RISK OF DEBT[1]	Non-compliance with the legislation on Sicafis/Bevaks and consequent penalties.	Prudent financial and debt policy and ongoing monitoring. Cofinimmo (49.90%) is in compliance with the legal maximum debt ratio (65%).
NON-COMPLIANCE WITH THE LOAN-TO-VALUE RATIO (debt ratio)	Cancellation/termination of loan agreements or early repayment.	The LTV ratio comes up in agreements involving 30% of the debt and credit facilities available and not used on 31.12.2012. Prudent financial and debt policy and ongoing monitoring. Period of six months to return below the LTV ratio of 55% agreed with the banks.
EXCHANGE RISK	Loss of value of the investments and cash flows.	All investments are denominated in Euros, as are income and expenditure.
VOLATILITY IN THE SHARE PRICE	More difficult access to new capital.	Control of any factor internal to the company which may have a negative impact on the market price. Frequent communication with shareholders and communication of forecasted financial information.
CHANGE IN THE GROUP'S RATING	Cost of financing and liquidity.	Close relationship with rating agency whose recommendations are taken into account regarding financial ratios to be achieved for different rating levels and regarding sources of financing, liquidity and interest rate hedging.

The above-mentioned mitigating factors and measures do not necessarily dissolve the entire potential impact of the identified risk. Hence, the impact remains partially or entirely the company's and indirectly its shareholders' liability.

[1] As a result of article 54 of the Royal Decree of 10.12.2010, where the debt ratio exceeds 50%, Cofinimmo must draw up a financial plan accompagnied by an execution schedule, detailing the measures taken to prevent this debt ratio exceeding 65% of the consolidated assets. See note 36.

North Galaxy

Management report

Letter to the shareholders

MADAM, SIR,

During 2012, your company continued to implement its strategic priorities aiming to invest your funds in a property portfolio providing significant recurring income with a moderate risk profile, to sufficiently spread the economic ups and downs of the market and to adequately control all operational aspects of property management.

The share of the overall portfolio invested in **the office sector** in Belgium fell to 46.6% at the end of the financial year. This sector is again experiencing a situation of excessive vacancy and rent levels under pressure, resulting from an excess of new building construction and a decline in occupant demand. However, deliveries of new buildings on the market were extremely low in 2012. Unfortunately, the areas occupied have been shrinking since 2009, by approximately 300,000m², for a total inventory of 13,000,000m²[2] in Brussels, under the effect of the weak economic climate as well as the influence of changes in ways of working, which lead to a reduction in the number of m² per workstation.

Nevertheless, in this difficult environment, Cofinimmo's office portfolio has successfully maintained a stable occupancy rate, ending the financial year at 91.65%[1], i.e. 3.10% above the market average[2]. In order to limit vacancy risks, we have put the emphasis on the conversion of office buildings into residential buildings for sale. Those buildings were vacated by their occupants and required complete renovation.

Two projects corresponding to such a scenario will be carried out in 2013, representing 24,000m². At the publication date of this Report, their level of presales stands at ±40%:

- the Livingstone building;
- the building located at Boulevard de la Woluwe 34.

In addition, your company is active in three other renovation projects involving office buildings of its portfolio:

- the minor renovation of Livingstone II (16,000m²), currently vacant, scheduled for 2013 – 2014;
- the demolition/reconstruction, scheduled for 2014 - 2015, of the building located Rue de la Science 15 – 17 in 1000 Brussels (18,000m²), still currently occupied by the European Commission;
- the major renovation of AXA Belgium's current headquarters (57,000m²), located Boulevard du Souverain 23 - 25 in 1170 Brussels which could include a partial conversion into residential property.

Aside from these various projects, Cofinimmo's office portfolio has no major renovation nor conversion issues. It includes 87 buildings with a total area of 786,066m². Each day, our Commercial and Property Management teams are working to improve occupancy and obtain the best conditions in terms of rent and lease contract duration.

Our "sustainable development" policy, as well as the more stringent environmental requirements compel us to speed up the replacement of some technical equipments in a few buildings, which inevitably weighs on direct operating costs.

At last, your company remains very attentive to the possibility of selling office buildings if the offered prices are attractive. However, no significant sales were carried out in 2012.

Continuing in line with the "Offices" activity, in a little less than ten years, your company has developed a modest presence in **Public-Private Partnerships** involving special-purpose buildings for public authorities, which are similar to office buildings because of their size and often their technical features. 2012 saw the completed construction of the Police Station located in Dendermonde in Belgium, a 9,000m² building that is particularly energy efficient. Moreover, following the issuance of permits, the construction of the Leuze-en-Hainaut prison began in August 2012. Finally, the complete renovation of a first student residence and a light renovation of a second, both for the Université Libre de Bruxelles (Brussels University), were launched in September 2012. These buildings, which all result from Cofinimmo's success in responding to public contracts, are or will be leased for 18, 25 and 27 years respectively.

The main area of growth for Cofinimmo's portfolio is **healthcare real estate**, made up of nursing and care homes to accommodate dependent elderly people and post-acute care clinics. Since 2005, your company has chosen to invest in this sector, targeting buildings with an average size of 5,000m², under long-term leases with healthcare operators with demonstrated experience. The size of the properties gives this part of the portfolio good granularity, i.e. a lack of risk concentration on a particular site. In addition, their location and the construction structure generally lend themselves to possible conversions into residential buildings if the current lease contracts are not renewed at expiry. Besides, the needs for accommodation of elderly people in care institutions are growing, given the ageing of the population, even if it is accompanied by significant progress in the health sector. This sector currently represents more than 35% of Cofinimmo's portfolio. More than €67 million was invested in 2012, and nine new nursing homes entered the portfolio. In addition, thanks to studies and researches that lasted more than a 18 months, Cofinimmo acquired its first building in the Netherlands, located near Amsterdam and used as an orthopaedic care clinic under a 15-year contract having an initial return on the investment reaching 7.20%. In the years to come, Cofinimmo will continue its development in this sector with the ambition of establishing a portfolio showing a good balance among at least three European countries and distributed among the top accommodation and healthcare operators in each of them.

[1] The office occupancy rate at 31.12.2011 stood at 91.35%.
[2] Source: DTZ.

Cofinimmo's fourth area is made up of two **property of distribution network portfolios**, each containing numerous properties, fully leased to two companies using them to distribute their products or services. The first network is made up of 1,059 pubs under very long-term leases with AB InBev, and the second consists of 281 insurance agencies under long-term leases with MAAF (Covéa group). These two networks, which extend over three countries, provide a very solid base of recurring income and show an extremely granular unit risk in invested capital. Their performance levels, respectively five years for one and one year for the other, have been very satisfactory, like those in healthcare property.

In terms of sector distribution, the ambition of your Board of Directors is to reduce the share of offices below 40% and to raise the share of healthcare property above 40% as quickly as possible. So far, the rebalancing has occurred through the sale of numerous office buildings as well as the increase in **financial resources** available to Cofinimmo, both borrowed and own resources. In this regard, €70 million in new shareholders' equity was gathered in 2012, including €32 million resulting from your subscriptions to the 2011 dividend in new shares, up to 41% of the dividends offered.

During the financial year 2012, the company's banking pool granted a new five-year roll-over credit facility of €220 million. In addition, a private placement of bonds was carried out with European insurers for a term of 7.5 years for €140 million and at an attractive interest cost for Cofinimmo of 3.55% per year. This last source of borrowed capital is new and will probably be sought again in the future. Thanks to this financing and the available credit already in place, the debt payments and investment expenditures for the entire 2013 financial year were covered starting from January 1st.

From 01.01.2012 to 31.12.2012, and including the gross dividend of €6.50 distributed in May for the previous financial year, the return on the Cofinimmo ordinary share was 6.09%. During the past ten years, this return amounted to 6.72% per year on average. The 2012 dividend proposed for distribution at the Ordinary General Shareholders' Meeting of 08.05.2013 is identical and represents 85.7%[1] (pay-out ratio) of the net current result per share realised during the past financial year (excluding the impact of IAS 39).

For the 2013 financial year, barring unforeseen events, Cofinimmo anticipates a net current result per share of €7.02, compared with €7.61 in 2012. The lower result can be explained by the posting, as required by international rules, of the full early lease termination compensation for the Livingstone building in the 2012 result, although this compensation relates to a period ending in September 2013. The result per share would be practically identical between the two financial years if this compensation were posted on a pro rata basis. Nevertheless, the Board of Directors felt it prudent to lower the projected dividend for the 2013 financial year (payable in May 2014) by €0.50, reducing it to €6.00 per ordinary share.

2012 was also characterised by the late-March resignation of Mr. Serge Fautré, Chairman of the Executive Committee since 2002. Your Board of Directors has expressed its deep appreciation for his extremely important contribution to the new strategic guidelines put in place by Cofinimmo starting in 2005. In addition, Mr. Gilbert van Marcke de Lummen's term as Director will end upon completion of the General Meeting of 08.05.2013. He has not sought to renew his term, and the Board of Directors also thanks him for his constant commitment to the company.

The Board of Directors expresses also its heartfelt thanks to the 109 individuals who are working each day to meet the desires of client-tenants, to ensure the proper upkeep of the buildings and the renewal of the portfolio, or to provide assistance to its management as well as to the management of the company.

Brussels, March 21st 2013

Jean-Edouard Carbonnelle
Managing Director

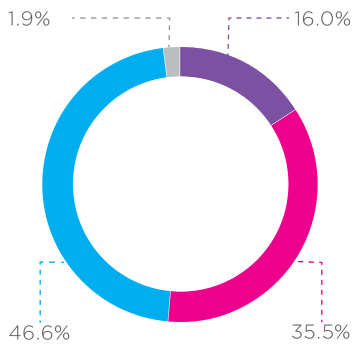
André Bergen
Chairman of the Board of Directors

[1] Against 87% at 31.12.2011.

Management report

Key figures

Breakdown of the portfolio in fair value (in %)



- Property of distribution networks
- Healthcare real estate
- Offices
- Others

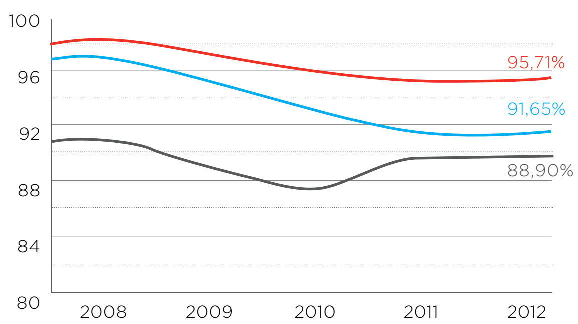
Global information (x €1,000,000)

	31.12.2012	31.12.2011
Portfolio of investment properties (in fair value)	3,308.6	3,189.4

(x €1,000)	31.12.2012	31.12.2011
Property result	222,373	208,569
Operating result before result on the portfolio	188,839	177,791
Financial result	-83,877	-67,107
Net current result (Group share)	97,486	103,643
Result on the portfolio (Group share)	586	14,896
Net result (Group share)	98,072	118,539

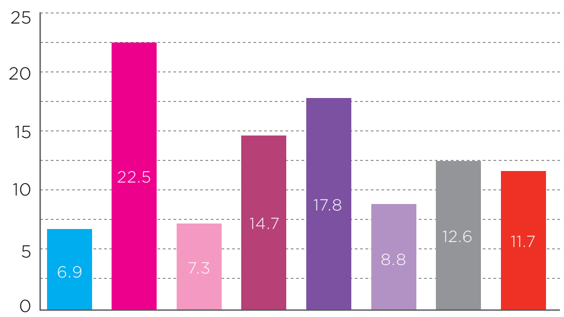
(in %)	31.12.2012	31.12.2011
Operating costs/average value of the portfolio under management1[1]	0.87%	0.83%
Operating margin	84.92%	85.24%
Weighted residual lease term[2] (in years)	11.7	11.3
Occupancy rate[3]	95.71%	95.34%
Gross rental yield at 100% portfolio occupancy	7.01%	6.98%
Net rental yield at 100% portfolio occupancy	6.55%	6.56%
Average interest rate on borrowings[4]	4.11%	4.20%
Debt ratio[5]	49.90%	49.89%
Loan-to-Value ratio[6]	51.21%	51.50%

Evolution of the occupancy rate of the Cofinimmo portfolio vs. its offices portfolio vs. the Brussels office market (in %)



- Cofinimmo - Total portfolio
- Cofinimmo - Offices
- Market - Offices - Brussels

Weighted residual lease length per sector (in number of years)



- Offices
- Healthcare real estate Belgium
- Healthcare real estate France
- Healthcare real estate Netherlands
- Pubstone
- Cofinimur I
- Others
- Total portfolio

[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] Until the first break option for the lessee.
[3] Calculated according to the actual rents for the occupied buildings and the estimated rental value for unlet buildings. For the office properties alone, it stands at 91.65% as against 88.90% for the Brussels' office market (source: CB Richard Ellis).
[4] Including bank margins and depreciation costs of hedging instruments pertaining to the period.
[5] Legal ratio calculated according to the Sicafi/Bevak regulation as financial and other debts divided by total assets. In accordance with Article 54 of the Royal Decree, where the debt ratio exceeds 50%, Cofinimmo must draw up a financial plan accompanied by an execution schedule, detailing the measures taken to prevent this debt ratio exceeding 65% of the consolidated assets. See Note 24.
[6] Conventional ratio defined as net financial debt divided by fair value of the property portfolio and of finance lease receivables.

Figures per share[1] (in €)

	31.12.2012[2]	31.12.2011
Results		
Net current result – Group share – excluding IAS 39 impact	**7.61**	7.45
IAS 39 impact	-1.52	-0.63
Net current result – Group share	**6.09**	6.82
Realised result on the portfolio	0.02	0.44
Unrealised result on the portfolio[3]	0.01	0.54
Net result – Group share	**6.12**	7.80

	31.12.2012[2]	31.12.2011
Net asset value per share		
Revalued net asset value in fair value[4] after distribution of dividend for the year 2011	92.16	89.66
Revalued net asset value in investment value[5] after distribution of dividend for the year 2011	96.81	94.19

	31.12.2012[2]	31.12.2011
Diluted net asset value per share[6]		
Diluted revalued net asset value in fair value[4] after distribution ofdividend for the year 2011	94.38	92.52
Diluted revalued net asset value in investment value[5] after distribution of dividend for the year 2011	98.50	96.51

Key Performance Indicators according to the EPRA principles[7] (in € per share)

	31.12.2012	31.12.2011
EPRA Earnings	7.61[2]	7.45
EPRA Net Asset Value (NAV)	102.04[2]	104.11
EPRA Adjusted Net Asset Value (NNNAV)	94.38[2]	98.29
EPRA Net Initial yield (NIY)	6.19%	6.26%
EPRA "Topped-up" NIY	6.10%	6.22%
EPRA Vacancy Rate	4.70%	4.84%

1 Ordinary and preference shares.
2 Takes into account the disposal of 8,000 treasury shares in January 2013.
3 Mainly composed of the variation in the fair value of investment properties, the impact of the impairment test on the goodwill and the recovery of deferred taxes.
4 Fair value: after deduction of transaction costs (mainly transfer taxes) of the value of investment properties.
5 Investment value: before deduction of transaction costs (mainly transfer taxes) from the value of investment properties.
6 Assuming the theoretical conversion of the convertible bonds issued by Cofinimmo as well as the mandatory convertible bonds issued by Cofinimur I, and the stock options.
7 These data are not compulsory according to the Sicafi 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 "2012 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.

Management report

Strategy

HIGH AND STABLE RENTAL YIELDS
MODERATE RISK PROFILE

Cofinimmo works to meet the specific needs of its clients and partners in each of the sectors in which it operates while aiming for good control of market and operational risks. This is how it can ensure a quality investment and an attractive yield for its shareholders.

46.6%

OFFICES

PROVIDE ITS TENANTS WITH SPACES THAT MEET THEIR NEEDS

CARRY OUT CAREFULLY CONSIDERED ARBITRAGE IN THE COMPOSITION OF ITS PORTFOLIO

CONSIDER RECONVERSIONS

STRATEGY:

In the office property segment, the investment strategy aims at long-term leases, calibre of tenants, optimal property location and development projects for own account.
Cofinimmo also pursues a very active policy concerning the arbitrage of buildings.

On the one hand, the company makes regular sales aimed at taking advantage of attractive prices offered by third parties for used properties. It has in-depth knowledge of the characteristics of this market, as well as of the commercial trends, operating costs and prices for construction or renovation.

In tandem with this activity, in order to renew its portfolio, Cofinimmo acquires new buildings with state-of-the-art installations and the best energy performances or renovates old buildings itself. In this way, it constantly improves the overall quality of its portfolio.

In addition, by developing for its own account, Cofinimmo carries out constructions and large-scale renovations of properties with a view to letting and maintaining them in its portfolio, usually on a long-term basis. The amount invested in this activity, which serves to maximise returns on investment, is limited to maximum 10% of the portfolio fair value so as not to affect the Group's risk profile.
For all renovations, Cofinimmo aims to improve the overall quality of its portfolio by optimising its buildings' energy performance.
Last but not least, given the market reality and the growing demand for new housing, in case of significant property vacancy and old age of an asset, Cofinimmo will carefully analyse the possibility of converting the latter into a residential property. In this case, the housing units are sometimes offered for sale.

MANAGEMENT:

Cofinimmo obtained the ISO 14001:2004 certification for its entire in-house-managed office portfolio. This success is made possible by in-house operational management of the assets.
Almost all leases are double net contracts: building maintenance and repairs are fully borne by the owner. The in-house Account Management and Property Management teams, which forge regular and long-lasting relations with clients, aim first and foremost to provide an all-in-one property solution, combining quality buildings, flexibility of occupation and associated services. Their task also consists of advising tenants on the use of space, in particular concerning energy and ecological aspects. The Project Management team is responsible for managing developments, major renovation works and decoration or space layout projects. This internal management ensures that a high-quality property portfolio is maintained, operated optimally at all times and redeveloped using techniques that offer the greatest protection to the urban environment (also see page page 98-103).

35.5%

HEALTHCARE REAL ESTATE

DIVERSIFICATION OF GEOGRAPHICAL LOCATION AND ASSET TYPES IN THIS SECTOR

ALLOCATION OF RISKS AMONG THE VARIOUS SOCIAL SECURITY SYSTEMS

STRATEGY:

The healthcare real estate portfolio includes, for nursing and care homes, follow-up care and rehabilitation clinics, as well as psychiatric clinics, medium-sized buildings consisting of a series of individual rooms, small apartments, as well as common areas for residents. With respect to the Naarden orthopaedic clinic, it also includes operation and recovery rooms.
Cofinimmo's property investments in this sector achieve an initial yield close to that of the offices with longer leases and lower purchasing prices per square meter. Furthermore, they are based on real needs which are rising in view of the demographic trends and consequently offer considerable potential for expansion. In addition, in Belgium, France and the Netherlands, they are heavily regulated at national and regional levels, securing access to the sector and the income of the operators.

Finally, the good locations of these properties and the reasonable purchase price per square metre compared to offices make it possible to consider an attractive residual value and redevelopment potential, which will further contribute to the intrinsic value of the Cofinimmo share in the longer term.

MANAGEMENT:

Cofinimmo acquires the property assets from renowned operators of care institutions in terms of both their operating and financial position, thereby allowing them to focus on their core business and freeing up the financial resources for the funding of their expansion. The property is immediately leased back to them for a long or even very long term (usually 12 years in France, 27 years in Belgium and 15 years in the Netherlands). In addition to the acquisition, Cofinimmo assists these operators with their expansion projects by taking over the renovation of existing establishments or by developing new projects. These projects are managed by the in-house Project and Property Managers who ensure that the work is carried out properly and advise the operators with a view to optimising the sustainable performance of the buildings.

Thanks to their long duration, the leases signed, which are all indexed annually, generate a stable long-term cash flow. In each case, Cofinimmo has only one tenant/rent debtor and a single lease contract and assumes no risk related to the professional management of the institutions. Rents are not bound to occupancy by residents. With exceptions, the nursing homes and clinics are leased to operator groups which each manage many sites. The leases are signed with the parent company of the operator group or guaranteed by it. In addition, almost all the leases are triple net, which means that the tenant is fully responsible for building maintenance and repairs, which ensures the long-term presence of the operator.

16%

PROPERTY OF DISTRIBUTION NETWORKS

OPPORTUNISTIC DEVELOPMENT

EXPERIENCE AND RESPONSIVENESS

Cofinimmo also invests in buildings used by companies as networks of contact points for the direct sale of products or services to their clients.

STRATEGY:

It acquires these networks, which consist of a large number of small buildings, from a company wishing to externalise its distribution properties and rents them back to the company simultaneously on a medium- or long-term basis.

These investments show the following advantages for Cofinimmo:

- the properties are let on a long term;
- their location is a prominent condition to the tenant's activity, and there is therefore a high probability of reletting at the end of the lease for most of them;
- as the properties are let to their seller who will therefore pay the rent after the sale, the selling price per square metre asked by the seller is reasonable;
- in the case of departure of the tenant, a high proportion of these properties can be sold as retail units or converted into housing;
- if such properties become vacant and are put up for sale by Cofinimmo, they are often attractive for local private investors as the amounts to be invested are often affordable;
- considering the size of the buildings and their geographical distribution, the risk of having incorrectly estimated the value on divestment is lower than in the case of a large property;
- finally, the tenant company is naturally inclined to communicate with Cofinimmo, its principal landlord, in order to develop its geographical sales network, which allows Cofinimmo to focus early on buildings on which the lease will not be renewed on expiry and which could lead to the acquisition of new properties that the tenant wishes to integrate into its network.

MANAGEMENT:

Responsibility for maintenance of the Pubstone and Cofinimur I networks is either assumed on a limited basis by Cofinimmo or in full by the tenant.

Pubstone:

The Pubstone portfolio, acquired in 2007 and let to AB InBev for an initial average term of 23 years, consists of 1,059 pubs and restaurants located in Belgium and in the Netherlands in which AB InBev sells its beers through individual operators who are its own tenants and who procure their beverages from it. The overall on-trade network of AB InBev in these two countries comprises numerous contact points with customers, many of whom are AB InBev tenants. The Pubstone network is the main component.

Cofinimur I:

The Cofinimur I portfolio acquired in December 2011, for its part, comprises 263 insurance services agencies, as well as 15 office blocks and three mixed office/agency buildings. All these buildings are let for an initial average term of 9.7 years to MAAF, a subsidiary of the French insurance group Covéa, which has a total network of 587 agencies distributed throughout France; the above-mentioned therefore account for over half of them. The other agencies are rented to third parties. These agencies, which are operated by MAAF employees, cater for the general public, private individuals and businesses. Cofinimmo's partners are strong companies with recognised professionalism and reputation.

10%

PUBLIC-PRIVATE PARTNERSHIPS (PPP)

SUPPORT PUBLIC AUTHORITIES IN MODERNISING AND RENEWING THEIR PROPERTY PORTFOLIO

STRATEGY:

The public authorities have a growing need to renovate buildings or construct new ones so as to create better quality public premises and improve the standards of accommodation for their occupants.
Cofinimmo's goal is to expand its portfolio to other types of buildings in order to best meet the needs of the public authorities and respond to population growth.

MANAGEMENT:

The public authorities want to be relieved of the responsibility for building and maintaining these properties. One of the options tailored to these needs is the Public-Private Partnership. As Cofinimmo is constantly on the lookout for stable, low-risk investments and is conscious of the role it can play in renovating and improving the urban fabric on a lasting basis, it invests in this type of projects, even including non-traditional buildings such as law courts, fire stations, police stations or prisons. These operations generally involve finance lease agreements and do not entail Cofinimmo acquiring ownership in perpetuity of the properties concerned[1].

[1] Their residual value does not benefit Cofinimmo because counterparties are granted an option to purchase at the end of the contract. Depending on the cases, the price for exercising this option is symbolic or far below the market value estimated for this time horizon or corresponds to the building's construction price amortised on a straight-line basis. Frequently, the property is transferred to the public authority automatically and free of charge at the end of the contract.

INVESTMENT CRITERIA

LOCATION, QUALITY, COST OF THE BUILDING, CASH FLOW OF THE LEASE CONTRACT, RESIDUAL VALUE

Cofinimmo has over 30 years of experience in property acquisition. Acquisition opportunities must pass the test of offering favourable financial prospects for performance and risk profile and must underpin the policy of dividend distribution to shareholders.

Decisions are based on the application of **rigorous valuation models** founded on precise financial criteria. The criterion determining the acquisition of buildings for which the investment value is within the portfolio average and for which there is no specific financing, is the present value, at the weighted average cost of capital and debt, of the long-term cash flow generated by operating the property and its residual value, compared to the acquisition price, costs included.

Besides the cases where Cofinimmo is not the owner in perpetuity of the property and where it is planned to transfer the property without valuable consideration or at fixed value to a third party at the end of the lease (as, for example, in the majority of Public-Private Partnerships), the residual value is estimated conservatively. For large-scale operations (>7% of the portfolio value) or those associated with a special financing arrangement, the company also examines the combination of the average accretions over five years in the net current result per share and in the revalued net asset value per share.

In addition, aside from the usual *due diligence* reviews, **each examined property receives a rating to evaluate both its intrinsic qualities** (for office properties: size and divisibility of the floors, ratio of parking spaces, headroom, daylight, ...) and its energy performance, location (access by car, public transport, activity of the submarket, level of local taxes, ...) and environment (presence of shops, hotels, pleasant view, ...).

The investment policy is defined in the company's Articles of Association, which mention some restrictions on this matter. Any modification of this policy would imply an amendment of the Articles of Association decided by the Shareholders at an Extraordinary General Meeting.

GEOGRAPHICAL PRESENCE

Established exclusively in Belgium until 2006, Cofinimmo obtained successive footholds in the Netherlands in 2007 (part of the Pubstone portfolio) and in France in 2008 (healthcare real estate), in both cases through long-term partnerships with tenant-operators.
The company's strategy gives priority to a presence in Belgium's bordering countries with a rate of establishment which enables it to acquire sound knowledge of the chosen foreign property markets.
The existence in these countries of the Real Estate Investment Trust (REIT) fiscal regime, similar to that of the Sicafi/Bevak, is an incentive to select them by preference.

COMMERCIAL POLICY AND SERVICES OFFERED TO THE TENANTS

For many years, Cofinimmo has pursued a commercial strategy geared to forging a close relationship of trust with its clients and maximising the occupancy rate of its portfolio.

Offices

Cofinimmo offers flexibility in the conditions and duration of current leases, an essential feature today given their need to adapt rapidly to change (mergers and acquisitions, restructurings, ...), and to progress in the functional requirements of premises (new technologies, accessibility, comfort, consumption, ...).
This flexibility means that Cofinimmo clients can reduce or extend the area rented, or even relocate within the portfolio, while respecting as much as possible the conditions and duration of the lease. In this way, the company is harnessing the competitive edge created by its size.

A wide range of property-related services is offered to the client, designed to facilitate the task of managing office space, thereby reducing the time that clients need to spend on this aspect. These include the provision of maintenance services (cleaning, technical maintenance, patrols, property guards, ...), workspace management (design and fitting out, ...) and small jobs (plumbing, lighting, painting, signs, ...). Subcontractors who are quality specialised firms are brought in for these works.

This one-stop shopping represents an efficiency gain for clients and helps cement their loyalty. In addition, an internal Help Desk deals with complaints by occupants and redirects them to the subcontractors and the Property Manager responsible for the building. As the single contact person, the Property Manager is responsible for tendering for works, supervising execution of works and quality control.

SERVICE, FLEXIBILITY, TRUST

IN-HOUSE PROPERTY AND OPERATIONAL MANAGEMENT

Convinced of the added value it represents for its clients, Cofinimmo recommends in-house property and, for its offices, operational management.

This strategy is implemented in its four investment segments thanks to the know-how of Project Management and Property Management teams, at the exclusive service of its clients-tenants.

The organisation also benefits from in-house commercial, legal, accounting, financial, human resources and communication services. All these activities are based on an SAP integrated IT system and a quality control and internal audit facility.

FINANCIAL STRATEGY

Profitable company growth and the stable, proactive relationship forged by Cofinimmo with its clients contribute to the company's financial results and benefit its shareholders.

Maintaining a good occupancy rate, reducing costs incurred by vacant space, and investing in quality projects allow the Group to achieve reasonably foreseeable operational performances which in turn serve to boost the operational cash flow. Furthermore, Cofinimmo is currently rigorously monitoring the company's structural costs.

Cofinimmo's investment capacity is founded on its ability to raise fresh equity and on its borrowing capacity.

While the Sicafi/Bevak legal regime allows a debt ratio of up to 65% (debt to total assets), Cofinimmo's policy, arranged with its partner banks, consists in keeping the financial debt ratio[1] near 50% (see chapter "Management of Financial Resources", page 54).

This choice was made chiefly based on the long residual lease length of properties in the portfolio and goes hand-in-hand with prudent interest rate hedging measures so as to present a consistent overall financial profile, a highly predictable net current result and low risk exposure, save for extreme external events.

In accordance with the principle of the Real Estate Investment Trust status and the legal regime of the Sicafi/Bevak, Cofinimmo distributes most of its current results to its shareholders in the form of dividends.

The economic depreciation on the buildings is not deducted in the calculation of the current results. It is included implicitly in the result on the portfolio through the fact that the real estate experts, taking into account the age of the buildings and the date of their next renovations, incorporate the cost of the latter in their valuations. When market rents are stagnating, this depreciation has a greater impact on the expert's valuations and consequently on Cofinimmo's result on the portfolio.

[1] Net financial debt to fair value of property portfolio and finance lease receivables.

Summary of the consolidated accounts

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

	31.12.2012	31.12.2011
A. NET CURRENT RESULT		
Rents and guaranteed revenues, net of rental-related expenses	192,213	191,811
Cost of rent free periods	-1,673	-1,018
Clients incentives	-803	-2,463
Rental indemnities	12,620	637
Rental income, net of rental-related expenses[1]	**202,357**	**188,967**
Writeback of lease payments sold and discounted (non-cash)	22,994	20,999
Taxes and charges on rented properties not recovered[2]	-1,968	143
Redecoration costs, net of tenant compensation for damages[3]	-1,010	-1,540
Property result	**222,373**	**208,569**
Technical costs	-6,243	-4,412
Commercial costs	-1,091	-1,560
Taxes and charges on unlet properties	-3,826	-3,574
Property result after direct property costs	**211,213**	**199,023**
Property management costs	-15,011	-13,926
Property operating result	**196,202**	**185,097**
Corporate management costs	-7,363	-7,306
Operating result (before result on the portfolio)	**188,839**	**177,791**
Financial income (IAS 39 excluded)[4]	5,559	6,079
Financial charges (IAS 39 excluded)[5]	-65,092	-63,625
Revaluation of derivative financial instruments (IAS 39)	-24,344	-9,561
Share in the result of associated companies and joint ventures	503	213
Taxes	-4,274	-6,920
Net current result[6]	**101,192**	**103,977**
Minority interests	-3,706	-334
Net current result – Group share	**97,486**	**103,643**
B. RESULT ON THE PORTFOLIO		
Gains or losses on disposals of investment properties	1,414	6,644
Changes in fair value of investment properties	12,197	-9,603
Other result on the portfolio[7]	-12,038	22,067
Share in the result of associated companies and joint ventures	-70	
Result on the portfolio	**1,503**	**19,108**
Minority interests	-917	-4,212
Result on the portfolio – Group share	**586**	**14,896**
C. NET RESULT		
Net result – Group share	**98,072**	**118,539**

NUMBER OF SHARES	**31.12.2012**[8]	31.12.2011
Number of ordinary shares issued (own shares included)	16,423,925	15,220,653
Number of preference shares issued and not converted	689,397	1,067,809
Number of ordinary shares entitled to share in the result of the period	15,326,175	14,126,279
Number of preference shares entitled to share in the result of the period	689,397	1,067,809
Total number of shares entitled to share in the result of the period	**16,015,572**	**15,194,088**

[1] This section corresponds to the "Net rental income" minus the "Writeback of lease sold and discounted" detailed in the IFRS Consolidated accounts statement.
[2] This section corresponds to the "Recovery income of charges and taxes normally payable by the tenant on let properties" and the "Charges and taxes normally payable by the tenant on let properties" detailed in the IFRS Consolidated accounts statement.
[3] This section corresponds to the "Recovery of property charges" and the "Cost payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease" detailed in the IFRS Consolidated accounts statement.
[4] IAS 39 included, at 31.12.2012 and 31.12.2011, the financial income stands at k€8,879 and k€12,320 respectively.
[5] IAS 39 included, at 31.12.2012 and 31.12.2011, the financial charges stand at k€-92,756 and k€-79,427 respectively.
[6] Net result excluding gains or losses on disposals of investment properties, changes in fair value of investment properties, exit tax, impact of the impairment test on the goodwill and recovery of differed tax.
[7] This section corresponds to the "Other result on portfolio" and "Exit tax" detailed in the IFRS Consolidated accounts statement.
[8] The calculation per share of the results at 31.12.2012 takes into account the sale of 8,000 treasury shares in January 2013.

COMMENTS ON THE CONSOLIDATED INCOME STATEMENT – ANALYTICAL FORM

The **rental income** amounts to €202.4 million at 31.12.2012, compared to €188.8 million at 31.12.2011, an increase of 7.1%. This increase is mainly due to an indemnity paid by Belfius Bank in compensation for the termination of its lease contract on the Livingstone I and II buildings. This non-recurring indemnity of €11.20 million was paid during the first quarter of 2012 and was fully recognised in the income statement for the quarter. **On a like-for-like basis**, the level of rents is up by 0.6% over the last 12 months: the negative effect of departures (-1.9%) and renegotiations (-2.0%) was offset by the positive effect of indexation (+2.5%) and new leases (+2.0%). At 31.12.2012, the **occupancy rate** was 95.71% for the entire portfolio and 91.65% for the office portfolio alone.

Direct and indirect **operating costs** represent 0.87% of the portfolio's average value at 31.12.2012.

The **operating result (before result on the portfolio)** amounts to €188.8 million at 31.12.2012, compared to €177.8 million one year before, i.e. an increase of 6.2%.

The **financial result (including IAS 39 impact)** comes at €-83.9 million at 31.12.2012 compared to €-67.1 million at 31.12.2011. This is explained mainly by the change in fair value of convertible bonds and interest rate derivatives[1]. These two items resulted in an unrealised loss of €27.7 million at 31.12.2012 compared to an unrealised loss of €7.0 million at 31.12.2011. The balance sheet heading under shareholders' equity "Reserve for the balance of **changes in fair value of financial instruments"**[2], where changes in the effective value of optional as well as non-optional financial instruments are recorded, comes from €-117.7 million at 31.12.2011 to €-158.6 million at 31.12.2012, under the impact of the fall in future interest rates between these two dates. The variation of the period does not appear on the income statement but unfavourably affects shareholders' equity and the net asset value of the share.

The **financial result (excluding IAS 39 impact)** also declined between 31.12.2011 and 31.12.2012, from €-57.5 million to €-59.5 million. The decrease in interest rates partially offsets the increase in the debt level between these two dates. The **average interest rate**, including bank margins and amortisation costs of hedging instruments for the period, amounts to 4.11% at 31.12.2012 compared to 4.20% at 31.12.2011. The **average debt**, meanwhile, rose from €1,607.0 million to €1,704.7 million between these two dates.

The **taxes** (€-4.3 million) include the tax on non-deductible costs of a Sicafi/Bevak (primarily the office tax in the Brussels Capital Region) and the corporate tax due by subsidiaries which do not benefit from the Sicafi/Bevak, SIIC or FBI tax regime.

The **net current result – Group share** is €97.5 million at 31.12.2012 (€6.09 per share), compared to €103.6 million at 31.12.2011 (€6.82 per share). Excluding the negative impact of the application of the IAS 39 norm, it totals €121.8 million at 31.12.2012 (€7.61 per share) compared to €113.2 million at 31.12.2011 (€7.45 per share).

The **change in fair value of investment properties** is positive in 2012 (€12.2 million), whereas it was still negative in 2011 (€-9.6 million). The positive change in fair value of assets in the healthcare segment and of the property of distribution networks as well as the gain on the North Galaxy building following the extension of the lease contract with the Buildings Agency (Belgian Federal State) offset the decrease in value of the office buildings requiring major renovations in the near future. **On a like-for-like basis**, the change in fair value of investment properties is at 0.4%. However, the **result on the portfolio** decreased from €14.9 million at 31.12.2011 to €0.6 million at 31.12.2012. As a reminder, the result on portfolio for FY 2011 included a writeback of deferred taxes for €39.3 million following the conversion of Pubstone SA/NV into an institutional Sicafi/Bevak.

The **net result – Group share** amounts to €98.1 million at 31.12.2012 (€6.12 per share), compared to €118.5 million at 31.12.2011 (€7.80 per share).

[1] It involves Interest Rate Swaps not classified as cash flow hedges.
[2] The heading "Reserve for the balance of changes in fair value of financial instruments" is shown on the balance sheet under the heading "Reserve".

Consolidated balance sheet (x €1,000)

	31.12.2012	31.12.2011
Non-current assets	**3,533,691**	**3,414,890**
Goodwill	150,356	157,456
Intangible assets	605	745
Investment properties	3,297,900	3,177,560
Other tangible assets	856	966
Non-current financial assets	24,672	21,880
Finance lease receivables	53,397	55,403
Trade receivables and other non-current assets	97	43
Participations in associated companies and joint ventures	5,808	838
Current assets	**108,797**	**114,051**
Assets held for sale	10,670	12,025
Current financial assets	6,501	13,779
Finance lease receivables	2,973	2,868
Trade receivables	22,636	20,840
Tax receivables and other current assets	29,142	17,015
Cash and cash equivalents	3,041	10,207
Deferred charges and accrued income	33,834	37,317
TOTAL ASSETS	3,642,488	3,528,941
Shareholders' equity	**1,542,292**	**1,515,544**
Shareholders' equity attributable to shareholders of parent company	**1,476,029**	**1,460,887**
Capital	857,822	814,228
Share premium account	329,592	312,330
Reserves	190,543	215,790
Net result of the financial year	98,072	118,539
Minority interests	**66,263**	**54,657**
Liabilities	**2,100,196**	**2,013,397**
Non-current liabilities	**1,566,005**	**1,601,387**
Provisions	20,493	18,474
Non-current financial debts	1,388,883	1,435,094
Other non-current financial liabilities	120,835	106,735
Deferred taxes	35,794	41,083
Current liabilities	**534,191**	**412,011**
Current financial debts	351,203	246,316
Other current financial liabilities	81,959	58,930
Trade debts and other current debts	64,560	79,225
Accrued charges and deferred income	36,469	27,540
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,642,488	3,528,941

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

The **fair value** of the property portfolio[1], recorded in the consolidated balance sheet, in application of IAS 40, is obtained by deducting the transaction costs from the investment value. At 31.12.2012, the fair value stands at €3,308.6 million, as compared to €3,189.4 million at 31.12.2011.

The **investment value** of the property portfolio comes to €3,436.1 million at 31.12.2012, as compared to €3,311.3 million at 31.12.2011.

The heading "Participations in associated companies and joint venture" refers to Cofinimmo's 50% and 51% stakes in FPR Leuze SA/NV and Cofinea I SAS respectively.

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

[1] Including assets held for own use and development projects.

Appropriation of company results

The Board of Directors proposes at the Ordinary General Shareholders' Meeting of 08.05.2013 to approve the annual statements as at 31.12.2012, to appropriate the result as indicated in the table hereafter and to distribute the following dividends:

- €6.50 gross, i.e. €4.88 net for the ordinary share;
- €6.37 gross, i.e. €4.78 net for the preference share.

The dividend pay-out dates and modalities are mentioned on page 117. Deduction for withholding taxes is 25%.

As at 31.12.2012, the Cofinimmo Group held 1,105,750 treasury ordinary shares[1].

The Board of Directors proposes to suspend the right to dividend for the financial year 2012 of 39,286 own ordinary shares in view of its stock option plan and to cancel the right to dividend of the remaining 1,058,464 ordinary shares held by the company. The remuneration of the capital is based on the number of ordinary and preference shares issued on 08.02.2013. Possible conversions of preference shares into ordinary shares during the conversion period from 22.03.2013 to 31.03.2013, the conversion of convertible bonds into ordinary shares, as well as the sale of ordinary shares held by the Group, might modify the remuneration of the capital.

The proposed dividend is in accordance with the provisions of Article 27 of the Royal Decree of 07.12.2010, in that it exceeds the requirement to distribute a requested minimum of 80% of the net income (see page 183).

After the proposed remuneration of the capital for the financial year 2012, i.e. €104.01 million, the total amount of the reserves and the company result of Cofinimmo SA/NV works out at €57.44 million whereas the remaining distributable amount in accordance to the provision defined by Article 617 of the Company Code will reach €275.02 million (see also page 183).

The 2012 consolidated net current result (Group share) stands at €97.49 million and the consolidated net result (Group share) at €98.07 million. The pay-out ratio on the consolidated net current result (IAS 39 excluded) is 86% (compared to 87% for 2011).

[1] 434,082 shares held by Leopold Square SA/NV and 671,668 shares held by Cofinimmo SA/NV. 8,000 treasury shares were sold in January 2013.

Appropiation account (in €)

	2012	2011	2010
A. NET RESULT	96,035,491.25	110,725,553.37	20,974,317.52
B. TRANSFER FROM/TO THE RESERVES	8,370,003.14	-11,764,171.54	75,843,003.53
Transfer from/to the reserve of the positive balance of changes in fair value of investment properties	-28,613,732.94	-25,021,485.88	
Fiscal year	-28,613,732.94	-25,021,485.88	
Transfer from/to the reserve of the negative balance of changes in fair value of investment properties	4,887,039.25	13,395,650.46	159,474,294.49
Fiscal year			131,693,063.36
Previous years[1]	4,887,039.25	13,395,650.46	27,781,231.13
Transfer from/to the reserve of the estimated transaction costs resulting from hypothetical disposal of investment properties	175,463.87	575,240.06	-357,866.95
Fiscal year	175,463.87	575,240.06	-357,866.95
Transfer from/to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting	-11,079,599.00	-9,641,466.00	7,070,066.00
Fiscal year	-11,079,599.00	-9,641,466.00	7,070,066.00
Transfer from/to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments not qualifying for hedge accounting	13,420,605.80	167,443.00	1,311,920.00
Fiscal year	13,420,605.80	167,443.00	1,311,920.00
Transfer from/to other reserves	-255,359.00	-278,323.50	-226,102.50
Transfer from/to the result carried forward of the previous years	29,832,523.66	9,038,770.32	-91,429,307.51
C. REMUNERATION OF THE CAPITAL	-104,011,596.39	-98,622,756.83	-96,452,257.20
D. REMUNERATION OF THE CAPITAL OTHER THAN C	-393,898.00	-338,625.00	-365,064.00
E. RESULT TO BE CARRIED FORWARD[2]	461,552,675.27	491,915,095.21	260,579,825.44

[1] These transferts result from the realisation of unrealised gains or losses previously posted in the reserves for change in fair value as well as from buying of annulation of own shares transactions.
[2] The result to be carried forward includes the result to be carried forward of the year and the previous years.

Transactions and performances in 2012

Global Portfolio

→ At 31.12.2012, the consolidated property portfolio reaches €3,308.6 million in fair value[1] and €3,436.09 million in investment value[2].
It comprises 1,559 properties, with a total rental area of 1,865,527m² in superstructure.

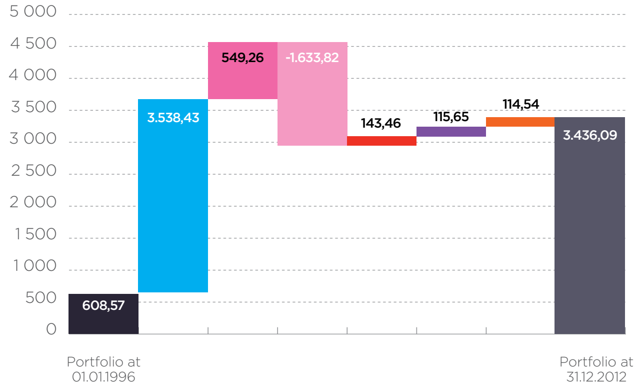
IN 2012, COFINIMMO'S DIVESTMENTS AMOUNTED TO €3.32 MILLION AND ITS INVESTMENTS TO €89,35 MILLION.

The offices account for 46.6%[3] of the portfolio, the healthcare real estate 35.5% and the property of distribution networks including the Pubstone and Cofinimur I portfolios 16.0%. The other business sectors (1.9%) are insignificant. The vast majority of the portfolio is located within the Belgian territory (79.4%).

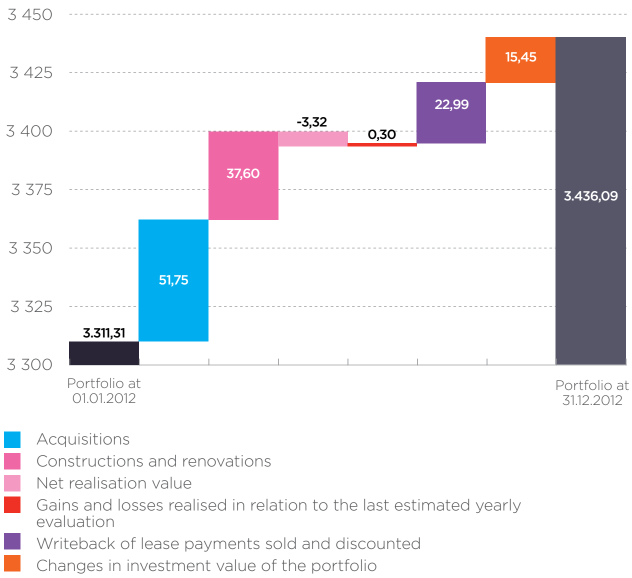
The properties located abroad relate on the one hand, in France, to the healthcare sector and the MAAF agencies and offices (15.7%) and, on the other hand, in the Netherlands, to the Pubstone portfolio as well as an orthopaedic clinic (4.9%).

[1] The fair value is obtained by deducting an appropriate proportion of transaction costs (mainly transfer taxes) from the investment value.
[2] The investment value, which is established by independent real estate experts, is the most likely value that could reasonably be obtained in normal sales conditions between willing and well-informed parties, before deduction of transaction costs.
[3] The composition of the portfolio is expressed in fair value.

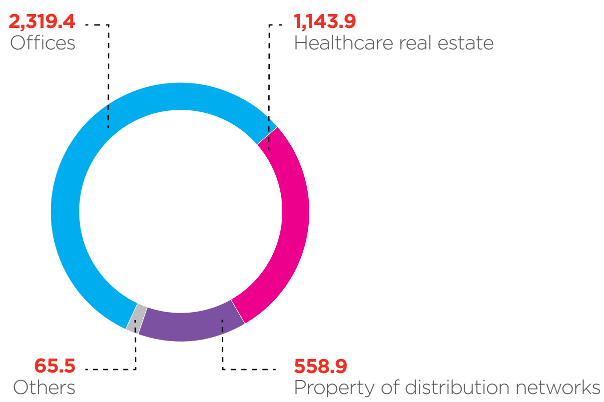
Evolution of the consolidated portfolio 1996-2012[1]
(x €1,000,000)



Evolution of the consolidated portfolio in 2012
(x €1,000,000)



Acquisition prices and investments 1996-2012[3]
(x €1,000,000)



EVOLUTION OF THE PORTFOLIO[2]

Since it obtained its Sicafi/Bevak status in 1996, the Cofinimmo Group has realised investments for a total amount of €4,087.69 million. The company also disposed of buildings for a total of €1,633.82 million, realising (intermediates' remuneration and other various costs excluded) an average net gain of +9.6% compared to the last annual valuations (in investment value) before these disposals. During the year 2012 alone, this average was +9%.

ACQUISITIONS

During the course of 2012, Cofinimmo invested a total amount of €51.75 million in new acquisitions, of which €36.78 million in the healthcare real estate segment, €0.43 million the MAAF insurance agency network and €14.54 million in the segment "Others".

EXTENSIONS AND REDEVELOPMENTS

Moreover, Cofinimmo has invested a total of €31.02 million in extensions and redevelopments in Belgium (mainly €29.41 million in healthcare real estate and €1.52 million in offices).

RENOVATIONS

The company carried out renovations amounting to €6.42 million, mainly in the office and Pubstone portfolios.

DIVESTMENTS

Under its strategy of portfolio arbitrage, Cofinimmo sold assets, mainly assets of distribution networks, for a net total amount, that is after deduction of transaction costs and fees, of €3.32 million.
Each transaction yielded a profit compared to the investment value determined by the expert and the weighted average gain of the total disposals stands at 9%.

[1] In investment value.
[2] See also Note 21 on page 154.
[3] Investments include renovations, extensions and redevelopments.

COMMERCIAL RESULTS

The rental vacancy risk faced by Cofinimmo each year represents on average 6% of its overall portfolio and 12 to 15% of its office portfolio. The commercial department pays special attention to the clients of the leases considered at risk. Treatment of the rental vacancy risk in 2012 shows that 64% were secured through renegotiations, unexercised resignations and renewed leases. This percentage reaches 69% if the new leases that were signed and took effect during the year are also taken into account. Hence, of the 6% of the total portfolio that were at risk in 2012, 4.2% have been secured[1].

The occupancy rate[2] of the office portfolio (91.65%) is well above the market average, which works out at 88.9%. This confirms the success of Cofinimmo's commercial strategy, geared to forging a close relationship of trust with its clients and serving to boost the operating margin. Furthermore, diversification in the healthcare real estate sector and the Pubstone and Cofinimur I portfolios, in which the occupancy rate is nearly 100%, has a positive impact on the overall occupancy rate, which stands at 95.71%, and improves the spread of the risk.

At like-for-like portfolio, the rental revenues increased by 0.57% in 2012.

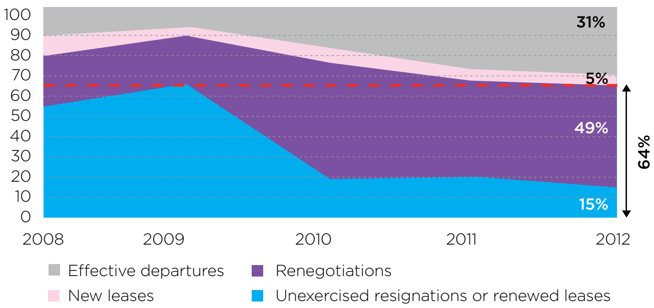
PROPERTY RESULTS

The Cofinimmo portfolio records a positive change in fair value of +0.4%[4] over the 12 months of 2012, corresponding to an amount of €12.2 million. The change in the portfolio value was positive during the four quarters of 2012.

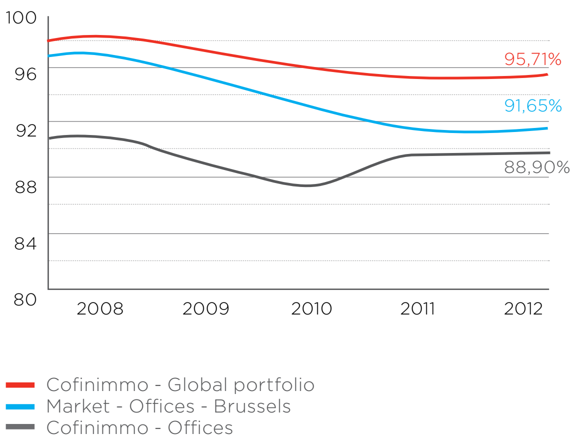
This appreciation for the year is made up as follows:
- the "Office" segment records a negative change in fair value of €-34.7 million;
- the segments "Healthcare real estate", "Property of distribution networks" and "Others" record a positive change in fair value of €27.1 million, €16.5 million and €3.3 million respectively.

The reason behind the depreciation of the office portfolio is two-fold:
- the over-supply of rental area prohibits an increase in rents and leads to an extension of the vacancy period before renting and a lengthening of rent-free periods claimed by future clients before signing the transaction;
- the value of properties requiring a significant renovation in the short-term future is penalised. This is the case for the Livingstone, Science 15-17, Souverain 23-25, Arts 19H, Guimard and Woluwe 34 buildings.

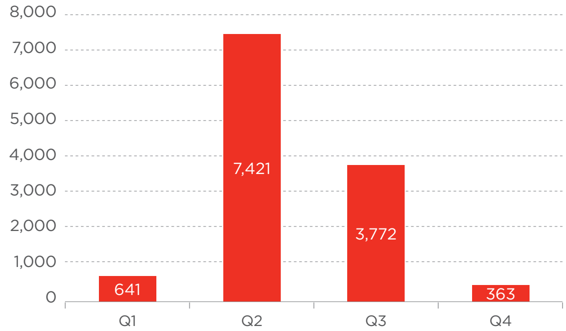
Vacancy risk handling (in %)



Evolution of the occupancy rate of the Cofinimmo portfolio compared to its offices portfolio as well as the Brussels office market[3] (in %)



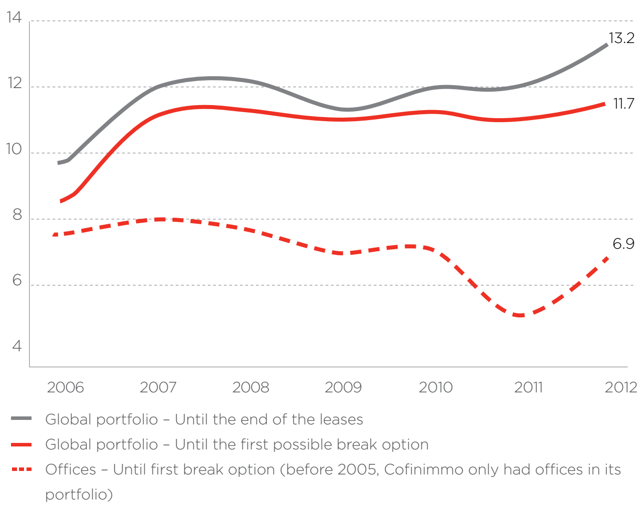
Changes in fair value of investment properties (x €1,000)



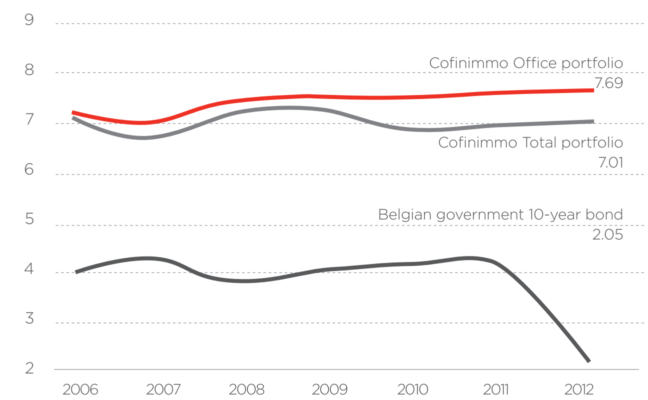
Segment	Changes in fair value	Breakdown by area and sector
Offices	**-2.20%**	**46.64%**
Antwerp	1.35%	1.88%
Brussels Centre/North	8.71%	8.98%
Brussels Decentralised	-4.25%	18.17%
Brussels Leopold/Louise District	-8.30%	9.93%
Brussels Periphery & Satellites	0.87%	4.40%
Other Regions	-3.73%	3.28%
Healthcare real estate	**2.37%**	**35.43%**
Belgium	2.35%	22.68%
France	2.38%	12.41%
Netherlands	3.62%	0.34%
Property of distribution networks	**3.21%**	**16.00%**
Pubstone Belgium	4.56%	8.17%
Pubstone Netherlands	-0.10%	4.52%
Cofinimur I - France	4.63%	3.31%
Others	**5.46%**	**1.93%**
TOTAL PORTFOLIO	**0.37%**	**100%**

[1] If the Group was to renegotiate its entire portfolio at 31.12.2012, the reversion rate would be negative by 6%.
[2] The occupancy rate is calculated by dividing the contractual rents of the current leases (indexed) by the sum of these contractual rents and the estimated rental values of the vacant premises, the latter being calculated on the basis of the current market rents.
[3] Source: CB Richard Ellis.
[4] I.e. including the variation from investments realised during the year.

Weighted residual lease length
(in number of years)



Market rates applied on the Cofinimmo portfolio and yield of the Belgian bonds (in %)



At global portfolio level, this depreciation is partially compensated by:

- the indexation of the leases;
- a high occupancy rate: 95.71% at 31.12.2012;
- an average residual lease length which has risen from 6.7 years at the end of 2004, to 8.4 years at the end of 2006 and then to 11.7 years at the end of 2012, an outstanding figure[1] among the European real estate companies.

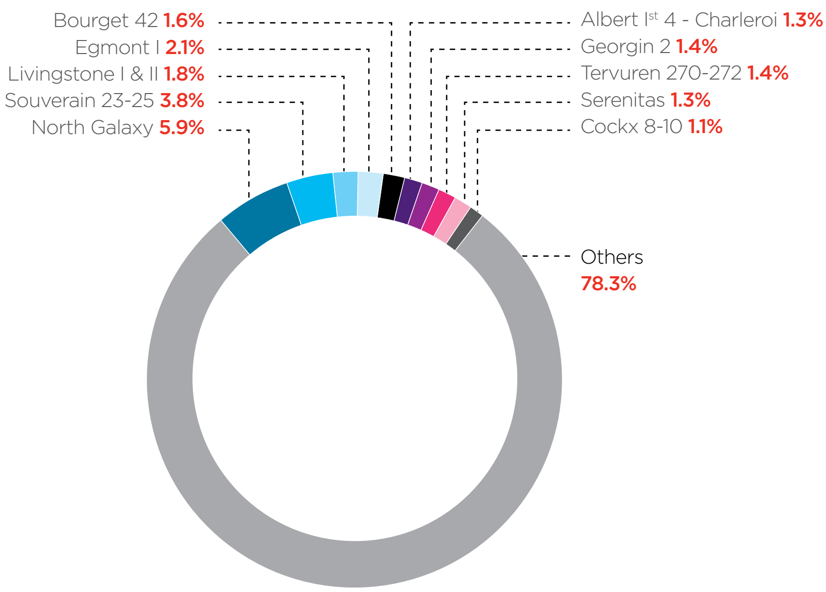
The average residual length of all leases in force at 31.12.2012 is 11.7 years[2] if each tenant would exercise his first possible termination option. This number increases to 13.2 years in case no break option is exercised and all tenants remain in their rented space until the contractual end of the leases.

One of the key features of Sicafis/Bevaks is risk diversification. The Cofinimmo portfolio is well-diversified, with the largest property representing only 5.9% of the consolidated portfolio.

Main clients - in contractual rents (in %)

AB InBev Group	13.5%
Buildings Agency (Belgian State)	11.9%
Korian Group	8.9%
Senior Living Group	7.4%
Armonea	7.2%
Top 5 tenants	**48.9%**
International Public Sector	5.9%
AXA Group	5.1%
MAAF	3.5%
Senior Assist	2.8%
Orpea France	2.6%
Top 10 tenants	**68.9%**
Top 20 tenants	**79.7%**
Other tenants	20.3%
TOTAL	100%

Relative importance of the main buildings - in fair value (in %)



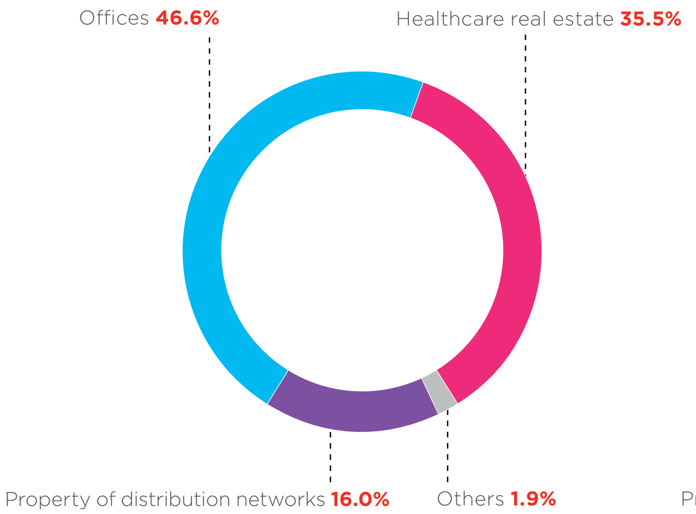
[1] Source: Standard & Poor's.
[2] For the office portfolio alone, it stands at 6.9 years.

SECTOR INFORMATION

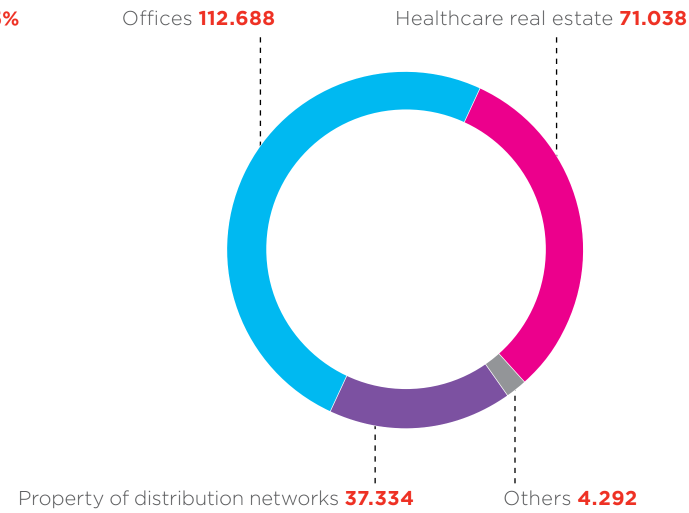
Rental situation by destination

PROPERTIES	Superstructure (in m²)	Contractual rents (x €1,000)	Occupancy rate	Rents + ERV[1] on unlet (x €1,000)	ERV[1] (x €1,000)
Offices	534,684	81,612	90.36%	90,319	82,494
Offices with sold receivables	217,041	24,905	96.17%	25,897	25,896
Total offices and writeback of lease payments sold and discounted	751,725	106,517	91.65%	116,216	108,390
Healthcare real estate	622,749	73,057	100%	73,058	70,748
Pubstone	364,489	29,973	100%	29,973	27,340
Cofinimur I	60,686	7,822	96.96%	8,067	8,244
Others	31,537	4,247	100%	4,247	3,497
Total investment properties and writeback of lease payments sold	1,831 ,186	221,616	95.71%	231,561	218,219
Project and renovations	34,341	374		727	741
Land reserve		37		37	37
GENERAL PORTFOLIO TOTAL	1,865,527	222,027		232,325	218,997

Breakdown by destination - in fair value[2] (in %)

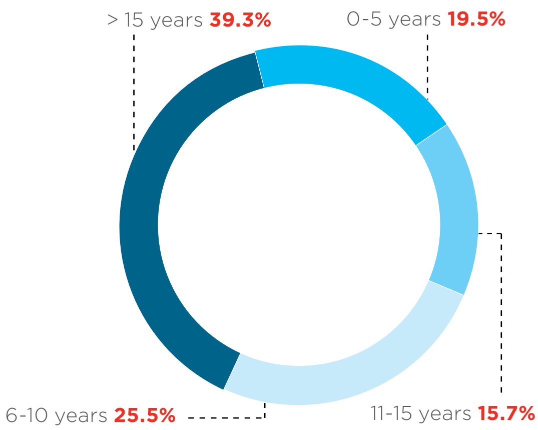


Breakdown by destination - in collected rents[3] (x €1,000)

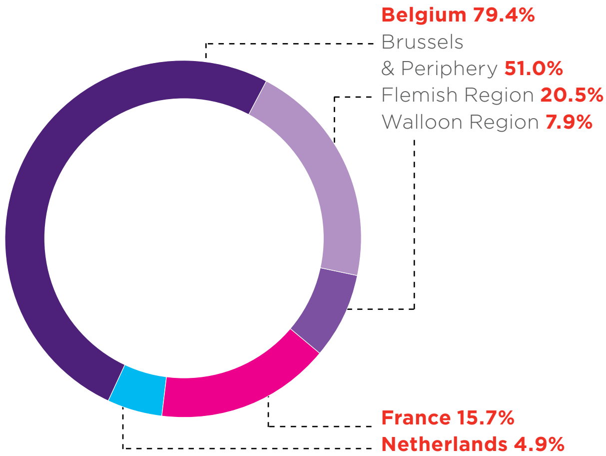


[1] ERV = Estimated Rental Value.
[2] For Cofinimmo SA/NV, the breakdown is as follows: Offices: 66.1%, Healthcare real estate: 31.2%, and Others: 2.7%.
[3] The difference between the rents actually collected and the contractual rents is explained by the rental gratuities granted at the beginning of certain leases and the prorata temporis non-occupation of properties during the past 12 months.

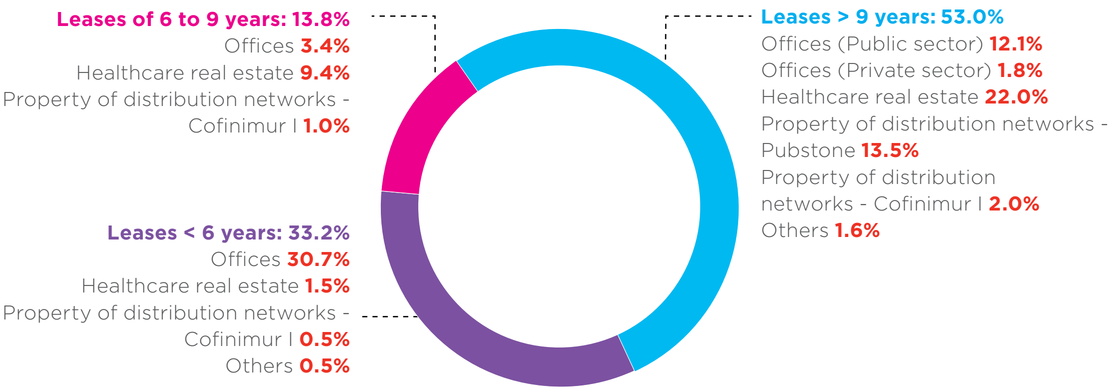
Breakdown by age of propertie[1] (in %)



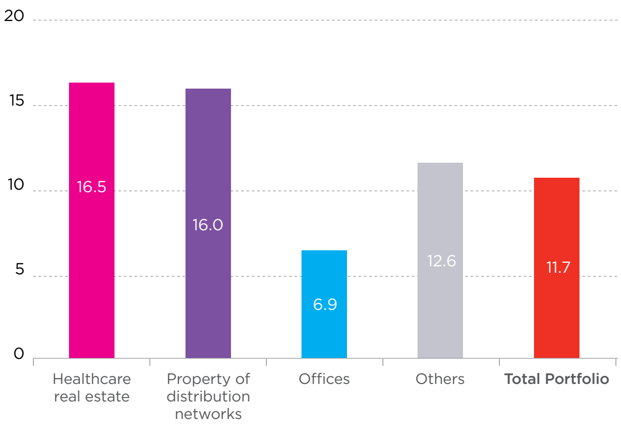
Geographic breakdown - in fair value[2] (in %)



Maturity of leases[3] (in %)

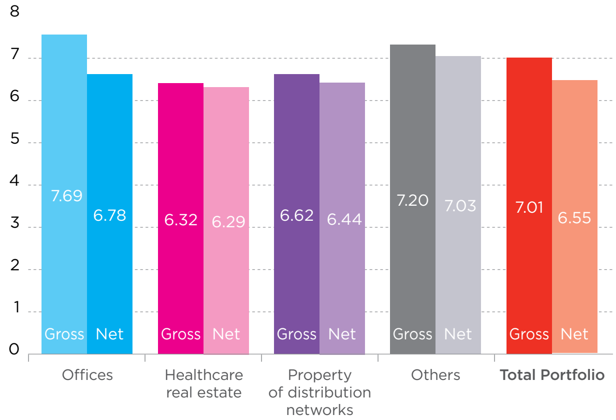


Average residual lease length per sector (in number of years)



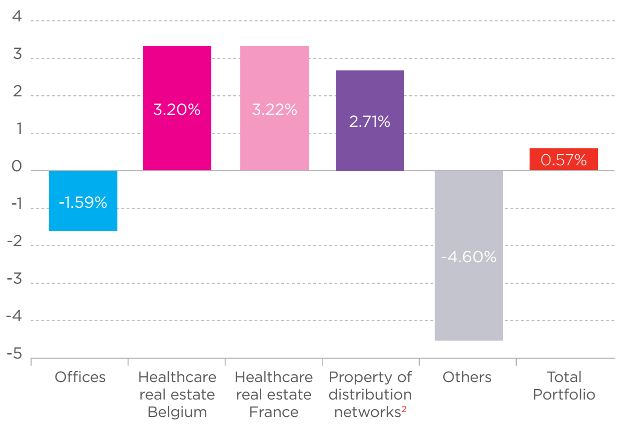
[1] The properties which underwent a large-scale renovation are considered as being new; the property of distribution networks - Pubstone portfolio is considered as one single property and is included in the age bracket >15 years.
[2] For Cofinimmo SA/NV, the breakdown is: Belgium: 95.4% and France: 4.6%
[3] Until the next possible break option.

Gross/net rental yields per sector[1] (in %)



The **portfolio's gross rental yield** remains stable at 7.01% between 2011 and 2012. Except for the portfolio "Others", the yields of all portfolios have increased.

Evolution of the rental income with an unchanged portfolio - 2012 vs 2011 (in %)

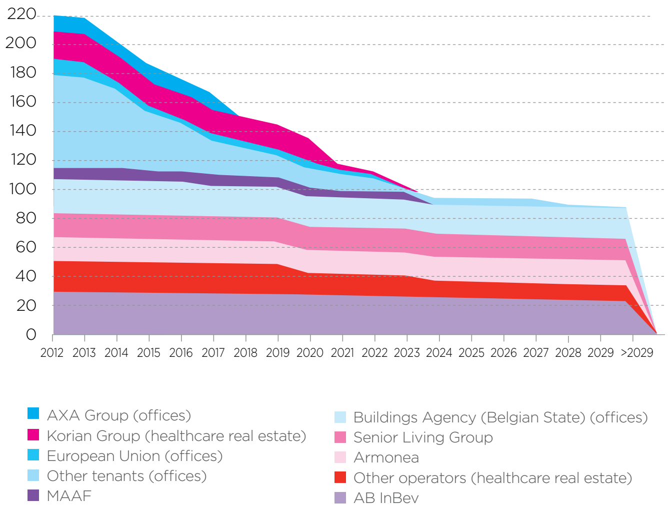


Three elements are limiting the downtrend:

- the office occupancy rate, which is still relatively high (91.65%);
- the tenant rotation rate over the entire portfolio, which remains limited at 1%;
- healthcare real estate and property of distribution networks enjoy a positive indexation of the leases and their income is also protected by their long duration;

Concerning offices, the negative reversion is due to the renegociation of contracts.

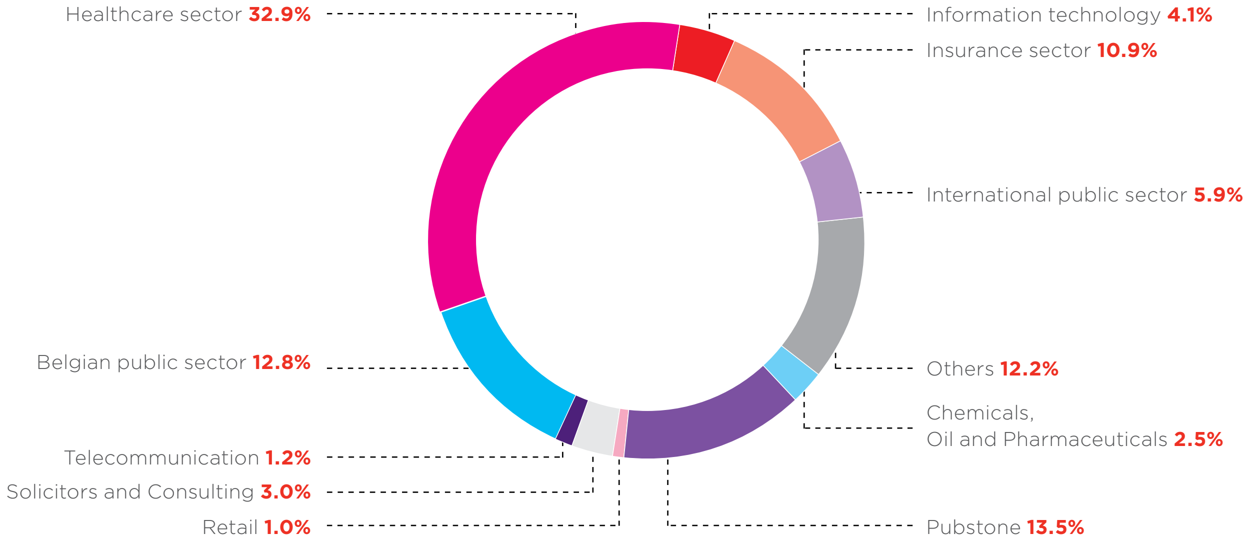
Contractually guaranteed rental income[3] - in contractual rents (x €1,000,000)



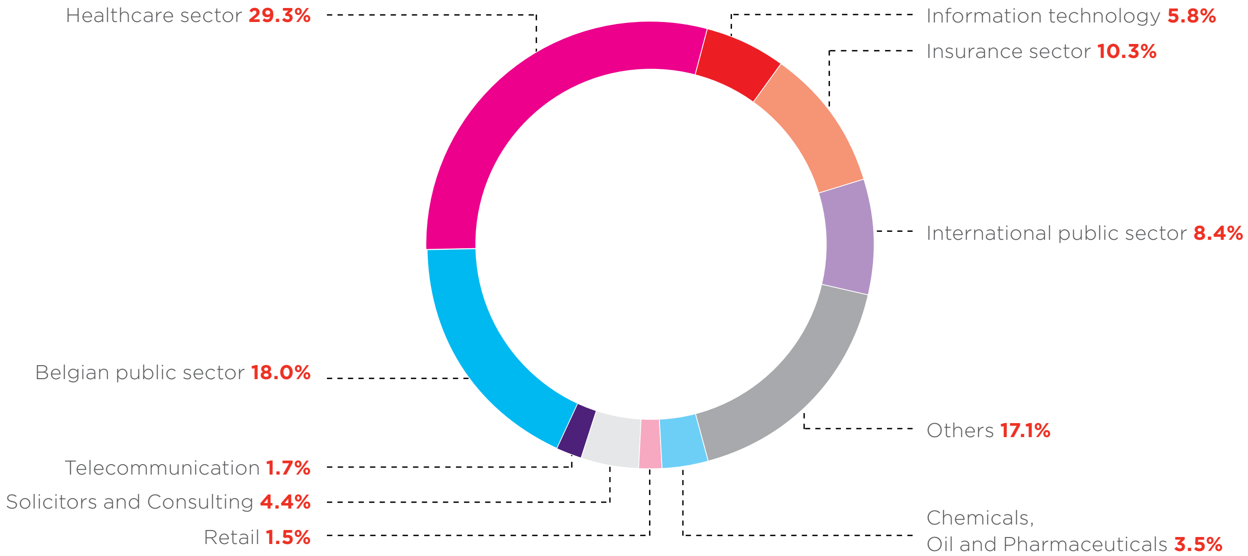
A minimum of 70% of the rental income is contractually guaranteed until 2018. This percentage increases to 76% in case no termination option is exercised and all tenants remain in their rented space until the contractual end of the leases.

[1] If portfolio rented at 100%.
[2] Included for this year only the Pubstone network.
[3] Until the first possible break option.

Breakdown per activity of the tenants - in contractual rents (in %)



Breakdown per activity of the tenants - in contractual rents of the public Sicafi (in %)



Offices

→ The year 2012, just like 2011, was marked by the debt crisis in the Eurozone and the consequently economic slowdown. In this economic context, we must again conclude this year that the general climate among companies remains one of caution and cost control, elements which poorly boost the office rental market. A glimmer of hope for the Brussels office market in 2012 is the return of the European Institutions that were responsible for ±20%[1] of the total take-up, something that had not been witnessed in many years.

The gross take-up on the Brussels office market increased from 320,000m² in 2011 to 427,000m² in 2012[2]. The Brussels periphery region recorded a considerable activity through several major deals in new offices parks located in the airport vicinity.

Despite the weak take-up in the last two years, we observe a slightly declining trend in the Brussels general vacancy. The latter stands at a level of 11.10% or 1.46 million m²[3].
Nevertheless, there is still a structural surplus of office space of which around 21% is provided by buildings that were delivered less than five years ago. The reduction of the general vacancy is partly due to a number of reconversion projects of office buildings into residential buildings in the decentralised districts of Brussels and the very low speculative project development in recent years.
The delivery of new office projects had already decreased strongly in the last two years and reached an absolute low point in 2012.
The result of the surplus in recent years is clearly seen in the rental prices, which, of course, remain under pressure.

As far as investments are concerned, the general activity in Belgium has slightly decreased compared to 2011, a figure of around €1.8 billion[4] for all sectors together. The share of offices, however, has shrunk considerably representing only 46% of total investments. Investors still prefer buildings with an insured rental situation, but what is remarkable is that a large number of deals were made with the aim of a redevelopment into a residential complex.
On 31.12.2012, the office portfolio of Cofinimmo consists of 87 buildings[5], together representing a total above-ground surface area of 786,066m² and a fair value of €1,543.16 million. These buildings are located exclusively in Belgium and largely in Brussels.

The in-house team responsible for the office portfolio consists of 18 people for the property management, who are assisted by teams for development (four people), quality management (two people) and project monitoring (21 people today, most of which are active in the healthcare property sector). Cofinimmo also has its own in-house teams for legal, accountancy and financial matters.

[1] Source: Jones Lang LaSalle.
[2] Source: CB Richard Ellis.
[3] Versus 11.49% and 1.49 millions m² at 31.12.2011. Source: CB Richard Ellis.
[4] Source: DTZ.
[5] Business parks are considered as one asset, but can consist of various buildings.

CONSTRUCTIONS AND RENOVATIONS

2012

In 2012, there were no development in the office sector. As a consequence, fewer works have been undertaken. The Project Management department managed or was in charge of one major office project in Brussels. The total amount of office construction and renovation works managed and accounted for in 2012 stands at €4.40 million.

Brussels

Building	Type of works	Area	(Expected) end of works
Tervuren 270-272	Middle-scale renovation (stages II, III, V)	4,058m²	Q2 2013

OFFICE TRANSACTIONS AND PROJECTS

Apart from this ongoing project, the Project Management department has been preparing projects that will be carried out in 2013-2014. These are primarily preparatory studies for the Science 15-17 redevelopment project and the conversion of the Woluwe 34 building into flats. An application for a town-planning permit has been submitted for the latter project in Q2 2012.

Brussels

Building	Type of works	Area	(Expected) end of works
Woluwe 34	Reconversion into housing, retail and/or offices	6,680m²	Q4 2014
Science 15-17	Renovation of offices and addition of housing units	20,000m²	Q3 2015
Livingstone I	Reconversion into housing, retail and/or offices	16,000m²	Q1 2015
Livingstone II	Renovation of offices	17,000m²	Q4 2013

SCIENCE 15-17

This building, with a superstructure of ±20,000m² distributed over eight floors and two basement car parking levels, is located on the corner of the rue Belliard and the rue de la Science. It dates from the early seventies and was enlarged ten years later. As it no longer meets the requirements of a modern, sustainable office property, Cofinimmo has opted for a complete redevelopment. The company has chosen a mixed project with the ambition of making it a flagship property in the rue Belliard. The project won the 2011 Exemplary Building competition organised by Brussels Capital Region.

To achieve this aim, the following basic concepts were chosen during the design stage:

- **The creation of a sustainable[1] building with a low energy consumption**

  Cofinimmo values the ecological and sustainable identity of its properties. In this instance, the aim is for a very low energy level (maximum E45), and also a "very good" BREEAM certificate for the property. To achieve this, the building's shell will be comprehensively insulated and fitted with triple glazing. A green roof is also planned, as is energy recovery using a heat wheel, high-performance installations for the production of heat and cold, low consumption terminal units (cold ceilings, for example), maximum use of natural lighting and movement detectors controlling the artificial lighting.
- **The improvement of the quality of life of the rue Belliard**

  The project foresees the creation of a forecourt on the corner of the rue Belliard and the rue de la Science. This will create a free and open space along this urban main road. Thanks to a five-storey transparent atrium serving as entrance to the property, the interior garden behind the building will be visible from the street. This concept matches perfectly the new urban vision planned. The lower floors will feature commercial and cultural activities. The city forecourt will thus be enhanced, which will be to the benefit of the area in general. The upper floors will still be used as office space.
- **Construction of a representative building, providing top-of-the-range office space in a prime district**

  The location on the rue Belliard ensures the best possible accessibility. The offices will have excellent acoustics, protected against ambient noise, and a superior gross/net area ratio of the office floor space.

The spaces will also be dividable into 1.35m modules and will provide considerable modular flexibility. The company will make use of the most modern techniques for cooling, heating and ventilation, each of which will feature discretionary management. The works will start once the current tenant (European Commission) vacates the premises and after the various permits have been issued. They should take place during 2014-2015.

Finally, in order to contribute to the demographic challenge of the city of Brussels, Cofinimmo will introduce 17 housing units in the project, on the side of the rue de la Science.

LIVINGSTONE I-II

The Livingstone site consists of two separate buildings, Livingstone I and II, each with its own architectural style.

Livingstone I benefits from a prime location in the heart of the European District and adjoins green areas such as the Square Marie-Louise. The site is easily accessible. The redevelopment into a residential building will meet the need for housing in this area. The property will be designed as four separate apartment buildings, providing a total of 125 living units (studios and flats with one, two and three bedrooms), which will be put on sale. The ground floor will be dedicated to retail functions and/or liberal professions.

[1] I.e. with an efficient use of natural resources.

As far as energy is concerned, Cofinimmo endeavours to obtain K-level 30 and E-level 60 for this building. To achieve this, the company has chosen:

- a building shell with a very high level of insulation;
- a D-type ventilation system, i.e. with high-performance heat recovery (min. 90%);
- a central heating system (condensing boilers with a very high performance);
- an ultra-efficient window frame and pane assembly;
- a structure providing external solar protection;
- individual meters and energy accounting;
- a green roof;
- an interior park;
- a rainwater recovery tank;
- recharging stations for electric vehicles.

The building's current volume will not be changed. The Livingstone I redevelopment works started in January 2013.

The property's functional structure, which enables a very interesting redistribution into housing units with large exterior spaces, as well as the energy and environmental performance ambitions, contributed to the selection of the Livingstone I project as winner of the "conversion of vacant office buildings into housing" competition organised by the Brussels Capital Region.

The various permits necessary for the renovation works of Livingstone I were granted in the first half of 2012. The marketing of the spaces is already in progress. At the publication date of this Report, ±40% of the apartments have already been reserved. In addition, in January 2013, Cofinimmo and Cordeel have signed an agreement initiating the reconversion works and transferring completely to Cordeel the marketing risk of the residential units to be built, for an amount of €24 million to be received by Cofinimmo.

The Livingstone II building has an office floor area of ±17,000m² on seven floors and will be completely renovated and restructured. A new entrance hall will be built rue Philippe le Bon, right in front of the metro station. On the ground floor, a flexible space perfectly adapted to offices or large meeting rooms will be offered.

The permits related to the Livingstone II works were issued during the first half of 2012. The works should start in March 2013 and are expected to last 10 months.

The total budget for these two large redevelopment projects is estimated at €40 million, VAT included, of which €27 million are dedicated to the reconversion of Livingstone I and shall be borne by Cordeel as general contractor, and €13 million are dedicated to the renovation of Livingstone II and shall be borne by Cofinimmo.

WOLUWE 34

The Woluwe 34 office building (6,680m²), situated on the boulevard de la Woluwe and owned by Cofinimmo since 1996, was part of a construction project of four office buildings having a common underground parking lot. Its above-ground surface is spread over nine storeys (ground floor to eighth floor). The underground surface (one storey) is used as a parking lot, for archive storage and technical areas. Today, the building has its own parking garage and a separate entrance. The building has never undergone a major renovation.

With regard to its age, a complete renovation of the building was inevitable. The reconversion into housing will result in a recovery value, renovation works deducted, superior to the recovery value in the case of a renovation into offices, with a lower liquidity risk, as the apartments will be sold. The office building will be converted into 69 residential units, leaving the possibility to create shops or limited office spaces on the ground floor. These three uses (housing, retail and/or offices) fit in perfectly with the existing mixed use in the district.

With regard to the energy level and sustainability, a general K-value of 40 and an E-value of 70 per apartment is being targeted. The total budget for this redevelopment project is estimated at between €10 and €12 million, VAT excluded.

The applications for town-planning permits and environmental permits have been submitted. The marketing of the spaces was initiated in October 2012. At the publication date of this Report, ±42% of the apartments have already been reserved.

COMMERCIAL RESULTS

Property services

Cofinimmo offers a variety of additional services to assist the tenants in managing their work space, thus enabling them to concentrate fully on their core business.

Confinimmo has 348 office clients, of whom 232 had recourse in 2012 to one or more property services concerning the fitting- out of office space, maintenance and security.

Any fitting-out work is managed directly by Cofinimmo's multidisciplinary Project Management department, which is staffed by architects, engineers and space-planners.

The other services, such as maintenance, security or energy supply, are provided by subcontractors rigorously selected by the purchasing department.
Framework contracts are negotiated with them for this purpose, enabling Cofinimmo both to impose its high quality standards and also to achieve economies of scale by taking advantage of the size of its portfolio to obtain the best quality-price conditions from the selected subcontractors.

Cofinimmo also has a Help Desk service, available round-the-clock, seven days a week, which, at the request of its clients, organises the execution, which is subcontracted, of minor works and repairs of all kinds. This Help Desk is in charge of monitoring the requests from clients, informing them at each key stage of the progress of their application: confirmation of acceptance, communication of the day on which the works will take place and the name of the subcontractor, notification of the end of the works and report on the works carried out. The client may obtain information at any time from this centralised service or submit any reaction he may have.

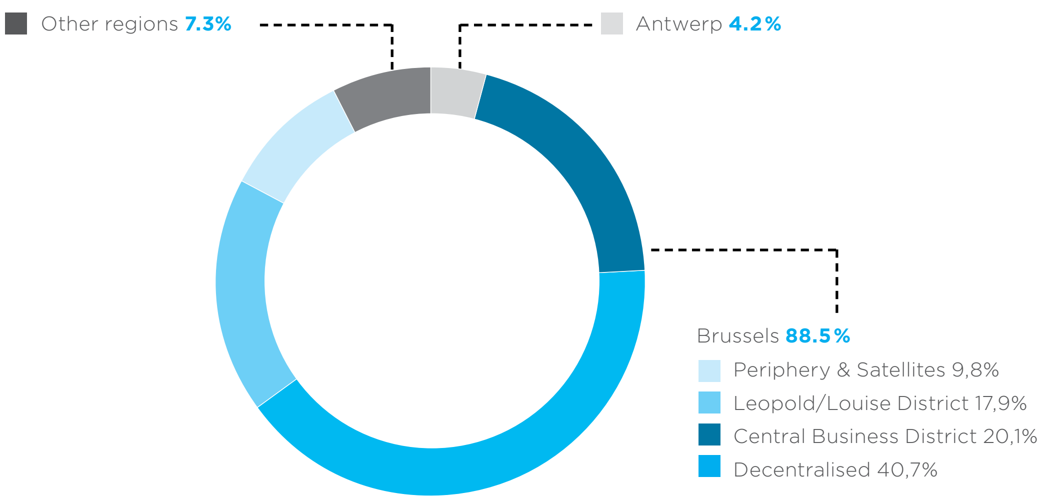
In 2012, the Help Desk service handled nearly 9,200 work requests. The costs of such works are invoiced to the clients. Besides promoting client loyalty and facilitating their use of the office space, which remain the core objectives of this service activity, Cofinimmo has netted an operating result of almost €204,000 from property services. This approach to client service will be pursued in 2013 and the range of services will be extended as and when new requirements are identified.

SECTOR INFORMATION

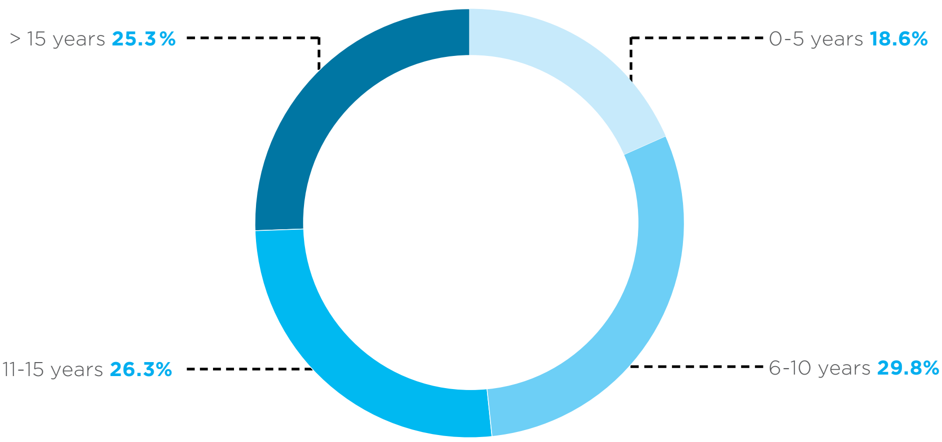
Main clients - in contractual rents (in %)

	Rating[1]	Outlook[1]	%
Buildings Agency (Belgian Federal State)	AA	NEG	23.6%
European Union	AAA	NEG	11.9%
AXA Belgium	A	STABLE	10.2%
IBM Belgium (IBM Group)	AA-	STABLE	4.2%
TVI SA/NV (RTL Group)	BBB+	STABLE	2.8%
CEFIC	n.a.	n.a.	1.9%
OVAM	n.a.	n.a.	1.9%
KPMG	n.a.	n.a.	1.7%
Cleary Gottlieb Steen & Hamilton	n.a.	n.a.	1.7%
TOTAL			60.0%
Others			**40.0%**

Geographic breakdown – in fair value (in %)

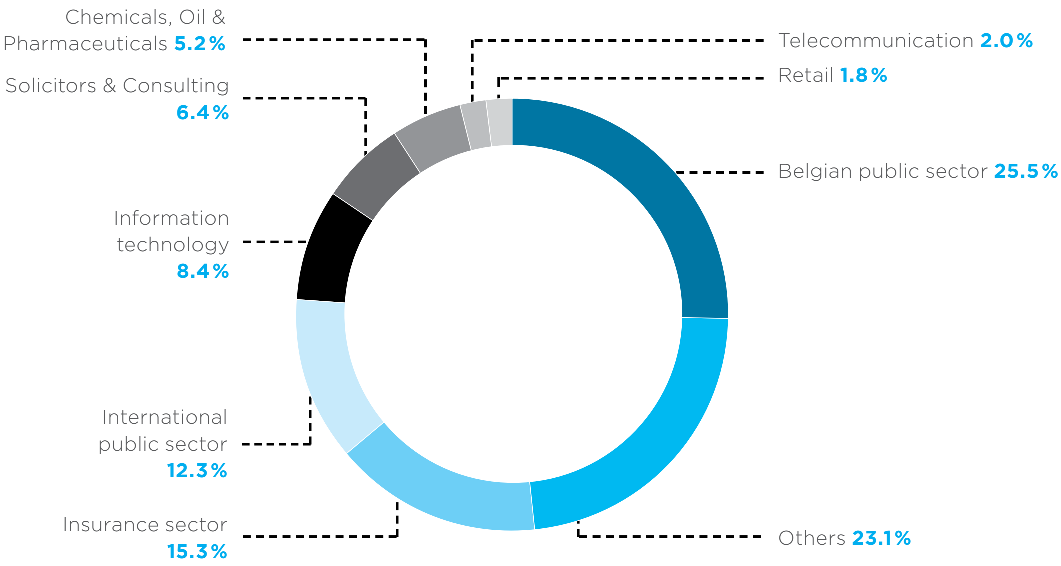


Average age of properties[2] (in years)

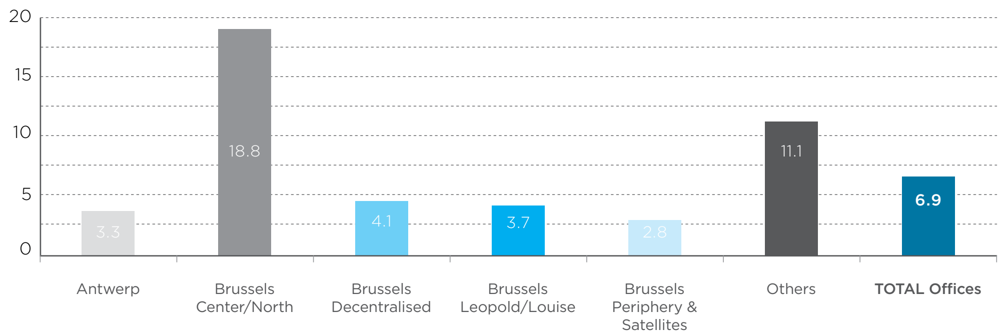


[1] This is the appreciation by the financial rating agency Standard & Poor's of the financial solvency risk of the entity; situation on 31.12.2012.
[2] The buildings having undergone a heavy renovation are considered as new.

Breakdown by activity sector of the tenants - in contractual rents (in %)



Average lease length per region
(in number of years)



Healthcare real estate

CONSIDERING THE GROWING HEALTHCARE REAL ESTATE NEEDS, COFINIMMO DECIDED IN 2005 TO START INVESTING IN THIS SEGMENT THROUGH NURSING AND CARE HOMES (EHPAD)[1] AS WELL AS REHABILITATION, PSYCHIATRIC AND ACUTE CARE CLINICS.

THIS SECTOR'S MAIN ADVANTAGES ARE:

A favourable legal environment: acute and long-term care facilities are governed by very strict authorisation systems. These are a high barrier to entry for new operators, thus maintaining the occupancy rates of the facilities.

A high growth potential: Demographic projections[2] indicate that the number of people aged over 65 will increase in Belgium and in its bordering countries by around 51% between now and 2060. However, current supply is already often insufficient in comparison with care needs of dependent persons. Partial or total renovation projects as well as portfolio growth create a significant development potential for Cofinimmo.

Long-term lease contracts with operators: lease contracts entered into with operators have an initial fixed term of 27 years in Belgium, 12 years in France and 15 years in the Netherlands. The rents, indexed annually, are fixed and do not depend on the occupancy rate by the residents. In addition, almost all lease agreements provide the possibility to extend leases for two consecutive nine-year periods in Belgium and for two consecutive nine to 12-year periods in France.

Finally, the majority of lease contracts state that maintenance costs, including structural maintenance, are the responsibility of the tenant.

Rent levels in equilibrium with the economic potential of each project: by valuing each project, Cofinimmo is committed to maintaining a reasonable rent level in relation to the income and the expected operating surplus of the institution.
As such, the level of rent does not affect the continuity of operations.

Favourable locations enabling redeployment: if the lease contract is not extended, Cofinimmo will tap the redevelopment potential of these properties to the full, mainly as residential accommodation. Indeed, the relatively low price per square meter, resulting from the alignment of the rents at a level compatible with long-term operations by the operators, offers a considerable potential in the event of reconversion into housing.

"La Cambre"
Brussels

[1] EHPAD: Etablissement d'Hébergement pour Personnes Âgées Dépendantes – in France, the most common form of institution for elderly people.
[2] Source: EUROSTAT.

AFTER SEVEN YEARS OF INTENSIVE DEVELOPMENT, IN BELGIUM AND IN FRANCE, AS WELL AS A FIRST ESTABLISHMENT IN THE NETHERLANDS, COFINIMMO HAS BECOME ONE OF CONTINENTAL EUROPE'S MOST IMPORTANT HEALTHCARE REAL ESTATE INVESTORS.

Sébastien Berden - Head of Healthcare




Bergman Clinic-Naarden

Having identified these favourable factors as from 2005, Cofinimmo has decided to use its experience and technical expertise in order to redeploy itself in the healthcare sector, where it believes that it can play a significant role in the financing of real estate needs. More specifically, the Group invests in nursing homes (called Établissements d'Hébergement pour Personnes Âgées Dépendantes - EHPAD - in France), nursing and care homes, service flats, rehabilitation centres (called cliniques de Soins de Suite et de Réadaptation - SSR - in France), psychiatric clinics and, more recently, an acute care clinic in the Netherlands (Zelfstandig Behandel Centrum - ZBC).

It invests exclusively in establishments with beds approved by public authorities. To do so, the company signs solid property partnerships with the major players in the Belgian, French and Dutch markets[1]. These acquisitions are subject to a prior *due diligence* to analyse the profitability of the project and the solvency of the operators. This solvency analysis is repeated annually, with the operators undertaking to provide regular financial reports.

Cofinimmo offers operators access to financial, real estate and architectural expertise. With its own Project Management department specialised in the healthcare segment, in renovation and construction projects, it acts as consultant in sustainable and ecological construction techniques.

On 31.12.2012, Cofinimmo's total healthcare real estate portfolio consists of 127 properties, with approximately 13,100 beds for residents (8,300 in Belgium, 4,750 in France and 40 in the Netherlands), representing a total above-ground area of 622,749 m² and a fair value of €1,172.44 million.

The in-house team responsible for healthcare real estate is made up of nine people directly involved in managing the portfolio (Property and Project Management). For the execution and follow-up of renovation works in France, a collaboration agreement has been signed with a local contracting authority's representative.

TRANSACTIONS

THE MAIN TRANSACTIONS IN 2012 ARE:

Belgium

Establishment of an institutional Sicafi/Bevak as a co-investment with Senior Assist

On 31.01.2012, Cofinimmo and Senior Assist secured an agreement on a nursing home property portfolio operated by Senior Assist with an overall value of nearly €150 million. Within this portfolio, €80 million correspond to buildings that Cofinimmo already owns on 31.01.2012, €24 million involve new operational buildings and €46 million consist of projects to be developed. The initial rental yields of properties making up this portfolio range between 6.50% and 7.04% in "double net" equivalent[2]. All are let or pre-let based on 27-year long leases with indexed rents.

The company Maison Saint-Ignace, owner of the institution of the same name, of which Cofinimmo already held all the shares, has been registered as an institutional Sicafi/Bevak since 13.12.2011 and was renamed SILVERSTONE SA/NV on 31.01.2012.
Cofinimmo, Rheastone (subsidiary of the Cofinimmo Group) and Senior Assist are the shareholders of Silverstone, with holdings of 70.69%, 24.31% and 5% respectively[3].

Operating assets
On 31.01.2012, by means of partial divisions of companies belonging to the Senior Assist Group, Silverstone SA/NV has received the following buildings as an in-kind contribution:

Institution name	Location	Beds	Area
De Fakkel, Karen, Villa Vitae & De Laek	Beringen	137 beds	7,098m²
Farnientane	Fexhe-Slins	66 beds	2,507m²
Claire de Vie	Liège	115 beds + 20 service flats	3,055m²

In addition, by partial division of companies of the Senior Assist Group, Silverstone acquired the two buildings below, which it has undertaken to renovate and extend:

Institution name	Location	Beds	Area
Brise D'Automne	Ransart	119 beds (+25 beds extension scheduled for 2015)	2,816m² (+3,074m² extension scheduled for 2015)
VII Voyes	Vedrin	85 beds	4,172m²

The above-mentioned buildings are in use and have been rented to Senior Assist on long leases with an initial fixed term of 27 years.

France

ORPEA Group

Through their joint subsidiary Cofinea I SAS, the ORPEA Group and the Cofinimmo Group acquired the premises of the EPHAD "Les Musiciens" located in the 19th district of Paris on 19.04.2012. The total area of this establishment built in 2004 is 4,265m² for 107 beds. The establishment is operated by the ORPEA Group, with which Cofinea I signed a "triple net" commercial lease contract with a 12-year term. Appended to this lease contract, the parties signed a green lease contract, complying with the regulation of the Grenelle Environment Forum. This green lease contract contains environmental provisions involving a collaboration between the lessor and the lessee in order to improve the building's environmental performance. The ORPEA Group and Cofinimmo decided to anticipate the entry into force of these regulations provided for EHPADs in this field. The purchasing price paid by Cofinea I is €20.9 million and corresponds to the property's fair value, as determined by the independent real estate expert. Taking into account the registration duties due to the French State on this sale, the property's investment value stands at €22.2 million. The rental yield is 6.15% in "double net" equivalent and 5.90% in "triple net" equivalent.

The acquisition of this asset is part of the partnership agreement signed by both groups in November 2011. This partnership provides that the parties will establish joint ventures, the purpose of which will involve the acquisition, holding and letting of properties in the healthcare sector operated exclusively by ORPEA. The agreement aims to reach €500 million in assets within the next

[1] In number of operated beds, in France, the leading private healthcare operators, in descending order, are: ORPEA, Korian, Medica and Dolcéa. In Belgium, they are Armonea, Senior Living Group, ORPEA Belgium and Senior Assist.
[2] The double net equivalent yield permits comparison with yields on offices.
[3] See also our press release dated 31.01.2012, available on our website. Cofinimmo and Senior Assist are related parties within the meaning of Articles 18 § 1 and 31 § 2 of the Royal Decree of 07.12.2010. The described transaction was done according to the procedures applicable in cases of conflict of interest and was carried out under normal market conditions.

five years. This acquisition was done by the first joint venture, Cofinea I, a company under French law, of which 51% is held by Cofinimmo and 49% is held by the ORPEA Group. Cofinea I benefits from the "Société d'Investissement Immobilier Cotée" (SIIC) regime. Cofinea I is accounted for according to the equity method in Cofinimmo's consolidated financial statements and in ORPEA's financial statements.

Netherlands

Bergman Group

In September 2012, Cofinimmo acquired, through a subsidiary Superstone NV, a private clinic located in Naarden, Netherlands, 25km south-east of Amsterdam. The clinic was bought from the Dutch group Bergman Clinics for €11.5 million. The building is rented by the seller, in accordance with a 15-year long lease contract with an option to extend for 10 years, for which the long lease holder must come to a decision in the 10th year (2022). The long lease makes the holder responsible for maintenance costs and taxes ("triple net" lease contract). The initial rental yield is 7.20% in "double net" equivalent[1]. The rent is indexed annually to the household consumer price index.

It is an orthopaedic clinic, in the form of a "Zelfstandig Behandel Centrum" ("ZBC" or independent private clinic), with an area of 5,821m² including 200 parking spaces, four operating suites, imaging and medical diagnosis rooms, 10 consultation rooms, 12 recovery room beds as well as 40 private hospitalisation rooms.

Acquisitions of land with construction project

On 03.04.2012, Cofinimmo acquired a plot of land located in Evere, "Projet Vishay", for the construction of a nursing home. The project's estimated total budget is €18.8 million, including VAT. After the delivery of the works, scheduled for the fourth quarter of 2014, the nursing home will measure 8,565m² and hold 165 beds. After this delivery, Cofinimmo will begin to collect rental income on this property, with an expected gross rental yield at this time amounting to 6.55% in "double net" equivalent. This nursing home will be operated by Armonea, with which Cofinimmo will sign a 27-year "triple net" long lease.

Constructions and renovations

Cofinimmo acts as property consultant for the operators. It thus encourages them to integrate a sustainable architecture, as well as sustainable materials and installations with a low energy consumption in the construction or renovation of the properties, and issues suggestions on how to reduce the buildings' carbon footprint.

2012

In 2012, the Project Management department managed or controlled the following main projects:

Belgium

Building	Operator	Type of works	Number of (additional) beds	Area	End of works
Zevenbronnen - Walshoutem	Anima Care	Extension	+17 beds + 24 service flats	+2,761m²	Q2 2012
VII Voyes - Vedrin	Senior Assist	Extension	+45 beds	+3,012m²	Q2 2012
't Smeedeshof - Oud-Turnhout	Armonea	Extension	+64 service flats	+6,542m²	Q2 2012

[1] The "double net" equivalent yield permits a valid comparison with yields on offices.

2013-2014

For 2013-2014, the works started but not yet finished in 2012 put aside, the main planned construction and renovation projects are:

Belgium

Building	Operator	Type of works	Number of (additional) beds	Area	(Expected) end of works
Parkside – Laeken (Brussels)	Le Noble Âge	Renovation and extension	+15 beds	+1,990m²	Q1 2013
Zonnetij - Aartselaar	Senior Living Group	Extension	+26 beds	+1,216m²	Q1 2013
Prinsenpark – Genk	Senior Living Group	Extension	+64 beds + 22 service flats	+4,213m²	Q1 2013
Dageraad – Antwerp	Armonea	New construction	+94 beds	+5,090m²	Q2 2013
Lucie Lambert - Buizingen	ORPEA	Extension	+18 beds	+1,767m²	Q3 2013
Damiaan – Tremelo	Senior Living Group	Renovation and extension	+42 beds	+5,918m²	Q3 2013
Couverture - Aalst	Senior Assist	New construction	80 beds + 29 service flats	7,894m²	Q4 2013
Saint-Ignace - Laeken (Brussels)	Senior Assist	Renovation	/	/	TBD
Zonnewende - Aartselaar	Senior Living Group	Extension	+12 beds	+600m²	Q3 2013
Les Jours Heureux - Lodelinsart	Senior Assist	Renovation and extension	+20 beds	+1,350m²	Q2 2013
Noordduin - Koksijde	Armonea	New construction	87 beds	6,440m²	Q1 2014
De Mouterij - Aalst	Senior Assist	New construction	120 beds + 12 service flats	7,643m²	Q2 2014
Vishay - Evere (Brussels)	Armonea	New construction	165 beds	8,565m²	Q4 2014
Susanna Wesley - Uccle (Brussels)	Armonea	New construction	87 beds	4,960m²	Q4 2014
Brise d'Automne - Ransart	Senior Assist	Extension	+25 beds	+3,074m²	Q4 2015

France

Lo Solelh - Béziers	Korian	Total renovation	60 beds +13 beds	2,760m²	Q1 2013
Le Clos Saint Sébastien - Saint Sébastien sur Loire	Orpea	Renovation and extension	+12 beds	+870m²	Q4 2013
Frontenac[1] - Bram	Korian	Renovation and extension	+8 beds	Ext. +700m² Renov. 150m²	Q1 2014
Gleteins[1] - Jassans - Riottier	Korian	Renovation and extension	+30 beds	Ext. +2,567m² Renov. 1,100m²	Q3 2014
Les Luberons[1] - Le Puy-Sainte-Réparade	Korian	Renovation and extension	+25 beds	Ext. +1,400m² Renov. 400m²	Q4 2014
William Harvey[1] - Saint-Martin d'Aubigny	Korian	Renovation and extension	+10 beds	Ext. +670m² Renov. 500m²	Q1 2014

These establishments are also all pre-let.

[1] Acquisition by Cofinimmo upon delivery of the works.

OPERATORS

ANIMA CARE

As regards residential assistance, Anima Care, a subsidiary of the Ackermans & Van Haaren Group, invests in both operating activity and real estate.
Of their portfolio, Cofinimmo owns the Zevenbronnen nursing home in Landen (Belgium).

For further information about the group: www.animacare.be

ARMONEA

Armonea was established in 2008. The group was created from an alliance between two Belgian family-owned companies, each with a 30-year track record in providing care for the elderly.
To date, Cofinimmo owns 24 nursing homes of their total portfolio, and constructions are currently in progress on three plots of land. All of these properties are located in Belgium.

For further information about the group: www.armonea.be

BERGMAN CLINICS

The Bergman group, founded in 1988, is established exclusively in the Netherlands. It has 600 employees and 80 medical specialists across 17 sites.
Since September 2012, Cofinimmo is the owner of a private clinic located in Naarden, Netherlands.

For further information about the group:
www.bergmanclinics.com

CALIDUS

Calidus is a network of independent nursing home operators founded in 2007 with as main goal to centralise certain aspects relating to operational management (accounting, purchasing, consulting, etc.).

Cofinimmo owns the Weverbos nursing and care home in Gentbrugge (Belgium) affiliated with the Calidus network.

KORIAN

The Korian Group positions itself as a European leader among healthcare operators and operates through EHPADs, SSR clinics and psychiatric clinics in France and in Germany. The Group is listed on the stock exchange.
To date, Cofinimmo owns 39 establishments of their property portfolio in France.

For further information about the group:
www.groupe-korian.com

MEDICA

The Medica Group is a leader in France among healthcare operators and operates in France through EHPAD, SSR clinics and psychiatric clinics. The Group is listed on the stock exchange.
Cofinimmo owns six establishments of their property portfolio in France.

For further information about the group:
www.medica-france.fr

LE NOBLE ÂGE

Established 20 years ago, Le Noble Âge is a group specialising in the accommodation of dependent elderly people and in rehabilitation care in France and Belgium. The company has been listed on the stock exchange since June 2006.
To date, Cofinimmo owns the Parkside nursing home located in Laeken (Belgium).

For further information about the group:
www.groupenobleage.com

ORPEA

The ORPEA Group is currently one of the European leaders in the dependency sector and operates in France through EHPADs, SSR clinics and psychiatric clinics. ORPEA has been listed on Euronext Paris since April 2002.
Cofinimmo holds six nursing homes in Belgium and 11 establishments in France.

For further information about the group: www.orpea.com

SENIOR ASSIST

The Senior Assist family group was founded in 2005 and has developed in the home care and the accommodation of dependent elderly people sector.
Cofinimmo holds 21 nursing homes from their property portfolio, and constructions are currently in progress on two plots of land. All of these properties are located in Belgium.

For further information about the group:
www.senior-assist.be

SENIOR LIVING GROUP

Senior Living Group (SLG) is a subsidiary of Waterland Private Equity. Since 2004, Senior Living Group (SLG) has developed in the sector of accommodation of dependent elderly people in Belgium.
Cofinimmo holds 16 nursing homes from their property portfolio in Belgium.

For further information about the group: www.srliving.be

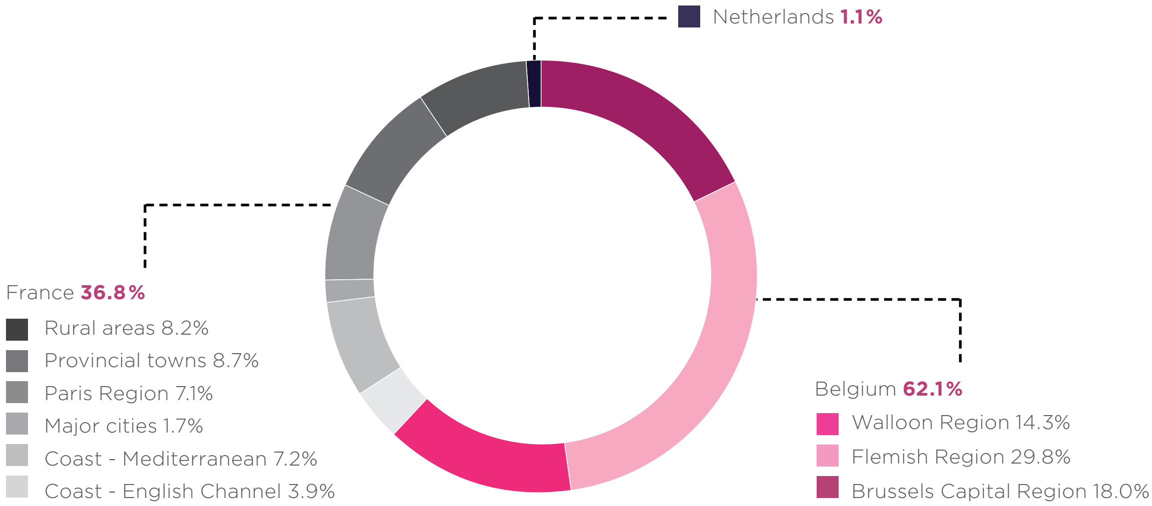

Nursing home Lucie Lambert


Nursing home Landen

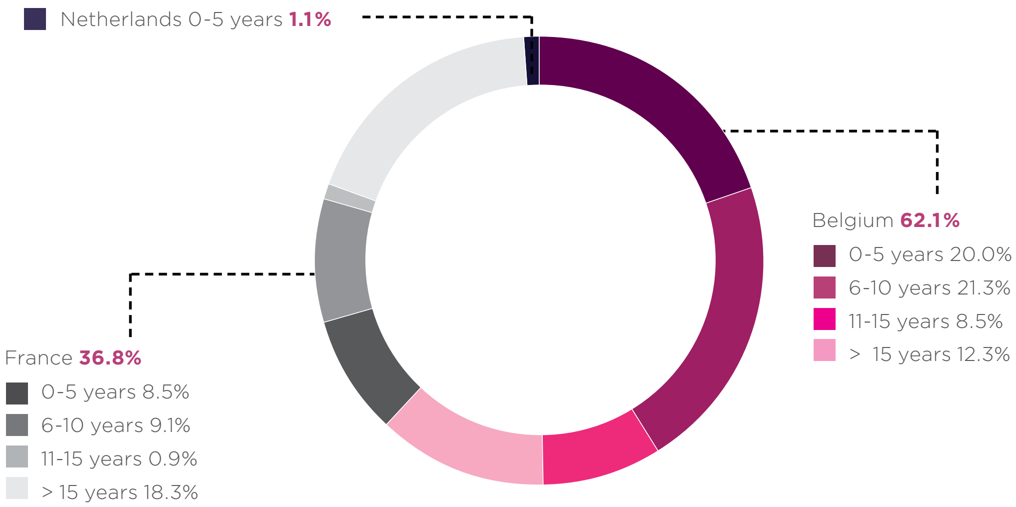

Nursing home Den Brem

SECTOR INFORMATION

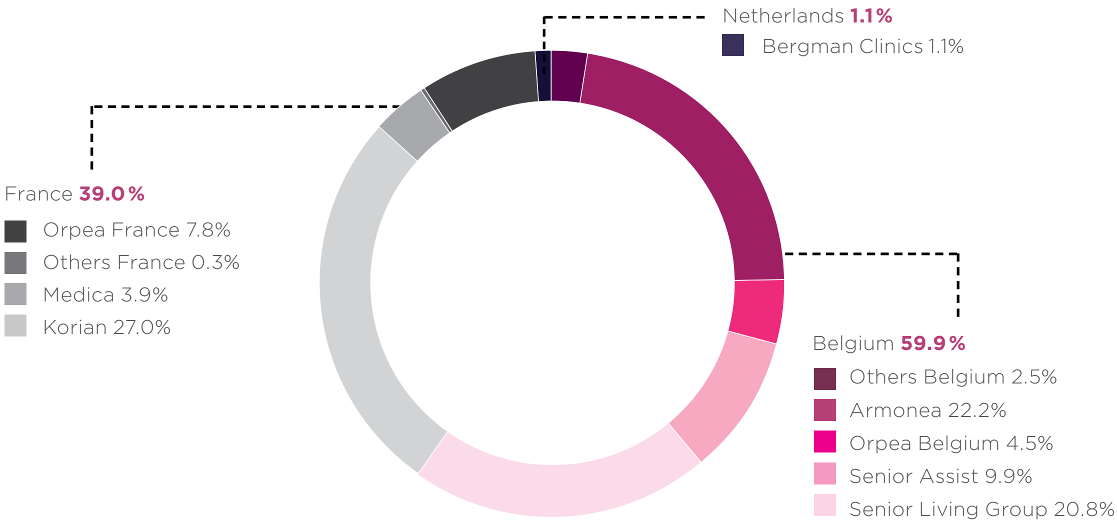
Geographical distribution – in fair value (in %)



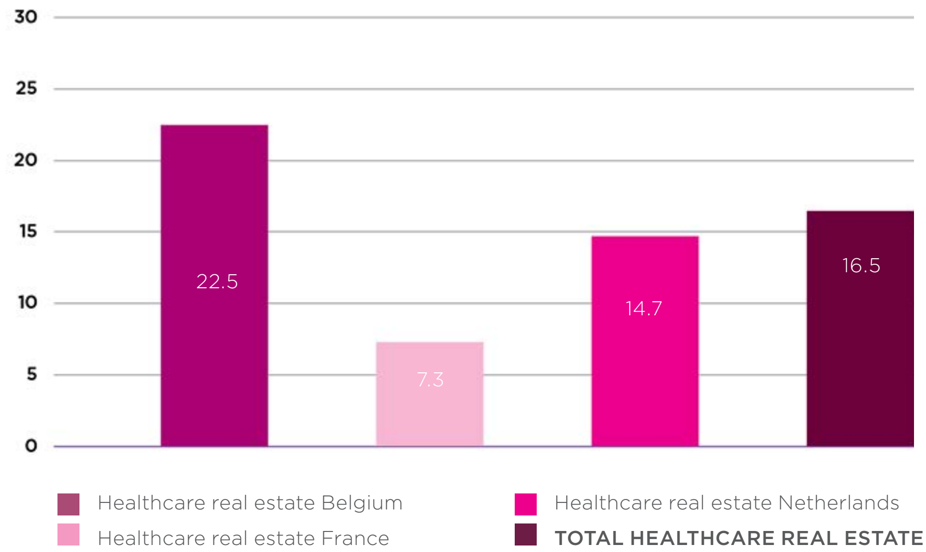
Average age of institutions – in number of years (in %)[1]



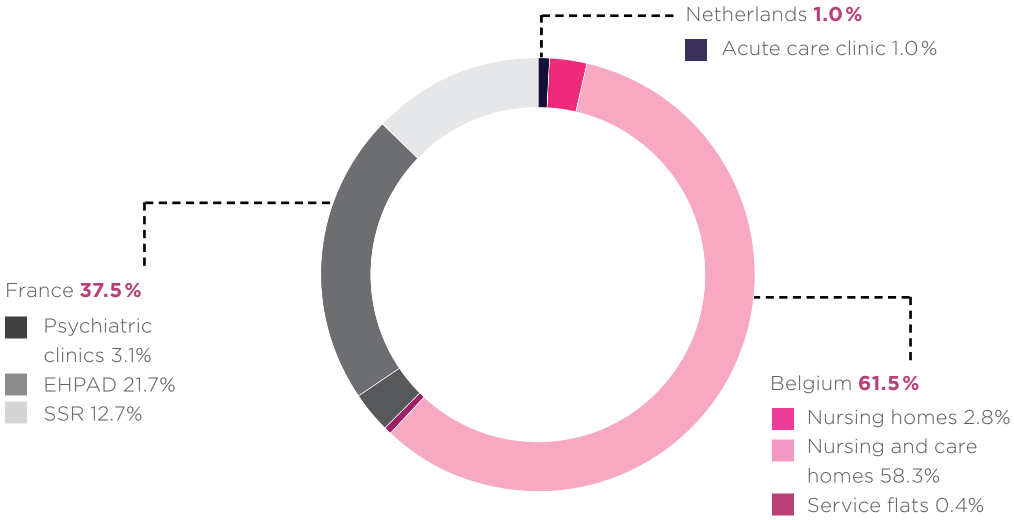
Distribution by operator – in contractual rents (in %)



Average residual lease length per country (in number of years)



Distribution by type of asset in investment value (in %)



Property of distribution networks

Pubstone and Cofinimur I

→ Cofinimmo also invests in buildings used by companies as networks of contact points for the direct sale of products or services to their clients.

Cofinimmo acquires these networks comprising a large number of small properties from a company wishing to externalise its distribution properties and simultaneously rents them back to the company on a medium or long-term basis. Cofinimmo embarked on this diversification in 2007, at the time of the acquisition of the entire portfolio of pubs held by Immobrew SA/NV, a subsidiary of AB InBev, and renamed Pubstone SA/NV. It pursued this strategy in 2011, via the acquisition of a portfolio of 265 insurance agencies, as well as 15 office buildings and three mixed-use offices (offices/agencies), from the MAAF insurance group (France).

The maintenance responsibilities for the buildings of these two networks are assumed either to a limited extent by Cofinimmo (its subsidiaries Pubstone and Cofinimur I) or are assumed in full by the tenant.

PUBSTONE[1]

Under the terms of a real estate partnership, Cofinimmo acquired at the end of 2007 an entire portfolio of pubs, owned until then by Immobrew SA/NV, a subsidiary of AB InBev and renamed Pubstone SA/NV. The pubs were then leased back to AB Inbev under a commercial lease of an initial average term of 23 years. AB InBev retains an indirect stake of 10% in the Pubstone structure (see organisational chart on page 176-177). On expiry of the lease, AB InBev has the option of renewal at the same conditions or restitution of the premises free of occupation.

Cofinimmo does not assume any risk related to the commercial operation of the pubs. This risk is borne exclusively by AB InBev, which passes it on partially to the individual operators, who are subtenants. However, Cofinimmo is responsible for the structural maintenance of roofs, walls, facades and external woodwork. Under the partnership, it also continues to assist AB InBev with the dynamic development of this portfolio. In Belgium, the in-house Pubstone team, not including support services, consists of six and a half FTEs involved in the portfolio management (Property and Project Management). In the Netherlands, the in-house Pubstone team consists of two people, one responsible for technical coordination of the portfolio and the other for administration.

This internal management by Cofinimmo guarantees an ongoing technical and financial supervision of the various properties, as well as a standardised management of the various aspects related to property and urban planning. On 31.12.2012, the Pubstone portfolio consisted of 813 properties in Belgium and 246 properties in the Netherlands, representing a total area of 364.489m² above ground and a fair value of €419.83 million (Belgium: €270.15 million, Netherlands: €149.68 million).

[1] Pubstone SA/NV was attributed the institutional Sicafi/Bevak status on 30.06.2011.


SALVATOR


MAAF
ASSURANCES


MAAF

CONSTRUCTIONS AND RENOVATIONS

Belgium

In 2012, the operational Property and Project Management teams proceeded with 489 technical interventions and 188 renovation works. They mainly consist of painting and external woodwork repairs, as well as roof works.

The Project Management department managed or controlled the following main projects:

Building	Type of works
BRUSSELS BOULEVARD GENERAL JACQUES 48	Replacement of roofs and external woodwork
LEUVEN MARGARETHAPLEIN 3	Roof restoration works
COURTRAI GROTE MARKT 2	Facade restoration works
GHENT SINT MICHIELSHELLING 6	Facade restoration works, replacement of external woodwork and roof

Netherlands

In 2012, 107 technical interventions and 45 minor renovations, similar to those executed in Belgium, were carried out.

The Project Management team managed or controlled the following main projects:

Building	Type of works
MAASTRICHT GRAANMARKT 3	Painting works
ZUTPHEN GROENMARKT 34	Replacement of external woodwork and painting works
VEGHEL MOLENSTRAAT 43	Painting works
ROTTERDAM NIEUWE BINNENWEG 345	Restoration of facade earthenware

The total amount invested in these interventions and projects in 2012 stands at €3.14 million for both countries, of which €2.50 million in Belgium and €0.64 million in the Netherlands. For 2013, new renovation projects and minor or major works are planned for a budget of €3.47 million.

COFINIMUR I

December 2011 marked a second important stage in the property of distribution networks acquisition strategy. Indeed, Cofinimmo SA/NV and Foncière ATLAND acquired, in partnership, for the subsidiary Cofinimur I SA/NV, a 283-asset portfolio from the MAAF insurance group, comprising 265 agencies, as well as 15 office buildings and three mixed-use buildings (retail/offices).

All these buildings are let for an initial average term of 9.7 years (or a residual fixed term on 31.12.2012 of 8.8 years) to MAAF, a subsidiary of the French insurance group Covéa, which has a total network of 587 agencies distributed throughout France; the above-mentioned therefore accounting for over half of them. The other agencies are rented from third parties. These agencies are run by MAAF employees.

Foncière ATLAND REIM[1] is in charge of the asset and property management for the entire portfolio on behalf of the acquisition structure held jointly by Cofinimmo SA/NV and Foncière ATLAND.

Cofinimur I issued mandatory convertible bonds (MCB) for an amount of €52.0 million. The conditions attached to these bonds are described on page 48 of the 2011 Annual Financial Report.

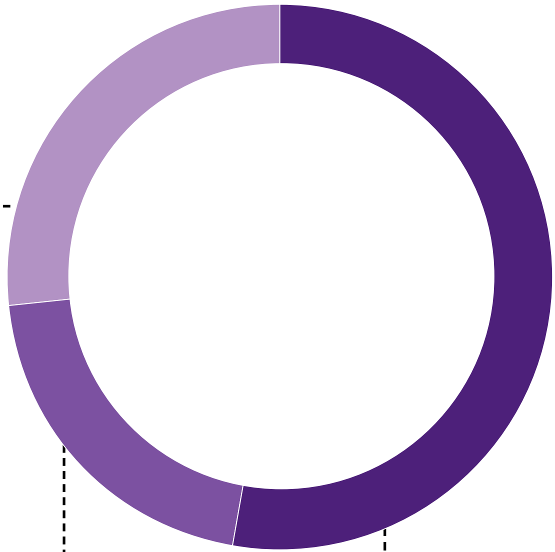
In 2012, the teams took on a number of projects, such as:

- the implementation of administrative management tools, such as SAP for accounting;
- an Internet database allowing the daily management of the 283 sites (Shareholders' Meetings, inventories of fixtures at entry, plans, works, etc.);
- the validation and tracking of requests with regard to "Agence 2010" works (part of the €80 million works budget agreed to with MAAF at the time of the acquisition);
- the sale or signature of commitments to sell for five assets which were unlet at the time of the acquisition, as well as for two of the five assets under one-year precarious leases;
- the signature of a commitment to acquire a new asset in Oullins and an agreement on an offer for an asset located in Corbeil–Essonne;
- the implementation of an operational monitoring through agency visits, the preparation of inventories of fixtures according to the terms of the memorandum of understanding.

[1] REIM: Real Estate Investment Management

SECTOR INFORMATION

Geographic breakdown – in fair value (in %)

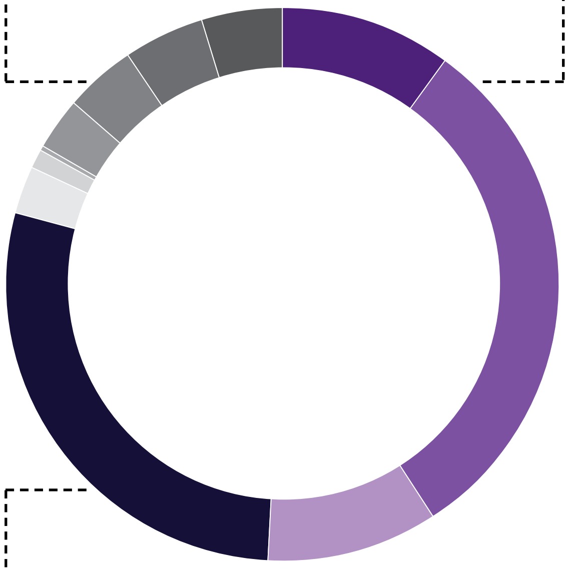


- Pubstone Belgium **52.9%**
- Cofinimur I France **20.7%**
- Pubstone Netherlands **26.4%**

Distribution by urban location - in fair value (in %)

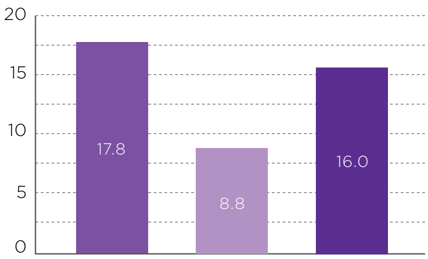
France (Cofinimur I) **20.7%**
- Rural areas 4.7%
- Provincial towns 4.5%
- Paris Region 4.4%
- Major Cities 2.8%
- DOM TOM 0.4%
- Coast Mediterranean 1.2%
- Coast English Channel 2.7%

Belgium (Pubstone) **51.0%**
- Walloon Region 10.1%
- Flemish Region 31.0%
- Brussels Capital Region 9.9%



- Netherlands (Pubstone) **28.3%**

Average residual lease length per country (in number of years)



- Pubstone 17.8
- Cofinimur I 8.8
- TOTAL 16.0

Public-Private Partnerships

→ Cofinimmo is continuing its policy of participation in Public-Private Partnerships (PPP) which enable certain public services to be offered the necessary funding for the renovation or construction of buildings which must meet specific requirements.

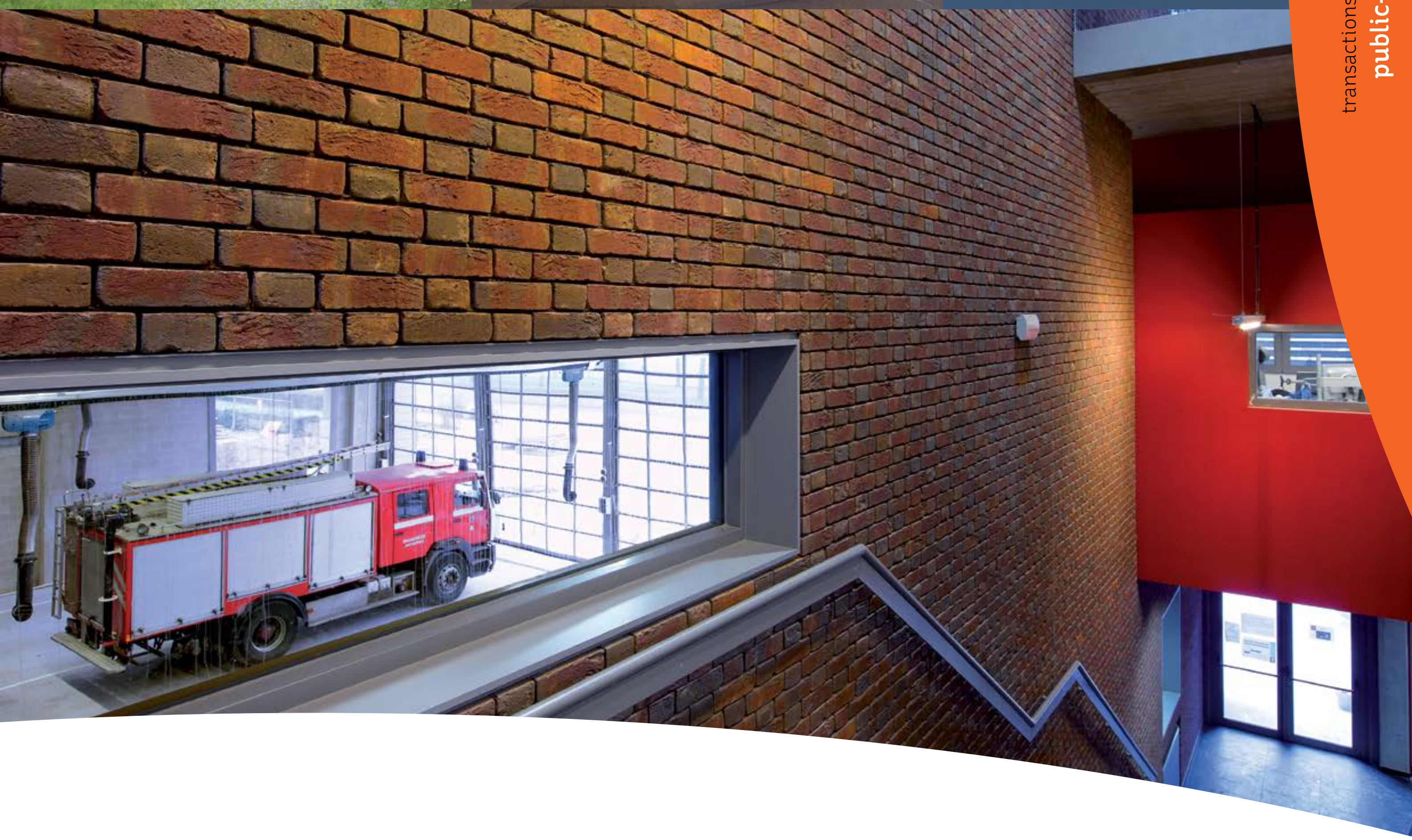
Concerned about meeting the needs of public authorities particularly in terms of population growth, Cofinimmo contributes its real estate and financial expertise in long-term partnerships that are the subject of public contracts.
Cofinimmo is responsible for studying the project's economic and technical life cycle, which allows to find the optimal compromise between initial investments and expenses to be incurred in the future, whether they are maintenance charges or replacement and repair costs.

The company bears no construction risk in this type of property investment, which remains with a designated general contractor, with whom Cofinimmo agrees to a lump sum payable when the building is delivered.

Cofinimmo supervises the quality and execution of the construction works and also takes care of the upkeep and maintenance throughout the duration of the long lease contracts, at the end of which the public authority has a purchase option or a free of charge transfer of ownership. Cofinimmo therefore does not benefit from the perpetual ownership of these properties.

Future prison of **Leuze-en-Hainaut**

TO DATE, COFINIMMO'S PPP PORTFOLIO INCLUDES: A COURT HOUSE, A FIRE STATION, TWO OPERATING POLICE STATIONS, A PRISON AND STUDENT RESIDENCES UNDER CONSTRUCTION



STUDENT HOUSING OF THE UNIVERSITÉ LIBRE DE BRUXELLES (ULB – BRUSSELS UNIVERSITY)

The ULB, one of the largest Belgian universities, has around 25,000 students.

The project, which was the object of a public tender won by Cofinimmo, involves two buildings close to the Solbosch Campus in Brussels, offering a total area of 11,284m².

The ULB, which owns both buildings, is granting a 27-year long lease contract to Cofinimmo. Cofinimmo has committed itself to a major renovation of the "Courses" building and improvements to the "Depage" building, according to the specifications defined by the ULB.

Cofinimmo will also provide maintenance – technical only – for the buildings during the ULB's rental period.

In return, the two buildings will be fully leased by the ULB for a period identical to that of the long lease contract. The annual rent paid by the ULB will be €1.21 million, annually indexed to the consumer price index (health index). The students who live in the buildings will rent their rooms from the ULB. Cofinimmo will therefore have no direct relationship with them.

At the end of the 27-year long lease contract, the full ownership of the buildings will be returned to the ULB.

The financial package that will be invested in this project by Cofinimmo is estimated at €14.2 million, and the expected net internal rate of return should be close to 6.6%.

Cofinimmo teamed up with general contractor CIT Blaton and architectural firm Art & Build for its tender.

IN 2012, COFINIMMO'S TEAMS PARTICIPATED IN PROJECTS MEETING SIGNIFICANT NEEDS AND DEMANDS OF THE PUBLIC AUTHORITIES, NAMELY STUDENT RESIDENCES, A POLICE STATION AND A PRISON.

Laurence Gacoin - Head of Development

ULB Courses

POLICE STATION IN DENDERMONDE

Cofinimmo has concluded an agreement with the Cordeel construction group concerning the police station of Dendermonde. A Public-Private Partnership has been set up for this project, according to the principle of a public development contract.

Cordeel was responsible for the construction of the building of more than 9,000m². The delivery was carried out on 05.04.2012. Since then, Cofinimmo has taken over the property and is renting it to the Belgian Buildings Authority (Belgian State) for 18 years. The investment price for Cofinimmo amounts to €15 million and the gross initial yield is 7%.

DBFM CONTRACT RELATED TO THE PRISON IN LEUZE-EN-HAINAUT

In 2011, the Buildings Agency awarded the consortium Future Prisons, of which Cofinimmo is a part, the public tender drawn up on the basis of the Design-Build-Finance-Maintain model for the construction and maintenance of a new prison in Leuze-en-Hainaut. Works began in August 2012 immediately after the permit was granted.

With its partners Cordeel and Willemen, Cofinimmo set up a project company (FPR Leuze SA/NV), in which it holds a 50% stake. This company is jointly controlled. It is accounted for by the equity method in the consolidated financial statements of Cofinimmo, which will take over the balance of the shares in FPR Leuze on issuance of the Building Availability Certificate by the Buildings Authority (scheduled for the second quarter of 2014 instead of the fourth quarter of 2013, due to the administrative delay related to the delivery of the permit). At this time, Cofinimmo will exercise exclusive control over the company, which will therefore be fully consolidated.

The project, the overall cost of which is estimated at €104.8 million (all expenses, taxes and interests during construction included), is the subject of a fixed-price building contract and will be financed by FPR Leuze with its own funds and a building loan. This loan will be reimbursed upon delivery of the building by means of the assignment of 90% of the receivables corresponding to the investment fees, which cover a period of 25 years. FPR Leuze will retain the balance of these fees and all other fees, principally related to maintenance. They will be allocated to the payment of maintenance services subcontracted to specialised firms. FPR Leuze has agreed to the building loan and the future assignment of receivables with KBC Bank. The project company FPR Leuze has obtained the institutional Sicafi/Bevak status as of 19.09.2011.

The assignment of investment fees, which contributes 90% of the project's financing, was done at a fixed interest rate. The balance of the project financing is contributed in capital, first by all the consortium members and then taken over by Cofinimmo alone, with a target net yield of 10%.

Building	Type of works	Area	(Expected) end of works
ULB Courses	Renovation	8,088m² (243 student rooms, eight studios and one caretaker apartment)	Q3 2013
Police station in Dendermonde	New construction	9,667m²	Q2 2012
Prison in Leuze-en-Hainaut	New construction	28,316m²	Q2 2014

Management of financial resources

FINANCIAL RISKS

MARKET RISKS

The market risks which could give rise to fluctuations in the financial result are confined in the particular case of Cofinimmo to the liquidity and counterparty risk, as well as variations in interest rates. The company is not exposed to exchange risks.

LIQUIDITY AND INTEREST RATE RISK

Cofinimmo's financial policy is characterised particularly by:

- the diversification of its financing sources (banks and equity markets);
- the sound and enduring relationship forged with banking partners which have good financial ratings;
- a broad spread of loan maturities;
- the refinancing of maturing loans a year in advance at the latest;
- the arrangement of long-term hedging instruments against the interest rate fluctuation risk;
- the full hedging of short-term commercial papers by credit lines available over the long term.

This policy optimises the financing cost and limits the liquidity and counterparty risk. Cofinimmo also has a general policy of not mortgaging its properties or giving any other form of security to its creditors, with the exception of those mentioned on page 172. Neither its debt nor the confirmed credit lines are subject to early repayment or margin fluctuation clauses linked to the financial rating of the company. They are generally associated with conditions concerning (i) compliance with the rules governing Sicafi/Bevak entities, (ii) compliance with debt ratios and cover of financial charges by cash flow and (iii) the fair value of the property portfolio.

These ratios were observed on 31.12.2012 and during the entire financial year.

DEBT STRUCTURE

CONSOLIDATED FINANCIAL DEBT

The legally authorised limit on debt for a Sicafi/Bevak is 65% (debt to total assets). On 31.12.2012, Cofinimmo was in full compliance with this limit, the debt ratio standing at 49.90%[1,2].

Furthermore, the terms and conditions for some of the bank credit lines allow the Group to take its financial debt ratio up to 60% maximum. This maximum debt ratio is the strictest, among the provisions of the various contracts, and is applicable to 5% of the long-term financial commitments maturing in 2013.
This ratio is calculated by dividing the net financial debt by the fair value of the property portfolio and the finance lease receivables. However, if the Group exceeds a first threshold of 57.5%, it has been agreed that it must return to below this threshold within the following six months.

> THE GROUP'S FINANCIAL POLICY IS TO KEEP THE FINANCIAL DEBT RATIO CLOSE TO 50%.
>
> Ingrid Daerden - Group Treasurer

The actual financial debt ratio stood at 51.21% at the end of 2012.

On 31.12.2012, the Cofinimmo Group's consolidated borrowings, both **non-current and current**, amounted to €1,740.09 million, made up of (also see the repayment schedule on page 56):

Capital markets

- €401.23 million in the form of four bond loans; the first bond was issued by Cofinimmo Luxembourg SA/NV in 2004 and the second by Cofinimmo SA/NV in 2009; these two bond loans are redeemable in 2014 for a nominal amount of €100.00 million each; the third bond loan was issued by Cofinimmo SA/NV in 2010 and is redeemable in 2013 for a nominal amount of €50.00 million; the fourth is a private placement for an amount of €140.00 million redeemable in 2020;

[1] In accordance with Article 54 of the Royal Decree of 10.12.2010, once the debt ratio exceeds 50%, Cofinimmo shall draw up a financial plan accompanied by an execution schedule, detailing the measures taken to prevent this debt ratio from exceeding 65% of the consolidated assets. See Note 36.
[2] Versus 49.89% at 31.12.2011.

- €177.28 million in the form of a bond convertible into Cofinimmo shares; this loan was issued in April 2011 at a nominal value of €173.31 million; the convertible bond is marked to market in the balance sheet;
- €336.75 million of commercial papers, including €321.75 million for an initial period of under one year and €15.00 million for an initial period of over three years;
- €4.20 million corresponding to the discounted value of the minimum coupon on bonds issued by Cofinimur I in December 2011 and convertible into shares of this subsidiary.

Bank facilities

- €798.40 million of bilateral and syndicated medium- and long-term loans[1], with original maturity periods of between three and 10 years, contracted from 10 banks;
- €22.23 million of other loans and advances (mainly account debits and rental guarantees received).

On 31.12.2012, Cofinimmo's short-term financial debt alone amounted to €351.20 million, including:

- €321.75 million of commercial papers with a term of under one year;
- €16.17 million of investment credits with a term of under one year;
- €13.28 million of other loans and advances (account debits).

The issue of **short-term** commercial papers (€321.75 million) is fully covered by undrawn portions of the confirmed long-term credit facilities totalling €1,517.10 million. Cofinimmo thus benefits from the attractive cost of this short-term financing programme, while securing its refinancing if the placement of new commercial papers was to become more expensive or impracticable.

SITUATION OF LONG-TERM FINANCIAL COMMITMENTS

The average weighted maturity of the Cofinimmo financial commitments (excluding the short-term maturities of commercial papers, which are fully covered by the undrawn portions of long-term credit facilities and excluding the maturities for which the refinancing is in place) remained stable at 3.8 years on 31.12.2012. The long-term confirmed financial credit lines (bank lines, bonds, commercial papers of over one year and capital leases), with outstandings totalling €2,095.17 million on 31.12.2012, display a homogeneously spread maturity profile up to 2020, with a maximum of 18.63% of these outstandings maturing during 2014[2]. In 2013, 17.0% of the outstandings will mature (the refinancing of which is already guaranteed by the undrawn portions of the existing credit facilities).

INTEREST RATE HEDGING

The average interest rate on the Cofinimmo debt, including banking margins and amortisation costs of hedging instruments for the period, stood at 4.11% during the financial year 2012 (also see pages 18 and 152).

On 31.12.2012, almost all of the debt was at short-term floating rate. The debt contracted at fixed rate is often immediately converted by the company into floating rate. The convertible bond remained at fixed rate as well as the second withdrawal of €40 million of the private placement maturing in 2020. Consequently, the company is exposed to a greater risk of a rise in short-term rates, which could have a negative impact on its financial result. Therefore, Cofinimmo uses hedging instruments such as CAPs, generally combined with the sale of FLOORs, or IRS contracts to partially cover its overall debt (see chapter "Risk Factors").

The situation on 31.12.2012 of interest rate hedging for future years is set out in Note 24 (see page 157-163).

At the time of the writing of this Annual Financial Report, the hedging rate of the interest rate risk, assuming constant debts, is nearly 100% until 2015, 80% until 2017, and almost 60% in 2018 and 2019. Cofinimmo's bottom line remains sensitive to interest rate fluctuations (see chapter "Risk Factors").

[1] Including a Schuldschein or debt certificate entered into with two German banks. See also page 56 and Note 37.
[2] The bank debts were contracted with 10 leading financial institutions.

FINANCIAL RATING

Since the autumn of 2001, Cofinimmo has a long- and short-term financial rating awarded by the rating agency Standard & Poor's[1].
In October 2012, Standard & Poor's[1] paired its rating with a negative outlook. The reasons for this change are a higher debt rate than the sector's average and the lack of transactions on the office market in Brussels. Standard & Poor's reconfirmed its confidence in the company's operating profile and its diversification in more defensive sectors.
At the time of the writing of this Annual Financial Report, this rating was BBB- for the long-term debt and A-3 for the short-term debt; until then, the financial rating was BBB for the long-term debt and A-2 for the short-term debt.

DEPLOYMENT OF THE DEBT FINANCING STRATEGY IN FINANCIAL YEAR 2012

In 2012, Cofinimmo took a number of measures to gather financial resources in order to meet its investment commitments and bolster its balance sheet structure. Accordingly, since the beginning of 2012, the company has successively proceeded to the following actions:

SIGNING OF A NEW SYNDICATED LOAN FOR €220 MILLION

On 20.04.2012, Cofinimmo entered into a new syndicated loan for €220 million with five banks. This revolving credit facility with favourable market conditions has a five-year term. As a measure of the debt, the legal debt ratio for Sicafi/Bevak entities was adopted with a limit at 60%, offering the Group greater flexibility.

PRIVATE PLACEMENT OF BONDS FOR €140 MILLION

On 26.07.2012, Cofinimmo successfully placed a bond loan with a term of 7.5 years maturing on 07.02.2020 for a total amount of €100 million. The bond offers a fixed coupon of 3.59% of nominal value, payable annually on February 7th, with a shorter first coupon. The bonds were placed with a limited number of institutional investors.

This placement was completed in October for €40 million. Taking the issue premiums into account, the average interest rate on both of these private placements is 3.55%.

RESCHEDULING OF A CREDIT LINE

A long-term bilateral bank credit line amounting to €21 million, initially maturing in 2012, has been rescheduled until 2017.

NET AVAILABILITY OF CREDIT

These different transactions, together with the available funding from Cofinimmo's confirmed credit lines, amounted to €705.5 million at 31.12.2012. After deducting the full hedging of outstanding short-term treasury bills (€321.8 million), the refinancing of the credit lines maturing during 2013 (€356.20 million) is thus fully covered.

Financial debt (x €1,000,000)

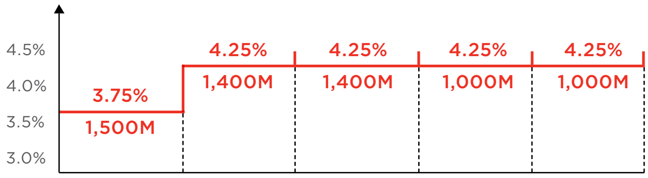
	Financial debt	Long-term commitments
Capital markets		
Bonds	401.2	390.0
Convertible bonds	177.3	173.3
Long-term commercial papers	15.0	15.0
Short-term commercial papers	321.8	
Others	4.2	4.2
Bank facilities		
Revolving credits	620.0	1,338.7
Term credits	178.4	178.4
Others	22.2	9.0
Total	1,740.1	2,108.6

Repayment schedule for long-term financial commitments - €2,095.2 million (x €1,000,000)

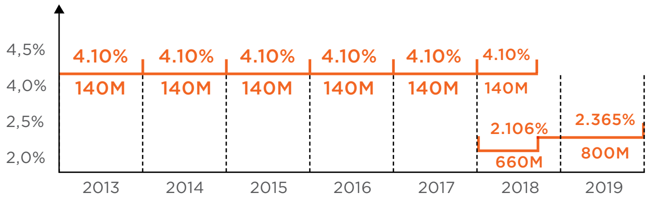
[1] www.standardandpoors.com

Situation of the interest rate risk hedging (bank margins excluded)

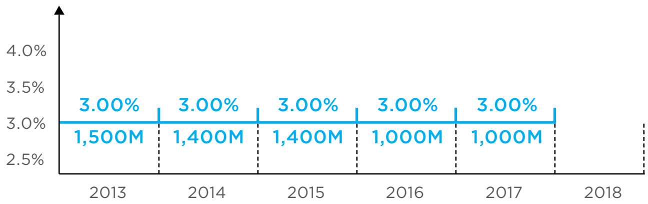
CAP options bought (x €1,000,000)



IRS[1] (x €1,000,000)



FLOOR options sold (x €1,000,000)



STRENGTHENING OF EQUITY

Cofinimmo regularly taps into the capital markets to strengthen its financial resources. During the past 10 years, the company has raised equity at an average annual amount of €82.25 million in various forms: shares issued as part of a contribution in kind, sale of treasury shares, issuance of preference shares, dividends in shares.

At 31.12.2012, Cofinimmo held 1,105,750 treasury shares. These treasury shares offer flexibility as they can be placed on the market at the appropriate time.

During 2012, Cofinimmo strengthened its equity in two ways:

- the handover of dividends in new shares

  Just as in 2011, the Board of Directors decided to offer the ordinary and preference shareholders the choice between the payment of the 2011 dividend in new ordinary shares or in cash, or a combination of these two forms of payment. The subscription price of a new ordinary share was fixed at €82.16[2]. The new ordinary shares have a right to share in the results of Cofinimmo as from 01.01.2012 (first dividend payable in May 2013).
  The shareholders' equity was increased by €32.10 million, further to Cofinimmo shareholders' decision to reinvest, up to 40.80% of their 2011 dividends, in new ordinary shares.

- the sale of treasury shares

  During the financial year 2012, Cofinimmo sold 422,706 own ordinary shares on the Euronext Brussels market at an average price of €89.14. The proceeds from these sales have allowed to strengthen its shareholders' equity by €37.7 million.

[1] Average of the various IRS contracts with different strikes and assuming that the IRS contracts that the bank can cancel early are active until their final maturity.
[2] The subscription price of €82.16 corresponds to a discount of 2.82% in relation to the share's weighted average price during the subscription period, i.e. €84.54.

Data according to the EPRA principles[1]

EPRA PERFORMANCE INDICATORS

			2012		2011	
		Definitions	x €1,000	€/share	x €1,000	€/share
1	EPRA Earnings	Current result from core operational activities.	121,830	7.61	113,204	7.45
2	EPRA NAV	Net Asset Value (NAV) adjusted to include the investment properties at their fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	1,845,391	102.04	1,793,099	104.11
3	EPRA NNNAV	EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.	1,706,777	94.38	1,692,881	98.29
4	EPRA Net Initial Yield (NIY)	Annualised gross rental income based on the passing rents at the balance sheet date, less property charges, divided by the market value of the property, increased with estimated transaction costs resulting from hypothetical disposal of investment properties.		6.19%		6.26%
	EPRA 'topped-up' NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods and other incentives.		6.10%		6.22%
5	EPRA Vacancy rate	Estimated Rental Value (ERV) of vacant space devided by the ERV of the whole portfolio.		4.70%		4.84%

[1] 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 "2012 EPRA Best Practices Recommendations 2012" and if the financial data used in the calculation of these ratios comply with the accounting data included in the audited consolidated financial statements.

EPRA EARNINGS AND EPRA EARNINGS PER SHARE (x €1,000)

	Result (x €1,000)	
	2012	2011
IFRS earnings per income statement	**98,072**	**118,539**
Adjustments to calculate EPRA Earnings, to exclude:	**23,758**	**-5,335**
(i) Changes in fair value of investment properties and properties held for sale	-12,197	9,603
(ii) Gains or losses on disposal of investment properties	-1,414	-6,644
(v) Goodwill impairment	7,100	6,900
(vi) Changes in fair value of financial instruments (IAS 39)	24,344	9,561
(vii) Costs & interests on acquisitions and joint ventures	4,413	10,321
(viii) Deferred taxes in respect of EPRA adjustments	596	-39,287
(x) Minority interests in respect of the above	917	4,212
EPRA Earnings	**121,830**	**113,204**
Number of shares	16,015,572	15,194,088
EPRA Earnings per share	**7.61**[1]	**7.45**

EPRA NET ASSET VALUE (NAV) (x €1,000)

	NAV (x €1,000)	
	2012	2011
NAV per the financial statements	**1,476,029**	**1,460,887**
NAV per share per the financial statements (in Ð)	**92.21**	**96.15**
Effect of the exercising of options, convertible debts or other equity instruments	230,749	231,994
Diluted NAV, after the exercise of options, convertibles and other equity instruments	1,706,777	1,692,881
To exclude:		
(i) Fair value of the financial instruments	177,179	130,006
(ii) Deferred taxes	36,083	46,459
(iii) Goodwill as a result of deferred taxes	-74,648	-76,247
EPRA NAV	**1,845,391**	**1,793,099**
Number of shares	18,084,095	17,223,325
EPRA NAV per share	**102.04**[1]	**104.11**

EPRA TRIPLE NET ASSET VALUE (NNNAV) (x €1,000)

	NNNAV (x €1,000)	
	2012	2011
EPRA NAV	**1,845,391**	**1,793,099**
To include:		
(i) Fair value of the financial instruments	-177,179	-130,006
(ii) Fair value of the debt		
(iii) Deferred taxes	38,565	29,788
EPRA NNNAV	**1,706,777**	**1,692,881**
Number of shares	18,084,095	17,223,325
EPRA NNNAV per share	**94.38**[1]	**98.29**

[1] The calculation of the results per share at 31.12.2012 takes into account the sale of 8,000 treasury shares in January 2013.

EPRA NET INITIAL YIELD (NIY) AND EPRA 'TOPPED-UP' NIY (x €1,000)

	2012						
	Offices	Healthcare real estate			Property of distribution networks	Others	TOTAL
		Belgium	France	Netherlands			
Investment properties in fair value	1,543,156	750,460	410,755	11,226	529,258	63,715	**3,308,570**
Assets held for sale			-8,620		-2,050		**-10,670**
Development projects	-67,972	-57,699				-6,186	**-131,857**
Properties available for lease	1,475,184	692,761	402,135	11,226	527,208	57,529	3,166,043
Estimated transaction costs resulting from hypothetical disposal of investment properties	36,880	17,692	21,825	674	45,298	1,438	**123,806**
Gross up completed property portfolio valuation	1,512,064	710,453	423,960	11,900	572,506	58,967	3,289,849
Annualised gross rental income	106,517	43,731	27,027	830	37,795	4,247	**220,147**
Property charges	-15,064	-342	-50	-4	-1,055	-101	**-16,616**
Annualised net rental income	**91,453**	**43,389**	**26,977**	**826**	**36,740**	**4,146**	**203,531**
Rent-free periods expiring within 12 months and other lease incentives	-2,886						**-2,886**
Topped-up net annualised rental income	**88,567**	**43,389**	**26,977**	**826**	**36,740**	**4,146**	**200,645**
EPRA NIY	**6.05%**	**6.11%**	**6.36%**	**6.94%**	**6.42%**	**7.03%**	**6.19%**
EPRA 'topped-up' NIY	**5.86%**	**6.11%**	**6.36%**	**6.94%**	**6.42%**	**7.03%**	**6.10%**

EPRA VACANCY RATE (x €1,000)

	Offices	Healthcare real estate			Property of distribution networks	Others	TOTAL
		Belgium	France	Netherlands			
Rental space (in m²)	786,066	381,158	235,770	5,821	425,175	31,537	**1,865,527**
ERV[1] of vacant space	10,053				245		**10,298**
ERV[1] of the total portfolio	108,758	41,666	28,276	830	35,584	3,883	**218,997**
EPRA Vacancy rate	9.24%	0.00%	0.00%	0.00%	0.69%	0.00%	**4.70%**

[1] ERV = Estimated Rental Value.

2011					
Offices	Healthcare real estate		Property of distribution networks	Others	**TOTAL**
	Belgium	France			
1,551,558	679,229	401,297	512,330	45,171	**3,189,585**
		-8,740	-3,285		**-12,025**
-3,370	-48,339	-107		-5,936	**-57,752**
1,548,188	630,890	392,450	509,045	39,235	3,119,808
38,705	16,138	20,414	43,616	980	**119,853**
1,586,893	647,028	412,864	552,661	40,215	3,239,661
109,351	39,560	27,527	37,042	2,988	**216,468**
-12,976	25	55	-598	-294	**-13,788**
96,375	**39,585**	**27,582**	**36,444**	**2,694**	**202,680**
-1,314					**-1,314**
95,061	**39,585**	**27,582**	**36,444**	**2,694**	**201,366**
6.07%	**6.12%**	**6.68%**	**6.59%**	**6.70%**	**6.26%**
5.99%	**6.12%**	**6.68%**	**6.59%**	**6.70%**	**6.22%**

EPRA EVOLUTION OF GROSS RENTAL INCOME (x €1,000)

SEGMENT	2011	2012					
	Gross rental income[1]	Gross rental income - At comparable perimeter vs. 2011	Acquisitions	Disposals	Others	Regularisation of rental income related to previous periods	**Gross rental income[1] - At current perimeter**
Offices	**117,873**	**118,414**		**-7,367**	**-8,544**	**7**	**102,510**
Healthcare real estate Belgium	36,447	37,529	5,005	-74		42	42,502
Healthcare real estate France	26,230	27,049	1,309				28,358
Healthcare real estate Netherlands			208				208
Healthcare real estate	**62,677**	**64,578**	**6,522**	**-74**		**42**	**71,068**
Pubstone Belgium	19,272	19,777					19,777
Pubstone Netherlands	9,547	9,790					9,790
Cofinimur I France			7,765				7,765
Property of distribution networks	**28,819**	**29,567**	**7,765**				**37,332**
Others	**3,441**	**3,280**	**1,033**	**-15**			**4,298**
TOTAL PORTFOLIO	212,810	215,839	15,320	-7,456	-8,544	49	215,208

[1] Writeback of lease payments sold and discounted included.

INVESTMENT PROPERTIES - RENTAL DATA (x €1,000)

SEGMENT	2012					
	Gross rental income of the period[1]	Net rental income of the period	Available rental area (in m²)	Passing rent at the end of the period	ERV at the end of the period	Vacancy rate at the end of the period
Offices	**102,510**	**100,067**	**786,066**	**106,530**	**108,758**	**9.24%**
Healthcare real estate Belgium	42,502	42,472	381,158	43,754	41,666	0.00%
Healthcare real estate France	28,358	28,358	235,770	28,497	28,276	0.00%
Healthcare real estate Netherlands	208	208	5,821	830	830	0.00%
Healthcare real estate	**71,068**	**71,038**	**622,749**	**73,081**	**70,772**	**0.00%**
Pubstone Belgium	19,777	19,777	316,996	19,978	18,417	0.00%
Pubstone Netherlands	9,790	9,790	47,493	7,822	8,244	0.00%
Cofinimur I France	7,765	7,765	60,686	9,995	8,923	2.97%
Property of distribution networks	**37,332**	**37,332**	**425,175**	**37,795**	**35,584**	**0.69%**
Others	**4,298**	**4,292**	**31,537**	**4,621**	**3,883**	**0.00%**
TOTAL PORTFOLIO	215,208	212,729	1,865,527	222,027	218,997	4.70%

INVESTMENT PROPERTIES - VALUATION DATA (x €1,000)

SEGMENT	2012			
	Fair value of portfolio	Changes in fair value over the period	EPRA Net Initial Yield	Changes in fair value over the period
Offices	**1,475,184**	**-21,497**	**6.05%**	**-1.44%**
Healthcare real estate Belgium	692,761	25,559	6.11%	3.83%
Healthcare real estate France	410,755	9,565	6.36%	2.38%
Healthcare real estatee Netherlands	11,226	393	6.94%	3.62%
Healthcare real estate	**1,114,742**	**35,517**	**6.22%**	**3.29%**
Pubstone Belgium	270,147	11,781	6.51%	4.56%
Pubstone Netherlands	149,686	-153	6.11%	-0.10%
Cofinimur I France	109,425	4,846	6.62%	4.63%
Property of distribution networks	**529,258**	**16,474**	**6.42%**	**3.21%**
Others	**57,529**	**3,080**	**7.03%**	**5.66%**
TOTAL PORTFOLIO	**3,176,713**	**33,574**	**6.19%**	**1.07%**
Reconciliation with IFRS consolidated income statement				
Investment properties under development	131,857	-21,377		
TOTAL	3,308,570	12,197		

INVESTMENT PROPERTIES - LEASE DATA (x €1,000)

SEGMENT	Figures depending on the lease ends							
	Average lease length (in years)		Passing rents of the leases maturing in			ERV[2] on leases maturing in		
	Until the break[3]	Until the end of the lease	Year 1	Year 2	Years 3-5	Year 1	Year 2	Years 3-5
Offices	**6.9**	**8.9**	**6,052**	**12,105**	**28,645**	**5,478**	**11,309**	**25,427**
Healthcare real estate Belgium	22.5	22.5						
Healthcare real estate France	7.3	7.3	2,479		839	2,290		600
Healthcare real estate Netherlands	14.7	14.7						
Healthcare real estate	**16.5**	**16.5**	**2,479**		**839**	**2,290**		**600**
Pubstone Belgium	17.8	21.8						
Pubstone Netherlands	17.8	21.8						
Cofinimur I France	8.8	8.8		1,020	201		1,060	211
Property of distribution networks	**16.0**	**19.1**		**1,020**	**201**		**1,060**	**211**
Others	**12.6**	**14.4**		**340**			**327**	
TOTAL PORTFOLIO	**11.7**	**13.2**	**8,531**	**13,465**	**29,685**	**7,768**	**12,696**	**26,238**

[1] Writeback of lease payments sold and discounted included.
[2] ERV = Estimated Rental Value.
[3] First break option for the tenant.

2011					
Gross rental income of the period[1]	Net rental income of the period	Available rental area (in m²)	Passing rent at the end of the period	ERV at the end of the period	Vacancy rate at the end of the period
117,873	**115,283**	**787,493**	**109,362**	**115,451**	**9.16%**
36,447	36,443	341,762	39,933	37,929	0.00%
26,230	26,230	235,770	27,527	27,664	0.00%
62,677	**62,673**	**577,532**	**67,460**	**65,593**	**0.00%**
19,272	19,272	295,634	19,679	17,593	0.00%
9,547	9,547	47,493	9,741	8,871	0.00%
-	-	60,026	7,622	8,082	0.00%
28,819	**28,819**	**403,153**	**37,042**	**34,546**	**0.00%**
3,441	**3,191**	**21,893**	**7,623**	**2,714**	**0.00%**
212,810	209,966	1,790,071	221,487	218,304	4.84%

2011			
Fair value of portfolio	**Changes in fair value over the period**	**EPRA Net Initial Yield**	**Changes in fair value over the period**
1,548,188	**-37,587**	**6.07%**	**-2.37%**
630,890	17,399	6.12%	2.84%
401,021	3,842	6.37%	0.97%
			0.00%
1,031,911	**21,241**	**6.22%**	**2.10%**
149,235	2,949	5.99%	2.02%
105,010		7.00%	0.00%
39,234	909	6.70%	2.37%
258,085	**6,471**	**6.75%**	**2.57%**
512,330	**9,420**	**6.59%**	**1.87%**
3,131,663	**-6,017**	**6.26%**	**-0.19%**
57,752	-3,586		
3,189,415	-9,603		

Lease figures according to their revision date (break)[3]					
Passing rents of the leases subject to revision in			ERV[3] of the leases subject to revision in		
Year 1	Year 2	Year 3-5	Year 1	Year 2	Year 3-5
11,408	**15,680**	**34,534**	**10,432**	**14,241**	**31,122**
2,479		839	2,290		600
2,479		**839**	**2,290**		**600**
	1,020	201		1,060	211
	1,020	**201**		**1,060**	**211**
560	**340**		**390**	**327**	
14,447	**17,040**	**35,574**	**13,112**	**15,628**	**31,933**

Quarterly consolidated accounts

Consolidated income statement per quarter[1] (x € 1 000)

	Q1 2012	Q2 2012[2]	Q3 2012	Q4 2012	**31.12.2012**[2]
A. NET RESULT					
Rents	47,779	48,634	48,789	47,078	192,280
Cost of rent free period	-316	-374	-447	-536	-1,673
Clients incentives	-910	537	-213	-217	-803
Rental indemnities	11,469	159	461	531	12,620
Writeback of lease payments sold and discounted	5,749	5,748	5,748	5,749	22,994
Rental-related expenses	-9	-1 404	-735	2,081	-67
Net rental income	**63,762**	**53,300**	**53,603**	**54,686**	**225,351**
Recovery of property charges	224	458	14	60	756
Recovery income of charges and taxes normally payable by the tenant on let properties	9,390	13,576	10,696	7,919	41,581
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-1,374	-596	-256	460	-1,766
Charges and taxes normally payable by the tenant on let properties	-9,814	-14,235	-11,282	-8,218	-43,549
Property result	**62,188**	**52,503**	**52,775**	**54,907**	**222,373**
Technical costs	-1,985	-1,322	-850	-2,086	-6,243
Commercial costs	-338	-126	-261	-366	-1,091
Taxes and charges on unlet properties	-846	-1,164	-921	-895	-3,826
Property management costs	-3,845	-4,000	-3,396	-3,770	-15,011
Property charges	**-7,014**	**-6,612**	**-5,428**	**-7,117**	**-26,171**
Property operating result	**55,174**	**45,891**	**47,347**	**47,790**	**196,202**
Corporate management costs	-1,993	-1,802	-1,721	-1,847	-7,363
Operating result before result on the portfolio	**53,181**	**44,089**	**45,626**	**45,943**	**188,839**
Result on disposal on investment properties and other non-financial assets	0	95	78	1 241	1 414
Changes in fair value of investment properties	641	7,421	3,772	363	12,197
Other results on the portfolio	-1,297	-474	-392	-9 279	-11,442
Operating result	**52,525**	**51,131**	**49,084**	**38,268**	**191,008**
Financial income	1,426	1,322	1,373	1,438	5,559
Net interest charges	-15,323	-15,366	-16,584	-16,935	-64,208
Other financial charges	-96	-139	-281	-368	-884
Changes in fair value of financial assets and liabilities	-850	560	-11,440	-12,614	-24,344
Financial result	**-14,843**	**-13,623**	**-26,932**	**-28,479**	**-83,877**
Share in the result of associated companies and joint-ventures	0	-380	635	178	433
Pre-tax result	**37,682**	**37,128**	**22,787**	**9,967**	**107,564**
Corporate tax	-716	-1,265	-935	-1,357	-4,273
Exit tax	-264	-244	-643	555	-596
Taxes	**-980**	**-1,509**	**-1,578**	**-802**	**-4,869**
Net result of the period	**36,702**	**35,619**	**21,209**	**9,165**	**102,695**
Minority interests	-1,445	-1,316	-697	-1,165	-4,623
Net result - Group share	35,257	34,303	20,512	8,000	98,072
Net current result - Group share	36,600	28,105	17,639	15,142	97,486
Result on portfolio - Group share	-1,343	6,198	2,873	-7,142	586
B. OTHER ELEMENTS OF THE GLOBAL RESULT					
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-706	-527	-996	-321	-2,550
Changes in the effective part of the fair value of authorised cash flow hedge instruments	-14,100	-20,662	-15,714	102	-50,374
Other elements of the global result	-14,806	-21,189	-16,710	-219	-52,924
Minority interests	104	55	6	-157	8
Other elements of the Global result - Group share	-14,702	-21,134	-16,704	-376	-52,916
C. GLOBAL RESULT	21,896	14,430	4,499	8,946	49,771
Minority interests	-1 341	-1,261	-691	-1,322	-4,615
GLOBAL RESULT - GROUP SHARE	**20,555**	**13,169**	**3,808**	**7,624**	**45,156**

[1] The Group has not published quarterly information between 31.12.2012 and the date of publication of this Report.
[2] Data submitted for control to the statutory auditor, Deloitte, Company Auditors.

Consolidated balance sheet per quarter (x €1,000)

	31.03.2012	30.06.2012[1]	30.09.2012	31.12.2012[1]
Non-current assets	**3,446,803**	**3,500,076**	**3,526,159**	**3,533,691**
Goodwill	157,456	157,456	157,456	150,356
Intangible assets	771	732	669	605
Investment properties	3,209,928	3,244,508	3,281,524	3,297,900
Other tangible assets	999	952	925	856
Non-current financial assets	21,200	36,665	25,368	24,672
Finance lease receivables	55,513	54,211	54,472	53,397
Trade receivables and other non-current assets	98	99	97	97
Participations in associated companies and join ventures	838	5,453	5,648	5,808
Current assets	**116,620**	**122,087**	**133,016**	**108,797**
Assets held for sale	12,994	12,855	11,760	10,670
Current financial assets	13,034	12,875	8,964	6,501
Finance lease receivables	2,868	3,145	2,999	2,973
Trade receivables	23,376	24,320	25,085	22,636
Tax receivables and other current assets	14,782	18,866	32,793	29,142
Cash and cash equivalents	6,774	1,477	2,660	3,041
Deferred charges and accrued income	42,792	48,549	48,755	33,834
TOTAL ASSETS	**3,563,423**	**3,622,163**	**3,659,175**	**3,642,488**

Shareholders' equity	**1,545,920**	**1,497,975**	**1,509,992**	**1,542,292**
Shareholders' equity attributable to shareholders of parent company	**1,486,159**	**1,438,198**	**1,449,534**	**1,476,029**
Capital	819,927	841,557	846,206	857,822
Share premium account	313,864	325,214	326,466	329,592
Reserves	317,114	201,868	186,792	190,543
Net result of the year	35,255	69,559	90,070	98,072
Minority interests	**59,761**	**59,777**	**60,459**	**66,263**
Liabilities	**2,017,503**	**2,124,188**	**2,149,182**	**2,100,196**
Non-current liabilities	**1,438,949**	**1,618,036**	**1,560,766**	**1,566,005**
Provisions	18,108	18,108	17,867	20,493
Non-current financial debts	1,307,059	1,465,557	1,398,424	1,388,883
Other non-current financial liabilities	72,157	98,231	108,249	120,835
Deferred taxes	41,625	36,140	36,226	35,794
Current liabilities	**578,554**	**506,152**	**588,416**	**534,191**
Current financial debts	379,430	303,344	365,683	351,203
Other current financial liabilities	89,004	88,051	87,790	81,959
Trade debts and other current debts	70,264	79,652	99,527	64,560
Accrued charges and deferred income	39,856	35,105	35,416	36,469
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,563,423**	**3,622,163**	**3,659,175**	**3,642,488**

[1] Data controlled by the statutory auditor Deloitte, Company Auditors.

Events after 31.12.2012

SALE OF TREASURY SHARES

In January 2013, 8,000 treasury shares were sold at an average price of €88.80 per share. The company's equity was therefore reinforced for an overall amount of €0.71 million.

The number of ordinary and preference shares at 08.02.2013[1] is:

NUMBER OF SHARES	31.12.2012	08.02.2013
Number of ordinary shares, including treasury shares (A)	16,423,925	16,423,925
Number of ordinary treasury shares (B)	1,105,750	1,097,750
Number of ordinary shares entitled to share in the result of the period (C) = (A) - (B)	15,318,175	15,326,175
Number of preference shares entitled to share in the result of the period (D)	689,397	689,397
Number of ordinary and preference shares entitled to share in the result of the period (E) = (C) + (D)	**16,007,572**	**16,015,572**

SIGNATURE OF TWO NEW CREDIT LINES

In the beginning of February 2013, Cofinimmo signed two new credit lines:

- the first one, for an amount of €50 million and a duration of three years, took effect on 01.03.2013, at the maturity date of an existing credit line of €40 million;
- the second one, also for an amount of €50 million, took effect immediately and will expire in 2018.

Taking into account these transactions:

- the total amount of investments and of the maturing debt repayments is financed for the year 2013;
- the Loan-to-Value ratio is contractual for only 5% of the long-term financial commitments.

[1] Date of publishing of the 2012 Annual Financial Results.


“flexible workspace”
by Cofinimmo

Forecasts 2013

→ The scheduled investments and renovations for the year 2013, based on the commitments to this day, amount to €101 million.

ASSUMPTIONS

VALUATION OF ASSETS

The fair value, i.e. the investment value of the properties minus transaction costs, is included in the consolidated balance sheet. For the 2013 provisional balance sheet, this valuation is entered as an overall figure for the entire portfolio, increased by major renovation expenses.

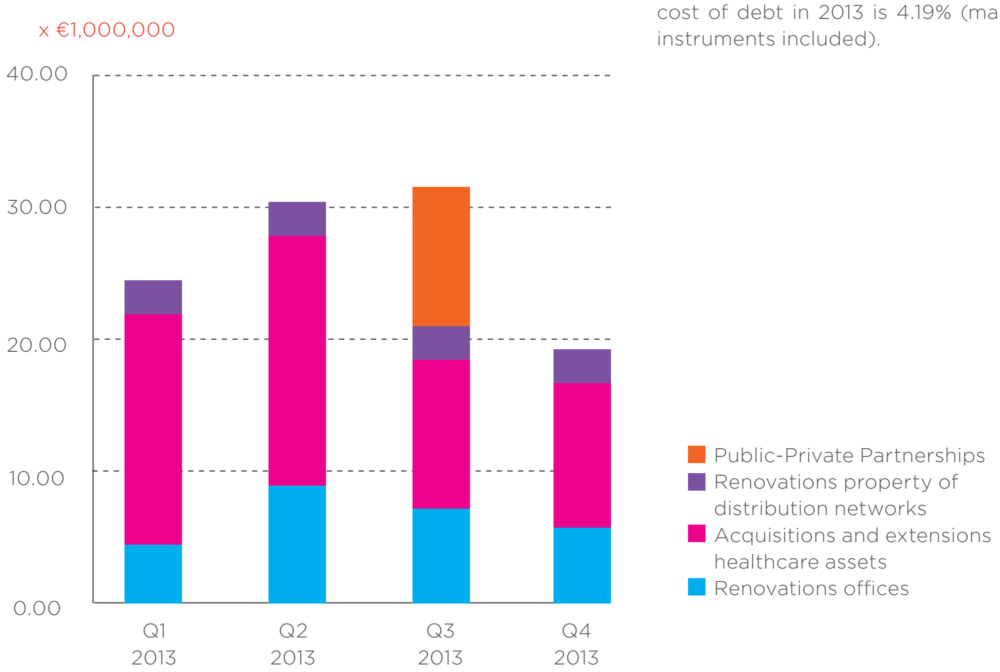
MAINTENANCE AND REPAIRS - MAJOR RENOVATION WORKS[1]

The forecasts by building include both the repairs and maintenance costs, which are entered under operating costs, and the major renovation costs, which are capitalised and met from self-financing and borrowing. The significant renovation expenses taken into account in the forecast are respectively €25.6 million for the office buildings and €3.3 million for the pubs.

INVESTMENTS[1]

The forecast takes into account the following investment projects:

- the acquisition during the third quarter of 2012 of the "Courses" student residence for €12.5 million;
- the acquisition of nursing homes in Belgium and France for a total of €59.6 million resulting from the delivery of new units or the extension of existing units.



RENTS

Rent forecasts include assumptions for each lease as to tenant departures, analysed on a case-by-case basis, and, in the event of tenant departure, redecoration costs, a period of rental vacancy, rental charges and taxes on unlet space plus agency commissions when the space is relet. Letting forecasts are based on the current market situation, without assuming either a possible upturn or deterioration in the market.

The property result also incorporates the writeback of lease payments sold and discounted relating to the gradual reconstitution of the full value of buildings for which the leases have been sold to a third party.

A 1% variation either way in the occupancy rate leads to a cumulative increase or reduction in the net current result per share per annum of €0.12. The ongoing contracts are indexed.

INFLATION

The inflation rate used for the evolution of rents is 1.8% for the leases being indexed in 2013. The sensitivity of the forecast to changes in the inflation rate is low over the considered period. A 0.5% variation either way from the predicted inflation rate leads to a cumulative increase or reduction in the net current result per share per annum of €0.06.

FINANCIAL EXPENSES

The calculation of financial charges is based on the assumption that interest rates will evolve as anticipated by the future rates curve, and takes into account the current loan contracts. Considering the hedging instruments in place, the estimated cost of debt in 2013 is 4.19% (margins and costs of hedging instruments included).

[1] This assumption is under the company's control, pursuant to Regulation 809/2004 of the European Commission.

CONSOLIDATED INCOME STATEMENT

Given the uncertainty of a forward projection of the future market values of the properties, no reliable assessed forecast can be provided for the unrealised result on the portfolio.

This result will depend on trends in the rental market, capitalization rates as well as anticipated renovation costs of buildings.

Changes in shareholders' equity will depend on the current result, the result on the portfolio and the dividend distribution. Shareholders' equity is presented before distribution of the dividends for the financial year.

DIVIDENDS

For the financial year 2013, the company set the goal of achieving a net current result – Group share (impact of IAS 39 excluded) of €7.02 per share, based on current expectations and without major unexpected events.

As compared with 2012 (€7.61 per share), the drop in the net current result per share arises from:

- the recognition in 2012, in accordance with IAS/IFRS accounting rules, of the total amount of the €11.2 million termination indemnity of 21 months received in January 2012 for the early termination of the lease contract on the Livingstone I and II buildings (nine months of this indemnity represent €0.30 per share);
- the persistent negative evolution of market rents in the Brussels office sector and the loss of cash flow generated by buildings impacted by a renovation in the short term.

These two factors are partially offset by the receipt of additional rents arising from the investments mentioned above, and by the rigorous control of direct and indirect operating costs.

In the light of this projection, the Board of Directors believes it is advisable to reduce the dividend per share as from the financial year 2013 (dividend payable in 2014). It plans to propose to shareholders a gross dividend per ordinary share of €6.00. This proposal would comply with the recommendation of Article 27 of the Royal Decree of 07.12.2010, in the sense that the distributed amount would be greater than the required minimum of 80% of Cofinimmo SA/NV's net income (non-consolidated) projected for 2013.

CAVEAT

The forecast consolidated balance sheet and income statement are projections, the achievement of which depends namely on trends in the property and financial markets. They do not constitute a commitment on the part of the company and have not been certified by the company's statutory auditor.
Nevertheless, the auditor, Deloitte Company Auditors SC s.f.d. SCRL represented by Mr. Franck Verhaegen, has confirmed that the forecasts have been drawn up properly on the indicated basis and that the accounting basis used for the purposes of this forecast are compliant with the accounting methods employed by Cofinimmo SA/NV in preparing its consolidated accounts using accounting methods in accordance with IFRS standards as executed by the Belgian Royal Decree of 07.12.2010.

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

	2012	2013
NET CURRENT RESULT		
Rental income, net of rental-related expenses	202,357	195,592
Writeback of lease payments sold and discounted (non-cash)	22,994	25,276
Taxes and charges on rented properties not recovered	-1,968	-2,242
Redecoration costs, net of tenant compensation for damages	-1,010	-1,355
Property result	222,373	217,271
Technical costs	-6,243	-6,542
Commercial costs	-1,091	-1,069
Taxes and charges on unlet properties	-3,826	-2,789
Property result after direct property costs	211,213	206,871
Property management costs	-15,011	-14,636
Property operating result	196,202	192,235
Corporate management costs	-7,363	-6,933
Operating result (before result on the portfolio)	188,839	185,302
Financial income (IAS 39 excluded)	5,559	5,140
Financial charges (IAS 39 excluded)	-65,092	-67,732
Revaluation of derivative financial instruments (IAS 39)	-24,344	
Share in the result of associated companies and joint ventures	503	1,269
Taxes	-4,273	-3,544
Net current result[1]	101,192	120,435
Minority interests	-3,706	-3,772
NET CURRENT RESULT – GROUP SHARE	97,486	116,663
NUMBER OF SHARES ENTITLED TO SHARE IN THE RESULT OF THE PERIOD	16,015,572	16,626,633
NET CURRENT RESULT PER SHARE – GROUP SHARE	6.09	7.02
NET CURRENT RESULT PER SHARE – GROUP SHARE – EXCLUDING IAS 39 IMPACT	7.61	7.02

[1] Net income excluding gains or losses on disposals of investment properties, changes in fair value of investment properties and exit tax.

Consolidated balance sheet (x €1, 000)

	31.12.2012	31.12.2013
Non-current assets	3,533,691	3,620,136
Goodwill	150,356	150,356
Investment properties	3,297,900	3,389,150
Finance lease receivables	53,397	52,822
Trade receivables and other non-current assets	26,230	21,229
Participations in associated companies and joint ventures	5,808	6,579
Current assets	108,797	113,015
Assets held for sale	10,670	10,670
Finance lease receivables	2,973	2,973
Cash and cash equivalents	3,041	3,041
Other current assets	92,113	96,331
TOTAL ASSETS	3,642,488	3,733,151
Shareholders' equity	1,542,292	1,580,597
Shareholders' equity attributable to shareholders of parent company	1,476,029	1,514,135
Minority interests	66,263	66,462
Liabilities	2,100,196	2,152,554
Non-current liabilities	1,566,005	1,790,066
Non-current financial debts	1,388,883	1,612,944
Other non-current financial liabilities	177,122	177,122
Current liabilities	534,191	362,488
Current financial debts	351,203	181,721
Other current financial liabilities	182,988	180,767
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,642,488	3,733,151
DEBT RATIO	49.90%	50.23%

Where relevant, the company shall comply with the provisions of Article 54 of the Royal Decree of 07.12.2010[1] (see Note 24).

[1] This Article stipulates the obligation to draw up a financial plan accompanied by an execution schedule, detailing the measures taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets. This plan must be submitted to the FSMA.


Cofinimmo

Corporate Governance Statement

→ **Cofinimmo sees that it maintains high standards of corporate governance and continues to constantly assess its methods against the principles, practices and requirements in this field.**

REFERENCE CODE

This corporate governance statement adheres to the provisions of the Belgian 2009 Corporate Governance Code ("2009 Code") as well as the Law of 06.04.2010 amending the Company Code. The Royal Decree of 06.06.2010 recognised the 2009 Code as the only applicable code. The Code is available on the website of the Belgian Official Gazette (Moniteur Belge), as well as on the website **www.corporategovernancecommittee.be**.

The Board of Directors declares that to its knowledge the exercised corporate governance fully complies with the Corporate Governance Code 2009.

The company's Corporate Governance Charter can be viewed on its website www.cofinimmo.com. Its latest adaptation occurred on 21.03.2013.

INTERNAL AUDIT AND RISK MANAGEMENT

In accordance with the Corporate Governance rules and with the several laws applicable to collective investment bodies, Cofinimmo has set up a risk management and internal control procedure.

The company has chosen as reference procedure the Enterprise Risk Management (ERM) model developed by COSO (Committee of Sponsoring Organizations of the Treadway Commission). COSO (www.coso.org) is an organisation that stems from the private sector and whose purpose is to promote the improvement of the financial reporting quality through the application of business ethics rules, an effective internal control system and corporate governance rules.

The ERM model has six components:

- internal environment;
- setting of objectives and risk appetite;
- identification, analysis and control of risks;
- control activities;
- information and internal communication;
- surveillance and monitoring.

The internal environment includes the philosophy, the integrity, the ethical values, the persons' skills, the way in which the Executive Committee assigns authority and responsibilities, organises and trains its staff, all under the control of the Board of Directors.

At Cofinimmo, the business culture incorporates risk management by means of:

- Corporate Governance rules and the existence of an Audit Committee, mainly composed of Independent Directors within the meaning of Article 526ter of the Company Code, of a Nomination, Remuneration and Corporate Governance Committee, of an Internal Auditor, a Risk Manager, a Management Controller and a Compliance Officer;
- the Executive Committee's integration of the notion of risk for any investment, transaction or commitment with a significant impact on the company's objectives;
- the existence of a Code of Conduct dealing with conflicts of interest, professional secrecy, purchase and sale of shares, prevention of misuse of corporate funds, acceptance of business gifts, communication and respect for individuals;
- the adherence to segregation principles and the application of rules regarding the delegation of powers clearly established at all levels of the company;
- the existence in the human resources area of selection criteria, personnel hiring rules, a training policy, a periodic performance assessment procedure and the fixing of annual objectives;
- the follow-up of procedures and the formalization of processes.

External actors also participate in this risk control environment, in particular the Financial Services and Markets Authority (FSMA), company auditors, legal consultants, independent real estate experts, banks, the credit rating agency Standard & Poor's, financial analysts and shareholders.

SETTING OF OBJECTIVES AND RISK APPETITE

The strategy is determined annually by the Board of Directors on the basis of a proposal of the Executive Committee. It is then translated into operating, conformity and reporting objectives at the company's different operating levels, from the most global level to its application in functional units.

A budget, which translates the company's objectives into figures, is drawn up annually and checked every quarter. It includes both forecasted revenue items such as rents for the year, property costs linked to the management and development of real estate assets, and financial costs linked to the business financing structure. The budget is approved by the Executive Committee and then submitted to the Board of Directors, which then approves it.

IDENTIFICATION, ANALYSIS AND CONTROL OF RISKS

This point includes the identification of risk events, their analysis and the measures chosen to respond to them in an efficient manner.

An in-depth overall risk analysis of the company is carried out periodically in collaboration with all levels of the organisation, each for its respective area of competence. This analysis is done on the basis of the strategic choices and of the legal and environmental constraints in which the company evolves. It includes an identification of possible risk events, their probability of occurrence and their impact on objectives viewed from different angles: financial, legal, operational, counterparty, property assets and reputation. The analysis is formalised in a document presented and discussed at an Executive Committee meeting and updated throughout the year according to the evolution of activities and new commitments made taking into account the lessons of the past. Furthermore, once a year, it is submitted to the Audit Committee, which will use it, among other things, to decide on what audit tasks are to be assigned to the Internal Auditor.

Furthermore, each major project undergoes an analysis of specific risks according to an organised framework, improving the quality of information in the decision-making process.

Lastly, a post-mortem analysis of selected projects enhances the overall risk analysis, drawing lessons from the past.

CONTROL ACTIVITIES

Controls are carried out in the various departments of Cofinimmo in response to the various risks identified:

- at financial level, the deviations between the estimated budget and the realised result are reviewed quarterly by the Executive Committee, the Audit Committee and the Board of Directors;
- at credit risk level: the solvency of the most important clients, i.e. those constituting more than 5% of the rental revenue, is analysed twice a year by the financial department. The amounts and validity of the rental guarantees established by all tenants are checked quarterly by the operational teams;
- at rental level: half-year analysis of rental vacancy, lease terms and risks and opportunities in terms of rental revenue;
- at accounting level: the use of an ERP (Enterprise Resource Planning, an integrated management software), this being SAP, includes a number of automatic checks; SAP includes both all the accounting and financial aspects, as well as all aspects linked to the real estate business (i.e. follow-up of rental contracts, rent bills, statement of charges, orders, purchases, etc.);
- at treasury level: the use of different sources of financing and banks and the spreading of maturities limits the refinancing concentration risk;
- the risk linked to the interest rate is limited by the application of a hedging policy for a minimum of 50% of the notional amount borrowed on a sliding scale of minimum three years;
- the use of a cash flow software facilitates the day-to-day follow-up of cash flow positions and cash-pooling operations;
- the application of the dual signature principle within the limits of the delegations of power regarding any commitment towards a third party, whether this involves asset acquisitions, rental transactions, orders of any type, approvals of invoices and payments;
- the use of a workflow software in the different stages of the sales business (rental activity), strengthening controls at the process' key stages;
- the recording of the COFP1 and COFP2 registered shares movements is realised in a secure IT application, developed and made available by Belgium's central depository Euroclear; the registered ordinary shares are currently recorded in the Capitrack program of Euroclear.

INFORMATION AND INTERNAL COMMUNICATION

Information and communication from and to the several levels of the company is based on work meetings and on reporting:

- the Management Report, drawn up quarterly by the Consolidation and Reporting entity, details the situation of the income statement and balance sheet, the key performance indicators, the acquisitions/sales situation and their impact on the results and the real estate portfolio inventory, the state of building works and cash flow positions. It is distributed to management, heads of department and key individuals. It is discussed in detail by the Executive Committee, the Audit Committee and the Board of Directors;
- similarly, each department periodically draws up specific reports regarding its own activities.

The Executive Committee meets every week: it systematically reviews the important points of the company's operations and business (investments/sales, cash flow, staff, etc.). Minutes are drawn up for each meeting with, if necessary, an action plan for the implementation of the decisions taken during the meeting.

SURVEILLANCE AND MONITORING

A complete accounting closing is carried out quarterly, following the same procedures as for the end of year, and the consolidated accounts are drawn up. Key indicators are calculated and analysed. These data are collected in the above-mentioned Management Reports. They are discussed and analysed by the Executive Committee and Board of Directors. Similarly, each department collects pertinent information at its own le-vel, which is analysed quarterly and compared to the objectives set for the year.

During the course of the year, the Executive Committee asks each Head of Department to submit a round-up of the evolution of its own activities.

The company also has an Internal Auditor whose assignments cover several processes. The results of the audits are submitted to the Audit Committee, which controls the implementation of recommendations, and to the Board of Directors.

SHAREHOLDER STRUCTURE[1] (at 31.12.2012)

Company	Number of ordinary shares	%	Number of preference shares	%	Total number of shares (voting rights)	%
Number of shares issued	16,423,925	100%	689,397	0%	17,113,322	100%
Cofinimmo Group (own shares)[2]	1,105,750	6.73%	0	0%	1,105,750	6.46%
Free float[3]		93.27%		100%		93.54%

The Board of Directors declares that the above-mentioned shareholders do not have different voting rights.

DECISION-MAKING BODIES

BOARD OF DIRECTORS

Current composition

According to the general principles governing the composition of the Board, as adopted on a proposal by the Nomination, Remuneration and Corporate Governance Committee, the Board comprises 12 Directors, including eight non-executive Directors, six of whom are independent within the meaning of Article 526ter of the Company Code, two representing shareholders , and four executive Directors (members of the Executive Committee). Chevalier Vincent Doumier no longer represents the shareholder Compagnie du Bois Sauvage and exercises his office as an independent Director within the meaning of article 526ter of the Company Code since 01.09.2012.

The Directors are appointed for a maximum of four years by the shareholders at the General Shareholders' Meeting and may be dismissed by the same at any time. They are re-electable.

The independent Directors strictly comply with the independence criteria set out in Article 526ter of the Belgian Company Code and Appendix A of the 2009 Corporate Governance Code.

The Board meets a minimum of eight times a year. Exceptional circumstances may necessitate the Board holding one or more additional meetings. During 2012, the Board met on 10 occasions. Before the meeting, each Board member receives the documents containing the proposals of the Executive Committee on which he must decide. In the event of a vote, decisions are taken by simple majority. In the event of a tie, the Chairman has the casting vote.

Under the Law of 28.07.2011 on ensuring the presence of women on the Boards of Directors of listed companies, the Board of Directors has examined the future evolution of its composition so that at least one third of the Board members are of the opposite sex from the other members at the due date fixed by this Law. The Board of Directors established a very concrete action plan concerning the renewal of the terms of office during the next four years in order to ensure the appointment of at least three additional women to the Board before the end of 2016. Cofinimmo sponsors directly and indirectly the activities of "Women on Board", a non-profit organisation, which has as its object the promotion of the presence of women on Boards of Directors. Mrs. Françoise Roels, member of the Executive Committee, is one of the founder members of this association.

Renewal and appointment of Directors

Subject to approval by the FSMA, the renewal of the terms of office of the following Directors will be put to shareholders at the Ordinary General Shareholders' Meeting of 08.05.2013: Mrs. Françoise Roels as Executive Director and member of the Executive Committee, Mr. Alain Schokaert as Director representing the shareholder Banque Degroof, and Mr. André Bergen as independent Director within the meaning of Article 526ter of the Company Code. If approved by the shareholders at the Ordinary General Shareholders' Meeting of 08.05.2013, their term of office will expire on 10.05.2017. Subject to the same approval by the FSMA and the Ordinary General Shareholders' Meeting of 08.05.2013, the appointment of a new Director will be proposed as an independent Director within the meaning of Article 526ter of the Company Code, to replace Mr. van Marcke de Lummen whose term of office will expire following the Ordinary General Shareholders' Meeting of 08.05.2013. If approved by the shareholders at the Ordinary General Shareholders' Meeting of 08.05.2013, his term of office will expire on 10.05.2017. Mr. Gilbert van Marcke de Lummen has held three consecutive terms and his office may therefore not be renewed, pursuant to article 526ter 2° of the Company Code. The Board of Directors warmly thanks him for the expertise he has brought to the company.

[1] Situation based on the shareholding notifications received in accordance with the Law of 02.05.2007. Any modifications notified since 31.12.2012 have been published according to the provisions of the above-mentioned Law and can be consulted on the company's website www.cofinimmo.com.
[2] The voting rights attached to own shares held by the Cofinimmo Group are suspended.
[3] This calculation of the free float, generally used by Euronext, includes all shareholders who individually hold less than 5% of the capital.

Functions and terms of office of the Directors on the Cofinimmo Board of Directors and/or its committees

Name Function	Year of birth	Gender	Nationality	Term of office started	Last renewal	Term of office ended
André Bergen - Chairman of the Board of Directors - Independent Director within the meaning of Article 526ter of the Company Code - Member of the Nomination, Remuneration and Corporate Governance Committee	1950	M	Belgian	30.04.2010	-/-	08.05.2013
Jean-Edouard Carbonnelle - Managing Director (since 31.03.2012)	1953	M	Belgian	30.04.1999	27.04.2012	11.05.2016
Xavier Denis - Executive Director	1972	M	Belgian	29.04.2011	-/-	13.05.2015
Xavier de Walque - Independent Director within the meaning of Article 526ter of the Company Code - Member of the Nomination, Remuneration and Corporate Governance Committee (until October 2012) - Member of the Audit Committee (since October 2012)	1965	M	Belgian	24.04.2009	27.04.2012	11.05.2016
Chevalier Vincent Doumier - Independent Director within the meaning of Article 526ter of the Company Code (representing the shareholder Compagnie du Bois Sauvage until September 2012) - Member of the Audit Committee	1955	M	Belgian	28.04.2006	27.04.2012	11.05.2016
Serge Fautré - Managing Director (resignation on 22.03.12)	1960	M	Belgian	26.04.2002	29.04.2011	22.03.2012
Robert Franssen - Director (representing shareholder Allianz Belgium)	1955	M	Belgian	19.02.2004	29.04.2011	13.05.2015
Gaëtan Hannecart - Independent Director within the meaning of Article 526ter of the Company Code - Chairman of the Nomination, Remuneration and Corporate Governance Committee	1964	M	Belgian	28.04.2006	27.04.2012	11.05.2016
Marc Hellemans - Executive Director (since 26.10.2012)	1973	M	Belgian	26.10.2012	-/-	11.05.2016
Françoise Roels - Executive Director	1961	F	Belgian	27.04.2007	30.04.2010	08.05.2013
Alain Schockert - Director (representing shareholder Banque Degroof)	1950	M	Belgian	27.04.2007	30.04.2010	08.05.2013
Gilbert van Marcke de Lummen - Independent Director within the meaning of Article 526ter of the Company Code - Chairman of the Audit Committee	1937	M	Belgian	30.04.2004	30.04.2010	08.05.2013
Baudouin Velge - Independent Director within the meaning of Article 526ter of the Company Code - Member of the Audit Committee (until October 2012) - Member of the Nomination, Remuneration and Corporate Governance Committee (since October 2012)	1955	M	Belgian	28.04.2006	27.04.2012	11.05.2016

Other functions and terms of office of the Directors on the Cofinimmo Board of Directors currently exercised or exercised during the past five years

ANDRÉ BERGEN

- **Current function:** Director of NYSE Euronext (11 Wall Street, New York, NY 10005, USA)
- **Current offices:** NYSE Euronext NY, Euronext SA, Ahlers SA, NIBC Bank (The Hague), Sapient Investment Managers (Cyprus), Recticel NV, King Baudoin Foundation, Festival of Flanders (Ghent), as well as various offices within the Cofinimmo Group
- **Previous offices:** Zuhair Fayez Partners (Saudi-Arabia), Fund for Scientific Research, Vlaams Netwerk van Ondernemingen (VOKA), KBC Group, KBC Bank

JEAN EDOUARD CARBONNELLE

- **Current function:** Chief Executive Officer (CEO) of Cofinimmo SA (boulevard de la Woluwe 58, 1200 Brussels, Belgium)
- **Current offices:** Various subsidairies of the Cofinimmo Group, Société Royale d'Économie Politique de Belgique ASBL, Société d'Habitations de Tournai SA, European Public Real Estate Association (EPRA), EPRA Taxation Committee
- **Previous office:** SIGEFI Nord Gestion SAS (FR)

XAVIER DENIS

- **Current function:** Chief Operating Officer (COO) of Cofinimmo SA (boulevard de la Woluwe 58, 1200 Brussels, Belgium)
- **Current offices:** Various subsidairies of the Cofinimmo Group, Denis Intérieur SA
- **Previous offices:** -

XAVIER DE WALQUE

- **Current function:** Member of the Executive Committee and Chief Financial Officer of Cobepa SA (rue de la Chancellerie 2/1, 1000 Brussels, Belgium)
- **Current offices:** Various subsidairies of the Cobepa Group (BeCapital Investment Advisor, Cobepa nederland, Cobsos, Groupement Financier Liégeois, Ibel, Mascagna, Mosane, Regio, Sofiréal, Sophielux 1, Sophielux 2, Sophinvest, Ulran), JF Hillebrand AG, AG Insurance, SGG Holdings
- **Previous offices:** Dexia Banque Belgique SA, Dexia Insurance Belgium, Dexia Investment Company, Maison de la radio Flagey SA, Financial Security Assurances

CHEVALIER VINCENT DOUMIER

- **Current function:** Director of Compagnie du Bois Sauvage SA (rue du Bois Sauvage 17, 1000 Brussels, Belgium)
- **Current offices:** Codic International SA, Cofir SA, Assainissement & Amélioration du Logement Populaire SCRL, Les Petits Riens ASBL, Sopartec SA
- **Previous offices:** Neuhaus Holding, Ceran ILC , Ter Beke SA, Bank Degroof SA, Recticel SA, Compagnie Financière du Château SA, Fauchon Group, Trade Credit Re Insurance Company (TCRé) SA, Nanocyl SA, Centre Interdiocésain ASBL, Cercle Royal Gaulois Artistique et Littéraire ASBL, John Berenberg Gossler & Co KG (D)

SERGE FAUTRÉ (resigned on 22.03.2012)

- **Current function:** Executive Director of AG Real Estate (boulevard Saint-Lazare 4-10, 1210 Brussels, Belgium)
- **Current offices**: Union Professionnelle du Secteur Immobilier (UPSI), European Public Real Estate Association (EPRA), Immobilière Château Saint-Anne SA
- **Previous offices:** Cofinimmo SA, various subsidiaries of the Cofinimmo Group, La Mondiale (FR)

ROBERT FRANSSEN

- **Current function:** Chairman of the Executive Committee of Allianz Belgium SA (rue de Laeken 35, 1000 Brussels, Belgium)
- **Current offices:** Various subsidiaries of the Allianz Group (Allianz Belgium, Allianz Life Lux)
- **Previous offices:** Various subsidiaries of the Allianz Group (AGF Benelux, Mondial Assistance Europe), Anpi ASBL, Assuralia Association Professionnelle, Portima Société Coopérative, Assucard SA, Union des Entreprises de Bruxelles

GAËTAN HANNECART

- **Current function:** Managing Director and Chairman of the Executive Committee of Matexi SA (Franklin Rooseveltlaan 180, 8790 Waregem, Belgium)
- **Current offices:** Various subsidiaries of the Matexi Group (Ankor Invest SA, B.I Invest SA, Brufin SA, De Burkel SA, Duro Home Holding SA, Entro SA, Familo SA, Hooglatem SA, Immo Vilvo SA, Kempense Bouwwerken SA, La Cointe SA, Matexi SA, Matexi Brabant Wallon SA, Matexi Brussels SA, Matexi Group SA, Matexi Luxembourg SA, Matexi Projects SA, Matexi Vlaams-Brabant SA, Matexi Real Estate SA, Nieuw Bilzen SA, Renoplan SA, Rode Moer SA, Quaeroq CVBA, SDM SA, Sibomat SA, Tradiplan SA, Wilma Project Development SA, Wiprover SA, Zennebroeck SA, Zenneveen SA), Union Professionnelle du Secteur Immobilier (UPSI), Network for Training Entrepreneurship ASBL (NFTE Belgium), Itinera Institute ASBL, Real Dolmen SA, Nimmobo SA, Vauban SA
- **Previous offices**: Home Invest Belgium SA, Advisory Board on Urban Planning to the Flemish government

MARC HELLEMANS

- **Current function:** Chief Financial Officer (CFO) of Cofinimmo SA (boulevard de la Woluwe 58, 1200 Brussels, Belgium)
- **Current office:** Various subsidiaries of the Cofinimmo Group
- **Previous offices:** -

FRANÇOISE ROELS

- **Current function:** Secretary General & Group Counsel of Cofinimmo SA (boulevard de la Woluwe 58, 1200 Brussels, Belgium)
- **Current offices**: Various subsidiaries of the Cofinimmo Group, EPRA Regulatory Committee, Euroclear Pension Fund OFP, Women on Board ASBL
- **Previous office:** Institut des Juristes d'Entreprise

ALAIN SCHOCKERT

- **Current function:** Managing Director and Chairman of the Executive Committee of the Banque Degroof SA (rue de l'Industrie 44, 1040 Brussels, Belgium)
- **Current offices:** Various subsidiaries of the Degroof Group (Banque Degroof SA, Banque Degroof Luxembourg SA, BD Square Invest SA, Degroof Corporate Finance SA, Degroof Structured Finance SA, Banque Degroof 2005 pension fund, Banque Degroof pension fund, Guimard Finance SA, Société Immobilière et Financière Industrie Guimard SA), Brocsa SA
- **Previous offices:** -

GILBERT VAN MARCKE DE LUMMEN

- **Current function:** Director of D'Ieteren SA (rue du Mail 50, 1050 Brussels, Belgium)
- **Current office:** D'Ieteren SA
- **Previous offices**: Maison de la radio Flagey SA, Belron SA (L), Avis Europe PLC (UK)

BAUDOUIN VELGE

- **Current function**: Managing Director of Interel Belgium SA (avenue de Tervuren 402, 1150 Brussels, Belgium)
- **Current offices:** Bekaert NV, BECI, Ducroire, Bernheim Foundation, École pour le Management (EPM) NV, Cercle de Lorraine, Brussels Metropolitan Region
- **Previous offices:** BT Belux NV, EuroCommerce AISBL, FEDIS ASBL, VBO ASBL

Role of the Board of Directors

The role of the Board of Directors is to:

- adopt the strategic guidelines for the company, either on its own initiative or as proposed by the Executive Committee;
- oversee the quality of management and its compliance with the chosen strategy;
- examine the quality of information given to investors and the public;
- ensure that all the Directors, who are jointly and severally responsible for the interests of the company and for the development of Cofinimmo, are acting independently;
- deal with all matters linked to its legal responsibilities (approval of the strategy and budget, adoption of the annual, half-yearly and quarterly accounts, use of the authorised capital, approval of the merger or demerger reports, convening of the Ordinary and Extraordinary General Shareholders' Meetings, organisation of the decision-making bodies and appointment of their members).

Activity report of the Board of Directors

Apart from the recurrent subjects dealt with by the Board, it has also taken decisions on various matters, including the following:

- merger by absorption of three companies of the Cofinimmo Group (Immopol Dendermonde NV, Kosalise SA, and Parkside Invest SA);
- constant monitoring of the financing plan;
- review of the financing and interest rate hedging strategies;
- examination and selection of guidelines for Cofinimmo's development, diversification and strategy;
- the healthcare and offices strategy roll-out review;
- analysis and approval of investment projects;
- replacement of the Chief Executive Officer and the Chief Financial Officer;
- appointment of a new Independent Director within the meaning of Article 526ter of the Company Code;
- proposal to renew the office of two non-executive Directors, namely Mr. Alain Schockert as representative of the shareholder Banque Degroof and Mr. André Bergen as Independent Director within the meaning of Article 526ter of the Company Code;
- proposal to renew the office of Mrs. Françoise Roels as Executive Director and Member of the Executive Committee;
- review of the Risk Management reference framework, the Risk Assessment of the Cofinimmo Group and the various assignments of the Internal Auditor;
- private placements of non-convertible bonds for €140 million maturing in eight years, as well as a syndicated bank loan for €220 million;
- proposal to shareholders to opt for a 2011 dividend in shares;
- approval of Silverstone SA/NV, Rheastone SA/NV and Pubstone Group SA/NV as institutional Sicafis/Bevaks;
- assessment of its own functioning.

AUDIT COMMITTEE

The Audit Committee is made up of three Directors, all independent within the meaning of Article 526ter of the Company Code. They are: Mr. Gilbert van Marcke de Lummen (Chairman), Chevalier Vincent Doumier (independent Director within the meaning of Article 526ter of the Company Code, from September 2012), Mr. Baudouin Velge (until October 2012) and Mr. Xavier de Walque (since October 2012). The members of the Executive Committee do not form part of the Audit Committee but the Chief Executive Officer and the Chief Financial Officer attend the meetings.

The Chairman of the Board of Directors is not a member of the Audit Committee but is permanently invited to all this Committee's meetings. He does not however participate in the voting. Through their professional experience, the members of the Audit Committee have the necessary competence –both individually and collectively – to guarantee the effective working of the Committee.

Messrs. Gilbert van Marcke de Lummen, Vincent Doumier and Xavier de Walque strictly comply with the independence principles contained in Article 526ter of the Company Code. Through their professional experience, they have at their disposal the sufficient aptitudes in accounting and auditing matters.

Role of the Audit Committee

The role of the Audit Committee is to examine:

- the process of compiling financial information;
- the effectiveness of the company's internal control and risk management mechanisms;
- the internal audit and its effectiveness;
- the statutory audit of the annual and consolidated accounts, including the questions and recommendations made by the auditor charged with auditing the consolidated accounts;
- the independence of the auditor charged with auditing the consolidated accounts, in particular concerning the provision of additional services to the company;

The current composition of the Audit Committee and the tasks assigned to it fulfil the conditions imposed by the Law of 17.12.2008 concerning the creation of an Audit Committee in listed and finance companies. The Audit Committee's operating rules are detailed in the charter of the Audit Committee, which can be viewed on the website www.cofinimmo.com.

Activity report of the Audit Committee

During 2012, the Audit Committee met on four occasions. Apart from the matters that fall within its mission as defined in the Audit Committee Charter and the Law of 17.12.2008, to guarantee the accuracy and truthfulness of the reporting of Cofinimmo's annual and half-yearly accounts, the quality of the internal and external audit and the information provided to the shareholders, the following points have been dealt with:

- the review of the recommendations made by the auditor concerning internal audit procedures;
- the assessment of a Risk Management reference framework and the review of the Cofinimmo Group's Risk Assessment established in 2010;
- the assessment of its own functioning;
- the risks review;
- the reports of the Internal Auditor concerning the insurance review and Project Management activities in the various business segments.

NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

The Nomination, Remuneration and Corporate Governance Committee is made up of three independent Directors within the meaning of Article 526ter of the Company Code. These are: Mr. Gaëtan Hannecart (Chairman), Mr. André Bergen, Mr. Xavier de Walque (until October 2012), and Mr. Baudouin Velge (since October 2012). The members of the Executive Committee are not part of the Nomination, Remuneration and Corporate Governance Committee.

Role of the Nomination, Remuneration and Corporate Governance Committee

The role of the Nomination, Remuneration and Corporate Governance Committee is to assist the Board by:

- issuing recommendations for the composition of the Board of Directors and its Committees and for validating the independence of its members;
- helping to select, evaluate and appoint members of the Board of Directors and of the Executive Committee;
- helping to determine the remuneration of the members of the Board of Directors and of the Executive Committee and applying it;
- drawing up a remuneration report;
- analysing and preparing recommendations on all matters relating to Corporate Governance.

The current composition of the Nomination, Remuneration and Corporate Governance Committee and the tasks assigned to it fulfil the conditions imposed by the Law of 06.04.2010, inserting an article 526quater in the Company Code. The Nomination, Remuneration and Corporate Governance Committee's operating rules can be viewed in its charter on the website www.cofinimmo.com.

Activity report of the Nomination, Remuneration and Corporate Governance Committee

During 2012, the Committee met on six occasions. The main matters considered were the following:

- review of the remuneration policy for the members of the Executive Committee including the introduction of a stock bonus scheme as from 2013;
- the company's remuneration policy;
- review of "High Potentials" and the succession plan;
- determination of the remuneration of the executive Directors so that it remains in line both with market levels and with the responsibilities assumed by them;
- the assessment of its own functioning;
- drawing up of a remuneration report;
- the action plan for the presence of at least a third of women on the Board of Directors;
- the proposal to appoint Mr. Jean Edouard Carbonnelle as Chief Executive Officer;
- the proposal to appoint Mr. Marc Hellemans as Executive Director and member of the Executive Committee;
- the proposal to appoint a new Independent Director within the meaning of Article 526ter of the Company Code;
- the proposal to renew the office of Mrs. Françoise Roels as Executive Director and Member of the Executive Committee;
- the proposal to renew the office of two non-executive Directors, namely Mr. Alain Schockert as representative of the shareholder Banque Degroof and Mr. André Bergen as independent Director under the terms of Article 526ter of the Company Code.

EXECUTIVE COMMITTEE

The Executive Committee, in accordance with Article 524bis of the Company Code, is composed, apart from its Chairman Mr. Jean Edouard Carbonnelle (CEO), of three executive Directors: Mr. Marc Hellemans (CFO), Mr. Xavier Denis (COO), and Mrs. Françoise Roels (Secretary General & Group Counsel). Each Committee member has a specific area of responsibility. The Committee meets every week and is responsible for the operational management of the company.

Following the resignation of Mr. Serge Fautré on 23.03.2012, the Board of Directors decided to appoint on 30.03.2012 Mr. Jean-Edouard Carbonnelle as Chairman of the Management Committee and Chief Executive Officer. Mr. Jean-Edouard Carbonnelle previously held the post of Chief Financial Officer and Member of the Management Committee. The Board of Directors then decided to appoint Mr. Marc Hellemans as Chief Financial Officer and Member of the Management Committee on 07.06.2012. His appointment as a Director was effective from the Extraordinary General Shareholders' Meeting of 26.10.2012.

In accordance with Article 39 of the Law of 03.08.2012 concerning certain forms of collective management of investment portfolios, the members of the Executive Committee are effective leaders within the meaning of this Article and are also responsible for the day-to-day running of the company.

The Executive Committee's operating rules are detailed in its charter, which can be viewed on the website www.cofinimmo.com.

Role of the Executive Committee

Its role is to:

- propose the company strategy to the Board of Directors;
- execute the strategy retained by the Board of Directors, including the decisions to acquire or dispose of buildings or shares of real estate companies;
- carry out the day-to-day management of the company and report on these matters to the Board of Directors.

Jean Edouard Carbonnelle — Françoise Roels — Marc Hellemans — Xavier Denis

Current composition

Jean-Edouard Carbonnelle

Chief Executive Officer

Joined Cofinimmo in November 1998. Before that, he worked in the Group Société Générale of Belgium, first in the holding company itself and subsequently as Director and Chief Financial Officer of the Diamant Boart Group (abrasive tools) and Member of the Executive Committee of Sibéka (diamonds) and lastly, briefly, as Investor Relations Manager at Union Minière (non-ferrous metals). He began his professional career in the department of industrial and mining projects at the World Bank. He is a graduate in Commercial Engineering (Solvay Business School - ULB 1976) and holds a Master of Business Administration (Wharton School - University of Pennsylvania 1977).

Marc Hellemans

Chief Financial Officer

Joined Cofinimmo in September 2000. Before that, he worked for Deloitte as an Advanced Senior Auditor. He joined Cofinimmo as a Controller, before being appointed Area & Developpement Manager Healthcare France and Head of Corporate Finance & International Development. He is a graduate in Management Engineering (Solvay Business School - ULB 1996).

Xavier Denis

Chief Operating Officer

Joined Cofinimmo in 2002 as Head of Project Development and Area Manager. Before coming to Cofinimmo, he worked in London between 1996 and 2001 at Chapman Taylor and HOK Sport. He has 15 years of experience in technical, financial and commercial management of property portfolios. He is a Civil Engineer (Catholic University of Louvain 1996) and holds a Master of Business Administration (INSEAD 2002).

Françoise Roels

Secretary General & Group Counsel

Joined Cofinimmo in August 2004. She is the head of the legal department and is in charge of the Company's General Secretariat. She is the Compliance Officer of Cofinimmo and is also responsible for aspects connected with the shareholders and relations with the Belgian financial supervisory authorities. Before coming to Cofinimmo, Françoise Roels worked for the law office Loyens, for Euroclear/JP Morgan and for the Belgacom Group. She is responsible for tax affairs and Corporate Governance. She is a law graduate (RUG 1984), examinee in philosophy (RUG 1984) and holds a master's diploma in taxation (Ecole Supérieure des Sciences Fiscales 1986).

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Under the direction of its Chairman, the Board of Directors conducts regular evaluations, at least every two or three years, of its size, composition, performance and that of its Committees as well as its interaction with the Executive Committee.
The four objectives of this evaluation are to:

- appraise the functioning of the Board of Directors or the Committee concerned;
- ascertain whether important matters are prepared and discussed adequately;
- evaluate the actual contribution of each Director by his presence at meetings of the Board of Directors and of the Committees, and his constructive involvement in the discussions and decision-making; and,
- ascertain whether the current composition of the Board of Directors or of the Committees is appropriate.

The last assessment of the Board of Directors and its Committees occurred in September 2011. It is established by the Chairman of the Board, the Secretary General and the Nomination, Remuneration and Corporate Governance Committee. The procedure is launched following a decision by the Board of Directors. The exercise of the assessment is a written procedure that takes into account the company's strategy, its financial situation and its place in the economic environment. The Nomination, Remuneration and Corporate Governance Committee, in a preparatory session, draws up a questionnaire to which the Directors are required to reply individually.

The questionnaire deals with the following subjects: the functioning of the Board of Directors, its culture, its composition, the information given to the Board of Directors, its relationship with the Executive Committee, its relationship with the Committees and with the Chairman of the Board.

The procedure also allows the Directors to raise points for attention not covered by the questionnaire. The replies and comments of the Directors are then examined by the Nomination, Remuneration and Corporate Governance Committee which studies them and makes any necessary recommendations to the Board of Directors.

On each office renewal, the Board proceeds, under the guidance and with the contribution of the Nomination, Remuneration and Corporate Governance Committee, to the assessment of the concerned Director. On this occasion, the Nomination, Remuneration and Corporate Governance Committee reviews the Board members' skills/ experience grid and ensures that the Board's composition is always adequate. The Nomination, Remuneration and Corporate Governance Committee then makes its recommendation regarding the office that is about to expire to the Board of Directors who then decides on whether to submit it to the General Shareholders' Meeting.

The non-executive Directors carry out a regular evaluation, at least once a year, of their interaction with the Executive Committee. It is put on the agenda of a restricted Board of Directors' meeting, in the absence of the members of the Executive Committee, held at least once a year.

MANAGEMENT

The Executive Committee is assisted by a team of managers, each of whom reports directly to one of the members of the Executive Committee and has the responsibility of a specific managerial domain.

Nom	Fonction
1 Sébastien Berden	Head of Healthcare
2 Benjamin Bostoen	Head of Information Technology & Organisation
3 Chantal Cabuy	Head of Human Resources & Internal Communication
4 Valérie De Vos	Legal Coordination & Document Manager
5 Ingrid Daerden	Group Treasurer
6 Andrée Doucet	Corporate Legal Officer
7 Chloé Dungelhoeff	Corporate Communication Manager
8 Laurence Gacoin	Head of Development
9 Jimmy Gysels	Head of Business Unit Pubstone
10 Dirk Huysmans	Head of Offices Belgium
11 Valérie Kibieta	Investor Relations Manager
12 Stéphanie Lempereur	Head of Corporate Finance & Control
13 Pascale Minet	Head of Accounting
14 Valéry Smeers	Tax Manager
15 Domien Szekér	Head of Project Management
16 Jean Van Buggenhout	Head of Quality Management & Internal Audit
17 Caroline Vanstraelen	Legal Advisor
18 Sophie Wattiaux	Corporate Legal Officer

RULES AND PROCEDURES

RULES CONCERNING CONFLICTS OF INTEREST

In compliance with Article 523 of the Company Code, any member of the Board of Directors who, whether directly or indirectly, has a financial interest which conflicts with a decision or operation involving the Board of Directors, may not attend the proceedings of this Board.

In certain circumstances, the following situations may also give rise to the application of Article 523 of the Company Code and may be considered as potential conflicts of interest:

- Regarding the Directors appointed on a proposal by Bank Degroof, Compagnie du Bois Sauvage (until September 2012) and Allianz Belgium: if transactions arise between these respective companies and Cofinimmo for which these companies have an opposing interest to that of Cofinimmo;
- Regarding Mr. Gaëtan Hannecart: if transactions arise between Cofinimmo and the Matexi Group of which Mr. Gaëtan Hannecart is managing Director and for which the Matexi Group would have an opposing interest to that of Cofinimmo.

Considering the absence of any conflict of interest, the Board of Directors did not draw up any report for the year 2012, in application of Articles 523 and 524 of the Company Code.

Article 18 of the Royal Decree of 07.12.2010 states special provisions where one of the persons referred to in this Article (director or shareholder of a subsidiary of the public or institutional Sicafis/Bevaks, etc.) acts as counterparty in an operation with the Sicafi/Bevak or a company it controls.

In accordance with this Article, and in the context of the approval as institutional Sicafi/Bevak of Silverstone SA/NV, Rheastone SA/NV, and Pubstone Group SA/NV, the following agreements have been notified to the FSMA: (i) as regards the institutional Sicafi/Bevak Silverstone SA/NV, a contract for the provision of services between Cofinimmo Services SA/NV and Silverstone SA/NV, a shareholders' agreement between Senior Assist SA/NV and Cofinimmo SA/NV as well as a contract for the provision of services between Cofinimmo Services SA/NV and Rheastone SA/NV, (ii) as regards the institutional Sicafi/Bevak Rheastone SA/NV, an equity transfer agreement between Rheastone SA/NV and Cofinimmo SA/NV concerning shares in Silverstone SA/NV as well as a contract for the provision of services between Cofinimmo Services SA/NV and Rheastone SA/NV, and (iii) as regards the institutional Sicafi/Bevak Pubstone Group SA/NV, two intercompany credit agreements between Cofinimmo SA/NV and Pubstone Group SA/NV as well as a contract for the provision of services between Cofinimmo Services SA/NV and Pubstone Group SA/NV.

The company has applied Article 18 of the Royal Decree on Sicafis/Bevaks in relation to the acquisition of shares in Immopol Dendermonde NV then held by Codeel Zetel Temse NV and Cordeel Zetel Hoeselt NV.

The company has applied Article 18 of the Royal Decree on Sicafis/Bevaks in relation to the optional dividend in shares, since some company Directors held Cofinimmo shares.

In accordance with this article, and as part of the conversion and marketing of the Livingstone I building, Cofinimmo, the future company Livingstone Residential, Cordeel Zetel Temse NV, and Cordeel Finance NV agreed on the following principles, subject to fulfilment of certain conditions precedent: (i) granting by Cofinimmo to Livingstone Residential NV of a surface right over the building and the concomitant sale to Livingstone Residential NV of the existing constructions, (ii) the split marketing by Livingstone Residential to third parties

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

[1] Chevalier Vincent Doumier no longer represents the shareholder Compagnie du Bois Sauvage and exercises his mandate in a private capacity since 01.09.2012. The company Compagnie du Bois Sauvage is no longer represented at the Board of Directors.

before and during the building's conversion, sale of its surface right to the aforementioned third parties and concomitant sale by Cofinimmo to these third parties of the corresponding portions of ground, (iii) conclusion by Cordeel of development contracts with the aforementioned third parties in order to carry out the conversion, and (iv), sale by Cofinimmo SA/NV of any remaining balance of ground to Livingstone Residential, at the latest on expiry of the surface right granted.

CODE OF CONDUCT

The company's Code of Conduct explicitly stipulates that the members of the Company Bodies and of the Personnel undertake to refrain from seeking from third parties, and to refuse, any remuneration, in cash or in kind, or any personal advantage offered by reason of their professional association with the company.

ACQUISITION & SALE OF COFINIMMO SHARES (INSIDER TRADING)

In accordance with the principles and values of the company, Cofinimmo has inserted in its Code of Conduct the rules (Dealing Code) to be followed by Directors and designated persons wishing to negotiate financial instruments issued by Cofinimmo and its subsidiaries. In particular, this Dealing Code prohibits them from buying and selling Cofinimmo shares during a period of one month preceding the publication of the periodic results and a period of one day following this publication. With respect to the implementation of the Belgian Corporate Governance Code within Cofinimmo, the rules of the Code of Conduct have been brought into line with the Royal Decree of 05.03.2006 relating to insider trading, the fair presentation of investment recommendations and the indication of conflicts of interest.

JUDICIAL AND ARBITRATION PROCEDURES

The Executive Committee of Cofinimmo SA/NV declares that there exists no government intervention, proceeding or arbitration procedure that may have a significant influence, or may have had such an influence in the recent past, on the financial position or profitability of the Sicafi/Bevak and that, as far as is known, there are no situations or facts that could give rise to such government intervention, proceeding or arbitration procedure.

COMPLIANCE OFFICER

Françoise Roels, Secretary General & Group Counsel, is the Compliance Officer of Cofinimmo. Her duties consist of ensuring that the Code of Conduct as well as, more generally, all prevailing laws and regulations are observed. She is also the company's Risk Manager, being responsible for identifying and managing risk events potentially affecting the organisation.

RESEARCH AND DEVELOPMENT

The Cofinimmo Group did not carry out any research and development activity during 2012, except for the construction and large-scale renovation projects which are mentioned in the subchapter "Transactions and performances in 2012".

POWER OF REPRESENTATION

The company is validly represented in all acts by two Directors. Without prejudice to the acts of disposal concerning a real estate asset for which the company must be represented by two Directors acting jointly, as stipulated by Article 9 of the Royal Decree of 07.12.2010 related to Sicafi/Bevak and Article 17 of the company's articles of association, the following persons may represent and validly commit the company for all acts and all obligations with regard to all third parties or authorities, public or private, by the joint signature of two of them:

- Jean Edouard Carbonnelle, Managing Director, Chairman of the Executive Committee;
- Marc Hellemans, Executive Director, member of the Executive Committee;
- Xavier Denis, Executive Director, member of the Executive Committee;
- Françoise Roels, Executive Director, member of the Executive Committee.

In any act of disposal relating to a property, the company must be represented by two directors acting jointly, except in the case of transactions relating to an asset with a value below the threshold fixed for this purpose by the Sicafi/Bevak legislation, i.e. 1% of the consolidated assets of the company or €2,5 million, whichever is the lower, in which case the company will be validly represented by one Director acting alone. Use may be made however of a special delegation of powers in favour of one person: such delegations of powers must occur under the direct ex ante and ex post control of the Board of Directors, provided that the following cumulative conditions are met, i.e.:

- the Board of Directors must exercise effective control over the acts/documents signed by the special authorised representative(s) and must put in place an internal procedure related to both the content and the frequency of the control;
- the power of attorney may cover only one clearly specified transaction or a group of definitively defined transactions (it is not sufficient for the transaction or group of transactions to be determinable). General power of attorney shall not be authorised;
- the relevant limits (for example as regards the price) must be indicated in the power of attorney itself and the power of attorney must be subject to a time limit, i.e. to the period of time necessary to complete the operation.

A specific delegation of powers is also organised by the Executive Committee under the notarial act of 01.03.2013, being published in the Belgian Official Gazette (Moniteur belge), for the leases, works, loans, borrowings, credit facilities and collateral, information and communication technologies, human resources, fiscal management, hedging operations, fund transfer operations and insurance operations.

COFINIMMO'S ARTICLES OF ASSOCIATION

Extracts from the Cofinimmo articles of association are published on page 191 of the Annual Financial Report. Their most recent revisions date from the Extraordinary General Shareholders' Meeting of 26.10.2012 and from the Board of Directors' meetings of 25.01.2012, 20.04.2012, 25.05.2012, 17.07.2012, 08.10.2012, and 17.01.2013.

INFORMATION REQUIRED UNDER ARTICLE 34 OF THE ROYAL DECREE OF 14.11.2007[1]

CAPITAL STRUCTURE[2]

The share capital stands at €917,079,045.11 and is divided into 17,113,322 fully paid-up shares, each of which represents an equal share, of which 16,423,925 ordinary shares without par value, and 689,397 preference shares without par value, that is a series of 395,198 preference shares P1 and a series of 294,199 preference shares P2. Each preference share carries a dividend payable by priority over the dividends payable on the ordinary shares. The gross annual amount of the priority dividend is €6.37 per preference share.

Preference shares are convertible into ordinary shares at the option of their holders exercised in the cases referred to in Article 8.2 of the Articles of Association. More specifically, preference shares are convertible into ordinary shares, in one or more tranches, at the option of their holders exercised in the following cases:

- during the 10 final calendar days of each civil quarter;
- at any time during a period of one month following the notification of the implementation of the promise of sale referred to below; and,
- in the event of liquidation of the company, during a period starting 15 days after publication of the decision to liquidate and ending on the day before the General Meeting closing the liquidation.

Conversion will occur at the rate of one ordinary share for one preference share. Conversion will be considered to take place with effect on the date of sending the application for conversion. The application for conversion must be sent to the company by the holder of preference shares by registered letter, indicating the number of preference shares for which conversion is requested. Before 01.05.2009, the start of the first conversion opportunity, each holder of preference shares received a letter containing information on the procedure to be followed. The subscription or acquisition of preference shares implies a commitment to sell such shares to a third party designated by the company (call option) dating from the 15th year following their issue, subject to the conditions and in accordance with the procedure defined in Article 8 of the articles of association. Finally, the preference share has priority in the case of liquidation.

On 14.04.2011, the company issued bonds convertible into ordinary shares of the company. The issue relates to 1,486,379 convertible bonds with a nominal value of €116.60, i.e. for a total amount of €173,311,791.40. The convertible bonds allow the holder to receive Cofinimmo ordinary shares at a rate of one for one. The parity of exchange will be adjusted according to the anti-dilution provisions customary for this type of issue. The conversion period is open, at any time, from 08.06.2011 until the first of the following two dates: (i) seven working days before the maturity date, or (ii) if the bonds have been called for redemption prior to the maturity date, seven working days before the redemption date.

A bondholder may exercise his conversion right relating to a convertible bond by submitting a duly completed notification of conversion together with the convertible bond to convert. The notification form is available from the paying, conversion and domiciliary agent, i.e. BNP Paribas Securities Services. Each bondholder has been informed of the procedure in the operation note issued for this purpose, which can be consulted on the company's website www.cofinimmo.com.

A total of 1,486,332 bonds convertible into ordinary shares currently exist. If all outstanding bonds were converted, it would create a maximum of 1,486,332 ordinary shares, conferring the same number of voting rights.
There are no other restrictions on the transfer of securities and the exercise of the voting right, other than those stipulated in law.

STOCK OPTION PLAN

The members of the Executive Committee and the management benefit from a share option plan as explained on page 88 of the present Report. In the event of a merger, (partial) split-up or division of shares in the company or other similar transactions, the number of outstanding options at the date of this transaction and their respective exercise prices may be adapted in line with the exchange rate applied to the existing company shares. In that case, the Cofinimmo Board of Directors will determine the precise conditions for this adaptation. In the event of a change in control, the accepted options are deemed to be immediately and fully acquired and become exercisable with immediate effect.

AUTHORISED CAPITAL

The Board of Directors is empowered to increase the share capital in one or more tranches up to a maximum amount of €799,000,000.00 on the dates and according to the procedures to be decided by the Board of Directors, in accordance with Article 603 of the Company Code.
This authorisation is granted for a period of five years from the publication dated 11.04.2011 in the annexes of the Belgian Official Gazette (Moniteur belge) of the minutes of the Extraordinary General Shareholders' Meeting of 29.03.2011. This Meeting expressly authorised the Board of Directors to carry out one or more capital increases in the event of a takeover bid, following receipt by the company of the communication referred to in Article 607 of the Company Code. This authorisation does not restrict the powers of the Board of Directors to undertake operations utilizing authorised capital other than those referred to by Article 607 of the Company Code.

So far, the Board of Directors has used this option in the context of (i) the definitive placement of a bond offering dated 28.04.2011 for a maximum capital increase of €79,652,977.11, (ii) the capital increase by contribution in kind of dividend rights, decided on 24.05.2011, amounting to €17,697,422.45, and (iii) the share capital increase through a contribution in kind of dividend rights of €20,941,247.88 decided on 25.05.2012, meaning that the amount by which the Board of Directors can increase the subscribed capital under the authorised capital is €680,708,352.56.

CAPITAL STRUCTURE[2]

Shares	Number	Capital (in €)	%
Ordinary (COFB)	16,423,925	880,135,221.90	95.97
Preference (COFP1)	395,198	21,178,109.34	2.31
Preference (COFP2)	294,199	15,765,713.87	1.72
TOTAL	17,113,322	917,079,045.11	100.00

[1] In relation to the obligations of issuers of financial instruments admitted for trading on a regulated market – see also the law of 01.04.2007 relating to takeover bids.
[2] As of the date of filing of this Annual Financial Report.

DECISION-MAKING BODIES

Directorships may be ad nutum revoked. In the event that one or more offices become vacant, the remaining Directors on the Board have the right provisionally to arrange for a replacement until the next General Meeting, on which occasion a final election will take place. For the purposes of modifying the articles of association, there are no rules other than those laid down by the Company Code.

REPURCHASE OF SHARES

The Board of Directors is specially authorised, for a period of three years from the date of publication on 11.04.2011 of the minutes of the Extraordinary General Meeting of 29.03.2011, to acquire, take as security and transfer on behalf of Cofinimmo, own shares of the company without a prior decision by the General Meeting, where this acquisition or this transfer is necessary in order to prevent serious and imminent harm to the company.

Furthermore, during a period of five years following the holding of the abovementioned Meeting of 29.03.2011, the Board of Directors may obtain by acquisition, take as security and transfer (even outside the stock exchange) on behalf of Cofinimmo, own shares of the company at a unit price that may not be less than 85% of the closing market price on the day preceding the date of the transaction (acquisition, sale and taking as security) and that may not be more than 115% of the closing market price on the day preceding the date of the transaction (acquisition, taking as security) whereby Cofinimmo may at no time hold more than 20% of the total issued shares. At 31.12.2012, Cofinimmo held €1,105,750 own shares.

CONTRACTUAL TERMS OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

The contractual terms of the Director members of the Executive Committee are described on page 89 of this Annual Financial Report.

CHANGE OF CONTROL

The syndicated bank loan contract for €220,000,000 concluded on 20.04.2012 with several financial institutions (BNP Paribas Fortis, KBC, JP Morgan, Lloyds and Barclays) includes a clause stipulating that a change of control within Cofinimmo could result in repayment of the sums borrowed. In the event that this clause was not approved by the Ordinary General Shareholders' Meeting on 27.04. 2012, and at the latest by May 2013, the net margin would have increased by 20 basis points. This change of control clause was ratified by the Ordinary General Shareholders' Meeting on 27.04.2012.

The private placements of non-convertible bonds maturing in 2020 issued on 07.08.2012 for €100 million, and on 23.10.2012 for €40 million, include a clause stipulating that a change of control within Cofinimmo could result in repayment of the sums borrowed. In the event that this clause was not approved by the Extraordinary General Shareholders' Meeting on 26.10.2012, and at the latest by May 2013, the net margin would have increased by 50 basis points. These change of control clauses were ratified by the Extraordinary General Shareholders' Meeting on 26.10.2012.

REMUNERATION REPORT DRAWN UP BY THE NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

This Remuneration Report complies with the provisions of the Corporate Governance Code 2009, of Article 96§3, point 2 of the Company Code, as introduced by the Law of 06.04.2010.

INTERNAL PROCEDURES

During 2012, the policy regarding Directors' remuneration was drawn up on the following basis:

Non-executive Directors

The principle of continuity with the past has been maintained. The policy adopted by shareholders at the Ordinary General Shareholders' Meeting of 28.04.2006 on the proposal of the Board of Directors and the Nomination, Remuneration and Corporate Governance Committee remains applicable. The Nomination, Remuneration and Corporate Governance Committee regularly carries out a comparison with the remuneration of the non-executive Directors of other listed Belgian companies of similar size in order to ensure that the remuneration is always appropriate and in line with market practice taking into account the company's size, its financial situation, its position within the Belgian economic environment, and the level of responsibility assumed by the Directors.

Members of the Executive Committee

The contracts concluded with the Chief Operating Officer in 2011 and the Secretary General in 2007 have been applied without modification. In October 2012, the company concluded an agreement with the new Chief Financial Officer. The remuneration policy is in line with the provisions of the Law of 06.04.2010. The Board of Directors intends to make one change to the variable remuneration policy for the financial year 2013 by introducing a stock bonus plan (see below).

The remuneration of the members of the Executive Committee is determined by the Board of Directors on the basis of the recommendations of the Nomination, Remuneration and Corporate Governance Committee. This Committee annually analyses the remuneration policy applicable to members of the Executive Committee and checks whether it needs to be changed in order to attract, retain and motivate them, within reasonable boundaries given the size of the company. The overall remuneration level as well as the breakdown of its various components and their terms and conditions are analysed. This analysis is accompanied by a comparison with the remuneration policies applicable to the members of the Executive Committee of other listed and unlisted real estate companies, as well as to other non-property companies of similar size.

Other Board members' experience in this field was also taken into consideration. In 2012, the Nomination, Remuneration and Corporate Governance Committee carried out a summary comparison concerning the overall level of remuneration. It results from this analysis that the remuneration of the members of the Executive Committee is in line with market practices.

The Nomination, Remuneration and Corporate Governance Committee also sees that the target setting procedure determining variable remuneration is in line with the company's risk appetite. The Nomination, Remuneration and Corporate Governance Committee submits the result of its analysis and any reasoned recommendations to the Board of Directors for it to take a decision.

ATTENDANCE AND REMUNERATION OF NON-EXECUTIVE DIRECTORS

Name	Attendance at Board meetings	Attendance at Nomination, Remuneration and Corporate Governance Committee meetings	Attendance at Audit Committee meetings	Total remuneration	Number of shares held on 31.12.2012
André Bergen	10/10	6/6	3/4	100,000 (fixed remuneration)	0
Xavier de Walque (member of the Nomination, Remuneration and Corporate Governance Committee until October 2012 and member of the Audit Committee since October 2012)	9/10	4/4	1/1	52,250	0
Chevalier Vincent Doumier	9/10	-/-	4/4	51,550	210
Robert Franssen	8/10	-/-	-/-	40,000	0
Gaëtan Hannecart	10/10	6/6	-/-	61,700	0
Alain Schockert	9/10	-/-	-/-	42,500	0
Gilbert van Marcke de Lummen	10/10	-/-	4/4	60,300	0
Baudouin Velge (member of the Audit Committee until October 2012 and member of the Nomination, Remuneration and Corporate Governance Committee since October 2012)	10/10	2/2	3/3	54,750	0

ATTENDANCE OF EXECUTIVE DIRECTORS

Jean Edouard Carbonnelle	10/10	-/-	4/4	-/-[1]	550
Xavier Denis	10/10	-/-	-/-	-/-	80
Serge Fautré (Director until 22.03.2012)	2/2	-/-	1/1	-/-[1]	0
Marc Hellemans (Director since October 2012)	1/1	-/-	1/1	-/-[1]	0
Françoise Roels	10/10	6/6	2/4	-/-	0

REMUNERATION OF THE NON-EXECUTIVE DIRECTORS

The remuneration of the non-executive Directors is determined by the General Meeting on the proposal of the Board of Directors and according to the recommendation of the Nomination, Remuneration and Corporate Governance Committee. In accordance with the decision of the General Meeting of 28.04.2006, the remuneration for 2012 is:

- firstly, a basic remuneration of €20,000 for membership of the Board of Directors, €6,250 for membership of a Committee and €12,500 for chairing a Committee;
- and, secondly, Directors' attendance fees of €2,500 per session for participating at the meetings of the Board of Directors, and €700 per session for participating at the meetings of the Committees of the Board;
- the remuneration of the Chairman of the Board is set at €100,000 per year for all his responsibilities, both in the Board of Directors and in the Committees of the Board.

REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

The remuneration package of the members of the Executive Committee comprises the following elements: the fixed remuneration, the variable remuneration, the stock option plan, the savings and provident scheme and the pension promises.

The fixed remuneration of the members of the Executive Committee is determined according to their individual duties and skills. It is allocated independently of any result, and is not indexed. The variable remuneration is intended to remunerate the collective and individual contribution of the members of the Executive Committee. Its amount is determined in function of the effective achievement of financial and quality objectives set and assessed annually by the Board of Directors on the proposal of the Nomination, Remuneration and Corporate Governance Committee. These objectives are set according to criteria, weighted depending upon their importance, approved by the Board of Directors on the proposal of the Nomination, Remuneration and Corporate Governance Committee. The variable remuneration is in principle ("target") 50% of the fixed annual remuneration, but can be higher without ever exceeding 75%. The variable remuneration is only paid once the budget has been attained up to at least 80%. The Board of Directors may, at its discretion, decide to grant part of the variable remuneration in the form of a unilateral pension promise.

The analysis of the achievement degree of the financial criteria is done on the basis of accounting and financial data analysed by the Audit Committee. The Nomination, Remuneration and Corporate Governance Committee calculates what the variable remuneration could be on the basis of the degree of achievement of the objectives. This calculation only serves as a guide for the definitive setting of the variable remuneration. Indeed, this will also take into account the specific situation of

[1] Messrs. Serge Fautré (as CEO until 22.03.2012), Jean Edouard Carbonnelle (as CFO until 30.03.2012 and CEO since 30.03.2012) and Marc Hellemans (as CFO since June 2012), attend the Audit Committee meetings. Their participation is however not remunerated.

the company and of the market in general. The Nomination, Remuneration and Corporate Governance Committee then draws up a variable remuneration proposal and submits it to the Board of Directors, which in turn assesses the work of the Executive Committee, and definitively determines the amount of the variable remuneration to be granted.

There are no provisions concerning the recovery right of variable remuneration paid based on inexact financial data other than civil law provisions, being the application of the principle of undue payment.

For the financial year 2012, the performance assessment criteria were:

- the net current result per share (30%);
- the cost/income ratio (10%);
- the office portfolio occupancy rate (10%);
- the Loan-to-value ratio (15%);
- the continued diversification of assets, the consolidation of shareholder equity, the refinancing of debt and the reduction of the office portfolio risk (35%).

The Nomination, Remuneration and Corporate Governance Committee has assessed the achievement of the 2012 objectives of the members of the Executive Committee and has proposed to the Board of Directors a variable remuneration of 70% of the fixed annual remuneration.

Pursuant to Article 14 of the law of 06.04.2010, the Ordinary General Shareholders' Meeting of 27.04.2012 approved basing the executive Directors' variable remuneration for the financial year 2012 on predetermined performance criteria, objectively measurable over a period of one year. No spreading of the variable remuneration over time is applied. This proposal has been accepted by the Board of Directors.

For the financial year 2013, the granting of the variable remuneration will depend on the achievement of the main following objectives:

- the net current result per share (25%);
- the cost/income ratio (15%);
- the loan-to-value ratio (10%);
- the continued diversification of the assets, the consolidation of the equity and the reconversion projects (50%).

From the 2013 financial year, and in strict application of the law of 06.04.2010, the Board of Directors has decided to grant half of variable remuneration (the balance remaining after deduction of the pension promise, where applicable) in the form of a stock bonus (free Cofinimmo shares), with effective vesting after three years, as decided by the Board of Directors in December 2012. The scheme's terms and conditions will be aligned with the conditions applicable to the stock option scheme (Cofinimmo shares in return for payment of a purchase price).

The stock option scheme was offered for the first time in 2006, the main objectives being to encourage the maximisation of Cofinimmo's long-term value by linking management's interests to those of the shareholders and to strengthen the long-term outlook. No other stock option schemes exist for 2012.

Stock options are granted in a discretionary manner to the members of the Executive Committee. No objective is set in this respect. The Board of Directors considers that this remuneration is not to be considered as variable remuneration within the meaning of the Law of 06.04.2010. An option's exercise period stands at 10 years as of the date of the offer.

On the recommendation of the Nomination, Remuneration and Corporate Governance Committee, the Board of Directors decided in its session of 11.06.2009 to extend the period of exercise of options granted in 2006, 2007 and 2008 by five years, in application of the "Loi de Relance Économique" of 27.03.2009.

Stock options can only be exercised after the expiry of the third calendar year following the year in which the stock options are granted. If the options have not been exercised at the end of the period of exercise, they become null and void ipso facto. Vesting is carried out at the end of the third year after granting (three-year vesting period for stock options granted from 2013). In the event of voluntary or involuntary departure (excluding premature termination for serious reasons) of a beneficiary, the stock options accepted and vested can only be exercised during the first exercise window following the date of premature termination of contract. Options which have not been vested are cancelled. In the event of involuntary departure of a beneficiary for serious reasons, all stock options accepted but not exercised, whether vested or not, are cancelled.

These conditions governing acquiring and exercising options in the event of departure, whether voluntary or involuntary, shall apply without prejudice to the powers of the Board of Directors to apply waivers to these provisions in favour of the beneficiary, based on objective and relevant criteria. The shares which may be acquired in connection with the exercise of the options are listed on Euronext Brussels; they are of the same type and carry the same rights as the Cofinimmo ordinary shares existing at the time of the offering. The shares are registered. For 2012, the members of the Executive Committee do not benefit from other share-related payments.

A detailed description of the stock options scheme can be seen in Appendix 2 of the Executive Committee's charter, which is available at the company's website (www.cofinimmo.com). Cofinimmo applies the standard IFRS 2 by recognising the fair value of the stock options on the date that they were granted (i.e. three years) according to the progressive acquisition method as vesting occurs. The annual charge for the progressive acquisition is entered on the income statement under personnel costs.

The savings and provident scheme and the pension promises are designed to reduce, to the extent possible, the differential between resources prior to and following retirement. The supplementary pensions are financed exclusively from Cofinimmo contributions. The members of the Executive Committee benefit from a group insurance plan of the defined contribution type with an insurance company. The group insurance provides for (i) payment of a lump sum benefit to the insured person on reaching retirement age, (ii) payment of a lump sum death benefit, in the event that the insured person dies before retirement age, to the beneficiaries of the insured person (plus an additional sum in the case of death due to accident), (iii) payment of invalidity benefit in the case of accident or illness (other than work related), and (iv) exemption from insurance premiums in the case of accident or illness. The group insurance takes the form of a life policy and "temporary death one year" cover, recalculated annually and guaranteeing a death benefit equal to, at the choice of the beneficiary, 0 - 0.5 - 1 - 1.8 - 2.7 - 3.6 or 4.5 times the reference remuneration (i.e. the total sum of the fixed remuneration allocated regularly plus an end-of-year bonus). The overall annual budget is firstly assigned to the "Death" component and the outstanding amount to the "Retirement" component. Liquidation at term may take place, at the discretion of the beneficiary, in the form of a lump sum or annuity. In addition, the members of the Executive Committee have access to an "Individual pension commitment" insurance plan intended exclusively to pay a life insurance benefit or death benefit.

Other benefits

The annual costs of medical cover come to €3,359 for the CEO and €7,935 for the other members of the Executive Committee. Cofinimmo provides them with a company vehicle whose annual cost for the company does not exceed €15,000 (excluding fuel). The company reimburses them for all professional expenses they incur in the context of their function. Members of the Executive Committee also have a mobile phone at their disposal.

The remuneration allocated in this way to the members of the Executive Committee covers all the benefits received within the Cofinimmo Group.

Stock options scheme

Stock options	Exercise deadline	Exercise price	Fair value (on date granted)
2006 scheme	13.06.2021	€129.27	€26.92
2007 scheme	12.06.2022	€143.66	€35.79
2008 scheme	12.06.2023	€122.92	€52.47
2009 scheme	11.06.2019	€86.06	€51.62
2010 scheme	13.06.2020	€93.45	€44.50
2011 scheme	13.06.2021	€97.45	€45.29
2012 scheme	13.06.2022	€84.85	€41.07

REMUNERATION OF THE EXECUTIVE DIRECTORS (in €)

CEO (Serge Fautré until 22.03.2012)[1]	
Fixed remuneration	132,325
Variable remuneration paid for the financial year	61,127
Savings and provident schemes	10,333
Pension promises	
Other advantages[2]	7,455
TOTAL REMUNERATION (in €)	211,240
Stock options granted during the financial year (in number)	
CEO (Jean-Edouard Carbonnelle from 30.03.2012)[1]	
Fixed remuneration	261,978
Variable remuneration paid for the financial year	
Savings and provident schemes	62,000[3]
Pension promises	227,885
Other advantages[2]	23,072
TOTAL REMUNERATION (in €)	574,935
Stock options granted during the financial year (in number)	1,600
Other members of the Executive Committee[1]	
Fixed remuneration	554,395
Variable remuneration paid for the financial year	328,029
Long-term remuneration: stock options granted during the financial year (in number)	
Savings and provident schemes	144,667
Pension promises	82,000
Other advantages[2]	82,175
TOTAL REMUNERATION (in €)	1,191,266

[1] With independent status, total cost to the company.
[2] Medical cover, company car, cell phone, other insurances, own expenses.
[3] For the CFO + CEO period.

CONTRACTUAL TERMS OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

With a view to entrusting responsibility for day-to-day management to Directors who are members of the Executive Committee, the company has concluded a service contract with them. This agreement is concluded for an unspecified period. The Directors have self-employed status and accomplish their duties in the absence of any form of subordination and with full autonomy and independence.

However, they are guided in the performance of their duties by the guidelines and strategic decisions adopted by the Board of Directors and by compliance with the rules governing the responsibilities and operation of the Executive Committee.

As regards the contract concluded with Mr. Jean Edouard Carbonnelle and Mrs. Françoise Roels respectively, this contract may be terminated subject to 24-months advance notice where the company initiates the termination or advance notice of three months in the event that a Director member of the Executive Committee initiates the termination, or else by payment of an equivalent indemnity compensating for the corresponding period of notice calculated on the basis of the emoluments prevailing at the time of termination. In the event that the company is the subject of a takeover and where, within a five-year period dating from this takeover, their contract is terminated or the scope of their responsibilities reduced, Cofinimmo will pay them an indemnity equivalent to 36 months remuneration. Article 9 of the Law of 06.04.2010 indicates that this indemnity should be limited to 12 or, in some cases, 18 months.

However, the Nomination, Remuneration and Corporate Governance Committee notes that these terms were fixed in management agreements signed with the above-mentioned Directors who are members of the Executive Committee in 2007. Shareholders' approval is therefore not required on this point, in accordance with the same Article. The service contracts concluded in June 2011 with Mr. Xavier Denis and in October 2012 with Mr. Marc Hellemans are in line with the provisions of the Law of 06.04.2010, since it stipulates that this contract can be terminated subject to 12-month advance notice where the company initiates the termination or three-month advance notice in the event that Mr. Xavier Denis or Mr. Marc Hellemans initiates the termination, or else by payment of an equivalent indemnity compensating for the corresponding period of notice calculated on the basis of the emoluments prevailing at the time of termination.

Should the Director members of the Executive Committee be unable to carry out their duties for reasons of incapacity (illness or accident), Cofinimmo will continue to pay them the fixed portion of their emoluments for a period of two months dating from the first day of incapacity. Thereafter, they receive an incapacity allowance (paid by an insurance company) equal to 70% of their total remuneration.

Stock options scheme

Stock options granted and accepted (number)	2012 scheme	2011 scheme	2010 scheme	2009 scheme	2008 scheme	2007 scheme	2006 scheme
Serge Fautré[1]	-/-[5]	1,250	200	1,800	1,800	1,800	1,800
Jean-Edouard Carbonnelle	1,600	1,600	1350	1,350	1,350	1,350	1,350
Xavier Denis[2]	0	0	-/-	-/-	-/-	-/-	-/-
Jean Franken[3]	-/-	1,600	0	0	0	1,350	1,350
Françoise Roels	0	1,600	1,350	1,000	1,000	1,000	1,000
Marc Hellemans[4]	-/-	-/-	-/-	-/-	-/-	-/-	-/-
Exercised stock options (number)							
Serge Fautré[1]	0	0	0	0	0	0	0
Jean-Edouard Carbonnelle	0	0	0	0	0	0	0
Xavier Denis[2]	0	0	-/-	-/-	-/-	-/-	-/-
Jean Franken[3]	-/-	0	0	0	0	0	0
Françoise Roels	0	0	0	0	0	0	0
Marc Hellemans[4]	0	-/-	-/-	-/-	-/-	-/-	-/-

[1] Mr. Serge Fautré ceased to be a member of the Executive Committee in March 2012.
[2] Mr. Xavier Denis has been a member of the Executive Committee since July 2011.
[3] Mr. Jean Franken ceased to be a member of the Executive Committee in July 2011.
[4] Mr. Marc Hellemans has been a member of the Executive Committee since June 2012.
[5] The concerned person being not any more, or not yet, member of the Executive Committee on the day of granting and/or exercising of the stock options.

OTHER PARTIES INVOLVED

CERTIFICATION OF THE ACCOUNTS

An auditor appointed by the General Shareholders' Meeting must:

- certify the annual accounts and review the half-yearly accounts, as for any limited liability company;
- being a Sicafi/Bevak – a listed mutual fund – prepare special reports at the request of the Financial Services and Markets Authority (FSMA).

The auditor is SC s.f.d. SCRL Deloitte, Company auditors, represented by Mr. Frank Verhaegen, auditor certified by the Financial Services and Markets Authority (FSMA), with registered office located in 1831 Diegem, Berkenlaan 8B.

The fixed remuneration of the auditor for reviewing and certifying Cofinimmo's company and consolidated accounts amounted to €114,400 (excluding VAT). Its fees for certifying the company accounts of Cofinimmo's subsidiaries came to €100,461 (excluding VAT). The fees of the Deloitte Group for its fiscal research and support assignments amounted to €92,000 (excluding VAT) during the financial year and mainly concern verifying the economic and financial data relative to acquisitions within the meaning of Article 133 § 7 of the Company Code.

Furthermore, the remuneration of the auditor for certifying the accounts of the French subsidiaries of the Group stands at €48,000 (excluding VAT).

DEPOSITORY BANK

The function of depository bank is no longer required by Sicafi/Bevak regulations since the Royal Decree of 07.12.2012 relating to Sicafis/Bevaks.

REAL ESTATE EXPERTISE

Subject to the FSMA approval, the real estate experts designated by Cofinimmo to certify the overall value of the Cofinimmo property portfolio are:

- DTZ Winssinger & Associés;
- PricewaterhouseCoopers Entreprise Advisory;
- Jones Lang LaSalle Expertises.

DTZ Winssinger & Associates is represented by Mr. Philippe Carmaran. DTZ Winssinger & Associates (company number BE 0422 118 165), with registered office located Chaussée de La Hulpe, 166 in 1170 Brussels, was founded on 20.11.1981 for an unspecified term and is subject to Belgian legislation. It is specialised in the evaluation of real estate in Belgium and is part of the DTZ Group, subsidiaries of which are real-estate experts in France and the Netherlands.

Subject to the FSMA approval, the French subsidiary involved is DTZ Eurexi SA (whose registered office is located at 8 Rue de l'Hôtel de Ville in Neuilly-sur-Seine, 92200, France). It is registered on the Trade & Companies Register of Nanterre under number 332 11574 and is represented by Mr. Philippe Dorion and Mr. Jérôme Salomon. Subject to the FSMA approval, the Dutch subsidiary involved is DTZ Zadelhoff (whose registered office is located at Apollolaan 150 in Amsterdam, 1077 BG, Netherlands). It is registered under number NL 006 645 628 B01 and is represented by Mr. Jean-Philippe Carmaran.

PricewaterhouseCoopers Enterprise Advisory SCRL, represented by Mrs. Ann Smolders, Partner, and Mr. Jean- Paul Ducarme (consultant), Chairman of the Royal Institute of Chartered Surveyors BeLux (RICS) (business number BE 0415 622 333), with registered office located Woluwedal 18, 1932 Sint-Stevens-Woluwe, was established on 17.12.1975 for an indefinite period and is subject to Belgian law. It is specialized in business consultancy services and in particular provides property valuation services. PricewaterhouseCoopers is a member of the PricewaterhouseCoopers International Limited network. Each firm belonging to this network is an independent and separate legal entity.

Subject to the FSMA approval, Jones Lang LaSalle Expertises SAS is represented by Mrs. Maïté Meunier and Mrs. Aurélie Valencia. Its registered office is located at 40-42 Rue La Boétie in Paris, 75008, France and it is registered on the Trade & Companies Register of Paris under number 444 628 150. Jones Lang LaSalle has existed in France since 1971 and specialises in corporate consultancy services, particularly including the valuation of real estate.

The Royal Decree of 07.12.2010 imposes the rotation of experts, so that they are only responsible for valuing a property for a maximum period of three years. In accordance with Article 6§2 of the same Royal Decree, when the expert is a legal entity, the rotation rules apply exclusively to physical persons representing them, so that on the date their term of office expires (i.e. 31.12.2013), the experts will appoint new physical persons to represent them providing they can demonstrate that appropriate functional independence exists between them.

In accordance with Article 29 of the Royal Decree of 07.12.2010, the experts carry out a valuation of all the properties in the portfolio of the Sicafi/Bevak and its subsidiaries at the end of each financial year. The valuation forms the basis for the carrying value of the property assets in the balance sheet. Furthermore, at the end of each of the first three quarters of the year, the experts update the overall valuation made at the end of the previous financial year, by reference to market developments and the nature of the properties concerned. Finally, in accordance with the provisions of Article 31 of the same Royal Decree, any property which is to be acquired or disposed of by the Sicafi/Bevak (or a company which it controls) is valued by the experts before the transaction. This transaction must be carried out at the value determined by the experts where the other party is a financial sponsor of the Sicafi/Bevak (Cofinimmo has no such financial sponsor), any company with which the Sicafi/Bevak is linked by participating interests or where any of the abovementioned parties gains any advantage from the transaction.

The valuation of a property consists of determining its value on a specific date, i.e. the price at which the property is likely to be exchanged between acquirers and sellers who are duly informed and wish to carry out such a transaction, without any account being taken of any special advantage between them. This value is known as the "investment value" when it corresponds to the total price payable by the acquirer, including, where appropriate, the registration duties or VAT, if the acquisition is subject to VAT.

The fair value, within the meaning of the IAS/IFRS accounting principles, can be obtained by deducting from the investment value an appropriate portion of the registration duties and/or VAT.

Transactions other than sales may lead to the mobilization of the portfolio, or a portion thereof, as shown by the operations carried out by Cofinimmo since it acquired the status of Sicafi/Bevak.

The experts' valuation depends in particular on the:

- location;
- age and type of building;
- state of repair and level of comfort;
- architectural aspect;
- gross/net surface areas;
- number of parking spaces;
- rental conditions;
- and, for healthcare real estate, the ratio rents or operating cash flow before rents.

The remuneration of the real estate experts, calculated quarterly on the basis of a fixed lump sum plus a fixed fee, amounted to €971,000 (excluding VAT) in 2012.

Corporate social responsibility

→ As a major player in the real estate professions, Cofinimmo intends to behave as a responsible and civil-minded company in relation to its physical environment and the communities within which it operates, striving to go beyond mere minimum or legal obligations.

Because improving the living environment of its clients and employees, reducing the ecological footprint and helping communities can only be done through a determined gathering of strengths, skills and ideas, all Cofinimmo's employees undertake to concentrate their efforts in this direction.
The Board of Directors and the Executive Committee support them in the deployment of realistic and effective projects.

To ensure the implementation of its sustainable development policy, in 2010, the Executive Committee created the "Green Committee[1]", whose objective is to continuously identify and assess all the factors that might improve its sustainable development strategy.
Its members are developing their environmental expertise and seek to:

- propose specific, economically reasonable measures to improve the company's environmental performances, its portfolio and, by extension, the spaces occupied by its tenants;
- develop initiatives to better incorporate Sustainable Development into the Group's strategy;
- ensure that the Group complies with legal and international environmental requirements;
- communicate the Group's accomplishments to all stakeholders.

An Environmental Manager position was also created in 2012. This manager's task is to work on the ground to monitor the implementation of the Group's environmental strategy in all business segments in collaboration with the operational teams.

together in sustainability.

[1] This Committee is composed of 10 people representing, on the one hand, the departments directly or indirectly involved in property management of the Group's portfolio, all business segments combined (Property Management, Project Management, Quality Management) and, on the other hand, the legal, communication and human resources departments.

AN ENVIRONMENTAL MANAGER POSITION WAS ALSO CREATED IN 2012. THIS MANAGER'S TASK IS TO WORK ON THE GROUND TO MONITOR THE IMPLEMENTATION OF THE GROUP'S ENVIRONMENTAL STRATEGY IN ALL BUSINESS SEGMENTS IN COLLABORATION WITH THE OPERATIONAL TEAMS."

SCOREBOARD

This table details Cofinimmo's accomplishments in relation to the previous year's objectives, the new objectives for 2013, and beyond.

Aims	Accomplishments	Scope	Completion date	Progress
ENVIRONMENT				
Asset management				
Achievement of a better energy performance than that required by Law for new buildings. See page 99.	The property built for the Federal Police in Dendermonde was delivered in 2012. This is a passive building with an E-level performance of 12 and a thermal insulation K-level of 19. The permit application for the Science 15-17 office building renovation project has been submitted. This project won the 2012 "Exemplary Building" competition in the Brussels Capital Region and is considered a passive building. Construction will begin as soon as the building permit has been issued.	Global portfolio	2015	Ongoing
Implementation of global energy accounting	Tendering for the implementation of software that proactively monitors consumption is ongoing. The implementation of the software will be finalised in 2013.	Offices	2013	
Measurement and monitoring of existing office energy performance s through the progressive installation of remote-read meters	The number of energy meters that can be read remotely is gradually increasing, enabling real-time monitoring of consumption.	Offices	2015	
Energy consumption reporting	A data collection campaign was carried out to obtain tenants' private consumption data. The data gathered represent over 90% of the office portfolio's total energy consumption.	Offices Healthcare real estate	2012	
Nearly Zero Emission Building	Properties built in the Brussels Capital Region will have to be passive as from 2015. This obligation applies to all types of construction: offices, residential, schools, etc. Additionally, government buildings throughout Belgium will have to be "nearly zero emissions" by 2018. The same obligation will apply to all new buildings effective from 2020.	Global portfolio	2015-2020	
Receipt of ISO 14001:2004 Environmental Management System certification for the global portfolio of managed offices and for Project Management	The ISO 14001:2004 certification was obtained for the management of office buildings and the Project Management activity, all segments combined. The details of Cofinimmo's commitment at the environmental level can be found in its environmental policy, which is available on its website.	Offices	2012	
Creation of an Environmental Manager position	The Environmental Manager's task is to work on the ground to monitor implementation of the Group's environmental strategy in all business segments in collaboration with the operational teams.	Global portfolio	2012	
BREEAM certification	In 2012, five buildings obtained the BREEAM In-Use certification: Omega Court, Square de Meeûs 23, Bourget 42 and 44, and Souverain 36.	Offices	2012	
Use of sustainable materials in renovations or new constructions	Materials selected based on their NIBE sustainability rating (Nederlands Instituut voor Bouwbiologie en Ecologie). No hazardous materials used. Carpeting that is 100% recycled is installed in all surface renovations except if the new tenant explicitly rejects this proposal. In 2012, this represented a surface area of approximately 8,500m².	Offices	Ongoing	

ENVIRONMENT

Aims	Accomplishments	Scope	Completion date	Progress
Audit regarding the accessibility of the buildings for disabled people	Ongoing	Offices	2013	Ongoing
Obtaining a label regarding disabled people's accessibility			2014	
Headquarters management				
Reduction in CO_2 emissions of leased vehicles	The ongoing implementation of the car policy introduced in 2010 has resulted in a 7.2% reduction in the average CO_2 emissions (manufacturer data) of leased vehicles. 41% of the fleet meets the 2015 target set by the European Commission of 130g CO_2/km.	Headquarters	2015	Ongoing
Introduction of a carpooling platform	Since September, the Djengo company's carpooling platform has been available to all Cofinimmo employees with the aim of reducing the carbon footprint from transportation. This platform will ultimately make it possible to carpool with other companies located near Cofinimmo's headquarters.	Headquarters	2012	
Rental of a shared fully electric vehicle	Cofinimmo has rented an electric vehicle from the ZENCAR company. This vehicle is available to all staff and is a mobility solution for employees who take public transportation or carpool.	Headquarters	2012	Ongoing
Update of the company's carbon report	A new carbon report will be prepared in order to take into account changes at the company and measure the impact of the actions taken since the last report in 2010. Given that there has been little change in the company's organisational structure, as the sources of CO_2 emissions were clearly identified in 2010, this update of the carbon report has been postponed until 2015.	Headquarters	2015	
Gradual elimination of individual printers in favour of centralised, higher-performance printers	Individual printers continued to be eliminated in 2012.	Headquarters	2012	
Implementation of an electronic invoice dissemination and approval system (suppliers)	The 20,000 invoices processed are now scanned upon receipt and distributed electronically for approval. This system has improved the quality of the approval tracking and also reduced the amount of paper used for photocopying.	Headquarters	2012	
Accessibility of the headquarters for disabled people	Creation of toilets for disabled people.	Headquarters	2013	Ongoing
Raising the awareness of tenants and partners				
Inclusion of a specific clause concerning the adoption of sustainable practices by subcontractors in contracts and tender invitations as a selection criterion	The environmental policy has been sent to the main suppliers. Cofinimmo encourages these suppliers to adopt environmentally friendly behaviours.	Offices	2012	

ENVIRONMENT

Aims	Accomplishments	Scope	Completion date	Progress
Integration of green and energy practices in new leases, including extensions and renewals, in order to obtain a more formal commitment from the tenant	A Green Charter has been drawn up and is gradually being presented to tenants. In 2012, 13 office building tenants signed a Green Charter, which represents more than 10% of the let surface area, i.e. approximately 80,000m². The implementation of Green Charters has encouraged data exchanges between the parties but also opened up the possibility of win-win actions to reduce energy consumption, such as projects to modify the lighting systems.The target for 2013 is to have an additional 5% of tenants participate.	Offices	2012	
Creation of a formal user guide including ecological advice for all new tenants	A standard Building User Guide was drawn up in 2011. It includes information on the optimum use of the infrastructure and equipment available to occupants. It also includes advice on the rational use of energy and water and on waste collection. It is distributed to tenants once it has been adapted to each building's specific characteristics.	Offices	2012	Ongoing
Support for mobility projects with a positive environmental impact	Cofinimmo continues to support projects with a positive impact on mobility by implementing shared parking solutions. Five buildings will be equipped.	Offices	2013	
Use of green energy	Use of green energy for all common areas of the office buildings managed by Cofinimmo.	Offices	2011	Ongoing
Communication				
Sustainable Development Report	The 2011 Sustainable Development Report received a Sustainability Gold Award from EPRA. In 2012, Cofinimmo continued to follow EPRA's Best Practices in its Sustainable Development communications. These Best Practices include a number of performance indicators common to the GRI.		2012	

HUMAN RESOURCES

Aims	Accomplishments	Scope	Completion date	Progress
Optimisation of recruitment processes and channels	Cofinimmo chooses the channels most appropriate to every type of recruitment and uses their complementarities (consultants, specialist sites, Actiris, company site, temporary, etc.) to the fullest. It seeks to create a long-term working relationship with its various recruitment partners in order to guarantee that the profiles proposed perfectly match the company's culture and values.	Cofinimmo	Ongoing	
Continual strengthening of team spirit	Inter-team projects enable teams to benefit from different talents and skills. Team coaching sessions and social or sports-type activities promote teamwork in the company.	Cofinimmo	Ongoing	

Expansion of reliable, consistent and instructive internal communication	Several tools are used (newsletter, intranet, email, lunch meetings, briefing breakfasts, targeted distribution of minutes, etc.) to disseminate as clear, transparent and understandable a message as possible. On Connect Us (intranet), there is a tab dedicated to each department, to each large project. During the course of 2012, the tool was made even more user-friendly. Special emphasis is given to the proactive nature of the communications, while taking into account confidentiality obligations.	Cofinimmo	Ongoing	
Continual development of managerial skills	Every year, managers devote two to three days, at a residential seminar, to developing their managerial and coaching skills. Every time, they deepen their understanding of all issues relating to the harmonious development of interpersonal relationships and management styles adapted to different profiles and situations.	Executive Committee & Line Management	Ongoing	
Sustainable development training and awareness-raising for staff	Several people have undergone training on aspects of sustainable development: energy manager, BREEAM international, energy performance of buildings certifications, etc.	Property Managers, Project Managers, Legal department	Ongoing	

COMMUNITIES

Aims	Accomplishments	Scope	Completion date	Progress
Roll-out of the company's community action strategy	"Opération thermos" participation in the mobility week.	Cofinimmo	2012	
Cofinimmo's representation in associations dealing with sustainable development issues	Cofinimmo is a member of Business & Society, UPSI, RICS, ULI, EPRA.	Cofinimmo	Ongoing	

Le Bourget 40

Environment

→ The company's environmental role is twofold: behave as a socially responsible company and protect the natural resources affected by its activity as manager of an important and diversified property portfolio.

Cofinimmo would like to reduce its ecological footprint and has an ongoing concern for sustainable development in all its dimensions.

ENVIRONMENTAL POLICY

Cofinimmo's environmental policy is focused on three pillars:

1. ASSET MANAGEMENT, OR PROPERTY MANAGEMENT
2. MANAGEMENT OF MAJOR WORK AND RENOVATIONS, OR PROJECT MANAGEMENT
3. HEADQUARTERS MANAGEMENT

1. ASSET MANAGEMENT, OR PROPERTY MANAGEMENT

ISO 14001:2004[1]

In 2012, Cofinimmo extended its ISO 14001:2004 certification. Cofinimmo's Environmental Management System was certified for the management of its office portfolio and for the Project Management (major works and renovations) for all types of buildings. The certification has been translated into environmental targets, which are reachable and measurable by means of specific performance indicators.

COFINIMMO'S THREE MAIN COMMITMENTS WITH RESPECT TO ISO 14001:2004 ARE:

- COMPLIANCE WITH ENVIRONMENTAL REGULATIONS AND OTHER REQUIREMENTS
- CONTINUAL IMPROVEMENT
- PREVENTION OF POLLUTION

TODAY'S MAJOR ENVIRONMENTAL REGULATIONS CONCERN:

a. Environmental and urban permits

Cofinimmo has environmental permits, issued by public authorities, to operate the registered installations it manages in its buildings. These are systematically updated in the event of changes in the law or in the technical installations.
Moreover, for each building, it disposes of urban permits certifying the conformity of the construction or renovation works with the applicable legal provisions. Where the responsibility for obtaining urban and/or environmental permits lies with the tenants, Cofinimmo makes every effort to encourage them to apply for the permits in good time.

b. Building energy performance certificates

For existing office buildings, in accordance with the European EPB Directive transposed to national and regional legislation, Cofinimmo has had approved companies draw up Building Energy Performance certificates, which set out the energy and CO_2 emissions coefficients for each building. These certificates are drawn up as buildings are sold or leased.

[1] ISO 14001:2004 specifies the requirements of an environmental management system enabling an organisation to develop and implement a policy and objectives that take into account legal requirements and other obligations to which the organisation has subscribed.

c. Maintenance and Audit of technical installations

The technical installations (boilers, air conditioning, transformers, lifts, etc.) and safety equipment (hydrants, extinguishers, fire alarm systems, etc.) in each building managed by Cofinimmo are periodically checked by approved independent professional bodies (if required). These controls are a means to verify that the equipment's maintenance and operating conditions are optimal in order to limit energy consumption as much as possible.
In the case of buildings for which the tenant is responsible for technical and property-related matters, Cofinimmo endeavours to advise on the organisation of this verification and checks its standard and outcome.

d. Refrigerant fluids (CFCs)

Seven air conditioning units using CFCs have already been replaced as they destroy the ozone layer. The replacement of such air conditioning units will continue in 2013 to reach the objective set by the European Commission of eliminating fluorinated and organic gases by 2015.

e. Asbestos

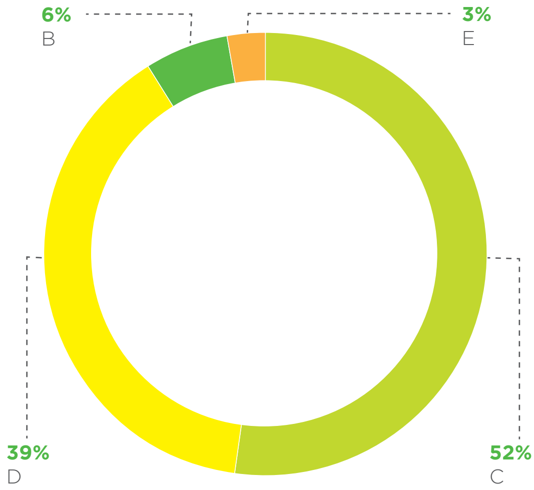
All asbestos applications which present a risk to humans have been removed from the buildings. Residual and non-significant applications are subject of a management plan that is reviewed yearly by accredited experts. Residual asbestos is removed during renovation works in strict compliance with applicable regulations.

32 office buildings located in the Brussels Capital Region, i.e. a surface area of +/-155,000m^2, received a certificate in 2011 or 2012, whose results are distributed as depicted in the graph on the right.

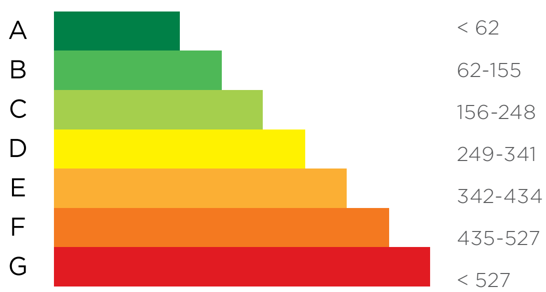
The energy performance of 97% of the certified buildings is above the current average for buildings in Brussels, which lies midway between D and E (source: IBGE).

RESULTS OF THE ENERGY PERFORMANCE CERTIFICATES OF COFINIMMO'S OFFICES SITUATED IN THE BRUSSELS CAPITAL REGION (in %)

Offices in the Brussels Capital Region



KWh PE[1]/m^2/year



The energy performance of the apartments owned by Pubstone is also calculated at the time of their rental.
22 out of 77 apartments have already received an energy performance certificate.

CONTINUAL IMPROVEMENT IS REFLECTED IN ALL THE DIRECT AND INDIRECT MEASURES COFINIMMO CAN TAKE TO REDUCE ITS CARBON FOOTPRINT

a. Green energy

As from 2007, Cofinimmo selected green energy for all of the common areas in buildings managed by the company. Its use allows a saving of some 13,300 tonnes of CO_2 /year, which is the equivalent of the production of seven average wind turbines.

b. BREEAM In-Use environmental certification

For Cofinimmo, the objective of obtaining environmental certification is twofold: on the one hand, to improve the commercial competitiveness of its buildings and, on the other hand, to introduce processes for a continual improvement in the portfolio's environmental performances.

[3] PE = Primary Energy.

BREEAM IN-USE[1]

In order to have its efforts recognised, Cofinimmo is continuing its BREEAM In-Use certification policy, prioritizing buildings currently up for sale or lease. In 2012, five buildings received the BREEAM In-Use certification. These are the buildings Bourget 42 and 44, Square de Meeûs 23, Omega Court and Souverain 36.

In total, eight buildings are certified, i.e. 101,779m² of offices. BREEAM In-Use is a BREEAM sub-programme which certifies the sustainability of existing buildings. The areas analysed are not limited to energy performance. They cover the following aspects as well: energy, water, materials, transport, waste, pollution, health and well-being, management, land and ecology. Following the certification process, a rating is given to the building and its property management (Acceptable, Pass, Good, Very Good, Excellent and Outstanding).

With respect to the prevention of pollution, Cofinimmo conducts, where applicable and as part of its acquisition *due diligence*, a survey to ascertain the quality of the soil, the subsoil and groundwater, especially for properties in which activities involving risk are or have been taking place (fuel oil tanks, printing works, transformers, etc.). Furthermore, it complies with the various obligations relating to the ground certificate introduced at the regional and national levels. Cofinimmo also carefully examines any non-conforming aspects and environmental risks in order to bring them up to standard. Their management is planned once the buildings are incorporated into the portfolio.

RAISING THE AWARENESS OF TENANTS AND PARTNERS

Green Charter

Since 01.01.2012, Cofinimmo has asked its tenants to sign a Green Charter. This is a collaboration agreement signed by Cofinimmo, Cofinimmo Services and the tenant with the aim of actively promoting sustainable development and encouraging all parties to reduce the environmental impact of a rented property.

Since the charter was introduced, 13 tenants have signed it. Together they represent 10% of the occupied office space.

Tenants

Cofinimmo plays the role of true environmental adviser towards its many clients.
This refers in particular to proactive advice which is easily put into practice on the reduction of their water and energy consumption, the sorting and reduction of waste, optimization of lighting and air quality, cleaning, the use of ecological materials and products, minimization of transport, acoustic management, etc.

Furthermore, in the marketing documentation for its properties, the company provides with the greatest transparency all information about to the property proposed. It also integrates details of available access to transport. As far as new constructions are concerned, the energy levels (E) are announced; the same applies for the buildings with an environmental certification.

Subcontractors

Cofinimmo invites any partner involved in the development of its portfolio (developers, architects, engineers, consultants, etc.) to pay particular attention to improving the environmental aspect from the design stage of the project. It expects its subcontractors to adopt responsible, sustainable practices and to use environmentally-compatible materials, which constitutes a major focus of attention during tendering procedures.

IN 2012, FIVE BUILDINGS WERE CERTIFIED BREEAM IN-USE

Furthermore, during its construction or renovation projects, it encourages all parties involved to participate in a programme for the recovery and recycling of materials removed during the works.

Cofinimmo has signed a framework agreement with its carpet suppliers regarding the installation of carpets made of 100% recycled materials for its office refurbishing projects.

In addition, building maintenance has been improved to take environmental factors into account: use of biodegradable cleaning products, progressive use of economic lamps, optimisation of HVAC installations, etc.

BREEAM IN-USE

Building	Asset	Building Management
Souverain 36	Good	Good
Bourget 42	Good	Good
Bourget 44	Good	Good
de Meeûs Square 23	Good	Good
Cockx 8-10 (Omega Court)	Good	Good
Avenue Building/ London Tower	Good	Good
Noordkustlaan 16 A-B-C (West-End)	Pass	Good
Woluwe 58	Pass	Good

GRESB

breeam

[1] BREEAM (which stands for ‘BRE Environmental Assessment Method,’ developed by the British Building Research Establishment) is the reference standard in terms of sustainable construction, that is, with the highest respect for the environment (www.breeam.org).

2. INVESTMENT PROGRAM, MANAGEMENT OF MAJOR WORK, RENOVATIONS AND CONVERSIONS

Cofinimmo has developed a rational renovation policy for its existing buildings with a view to bringing about a significant reduction in their energy consumption and their CO_2 emissions. The Group scrupulously respects the Belgian and European environmental requirements, seeking to surpass them. Special attention is given to potential energy savings in buildings' air-conditioning (heating, cooling and ventilation) and lighting and in their insulation (facades, roofs and basements). In addition, energy audits are performed as early as the design stage of the project.

During construction or renovation work, the Group examines every possibility to use sustainable materials, also seeking optimal management of environmental risks and, indirectly, those incurred by its tenants.

Furthermore, during the design and budget process, each person responsible, at each level (developers, architects, engineers, consultants, etc.), is asked to pay particular attention to this aspect.

ENERGY PERFORMANCE OF BUILDINGS (E)

In the context of both new constructions and major renovation projects, Cofinimmo must comply with the legal requirements about the energy performance of buildings. For all Cofinimmo's development projects carried out, supervised or started since the entry into force of the legislation, these requirements are respected or surpassed so as to anticipate the future trend in this field.

Where the projects are carried out under the responsibility of a developer or the tenant, Cofinimmo provides advice and raises awareness.

As regards the healthcare sector in which Cofinimmo is very active, only the service flats are subject to the E-level requirement, i.e. that applicable for residential property.

COMPARISON BETWEEN THE MAXIMUM ENERGY PERFORMANCE (E) IMPOSED BY LAW ON THE SUBMISSION OF THE PERMIT REQUEST AND THAT OF THE MAIN PROJECTS CARRIED OUT OR IN PREPARATION

Projects carried out recently	Calculated E	Authorised maximum E[1]
Projects carried out in 2012		
Public-Private Partnership		
Dendermonde police station	12	100
Service flats		
Weverbos	57 to 67[2]	Not applicable
In-progress or future projects		
Offices		
Science 15-17	45	90
Tervuren 270-272	90	Not applicable[3]
Residential		
Livingstone I	60	90

CONVERSION OPPORTUNITIES

The company also seizes conversion opportunities if they offer potential for enhancing the value of the property. These conversions allow not only optimisation of their use, and therefore their environmental integration, but also the incorporation of sustainable, ecological systems into them. Moreover, through these conversions, Cofinimmo is able to best meet the demographic demands prevailing on the residential market, as well as the desire from the public authorities to have more mixed neighbourhoods.

Several conversion projects of offices into residential or into mixed office/residential/retail are currently in progress:

- Livingstone I and II: these office buildings are being converted into mixed residential and office buildings;
- Science 15-17: this office building will be converted into a mixed residential, retail and office buildings;
- Woluwe 34: this office building is being converted into a residential building.

[1] According to European Directive 2002/91/EC transposed in the three Belgian Regions.
[2] Depending on their location in the building.
[3] This renovation is not considered a large-scale renovation subject to European Directive 2002/91/EC. Cofinimmo is nevertheless making a significant effort to optimise the building energy performance.


Livingstone project


Science, 15-17 project

3. HEADQUARTERS' MANAGEMENT

MOBILITY WITHIN THE COMPANY

As travel represents approximately 70% of its carbon footprint, Cofinimmo continued its mobility policy initiatives in 2012. The average CO_2 emissions (manufacturer data in g CO_2/km) of vehicles under leasing contract fell by 7.3% compared with 2011. As a result, 41% of the vehicle fleet is below 130g CO_2/km, which represents the European Commission's objective for 2015.

In addition, at the end of September, Cofinimmo subscribed to the Djengo company's carpooling platform. More than 50% of our employees registered to the platform.

Lastly, to supplement the mobility solution, a shared electric car has been made available to its staff.

WASTE MANAGEMENT

Cofinimmo encourages its staff to carry out selective sorting by making separate containers available and proposing appropriate waste collection solutions. These measures allow the optimum cardboard-paper/other waste ratio, which is established at 75%/25%[1], to be approached. At present, this ratio stands at 63%/37% within Cofinimmo.

PAPER MANAGEMENT: TECHNOLOGY AND RECYCLING

Cofinimmo attaches particular importance to optimum management and archiving of its various working documents.

Documents are for the most part disseminated electronically. An electronic document management software program is used to digitise, organise and index the various information and documents within the organisation and thus substantially reduce their 'printed paper' volume. To date, the program database contains 110,714 documents, that is to say 947,931 pages.

In addition, in 2012, this system was expanded to include the dissemination of invoices received.

Consequently, 20,000 invoices were processed electronically, that is, scanned upon receipt and distributed electronically for approval. This system has improved the quality of the approval tracking and also reduced the amount of paper used for photocopying.

Moreover, each year, Cofinimmo reduces the number of printed copies of its Annual Financial Report. Against 4,000 copies in 2010, this year's edition will be brought down to 2,600 copies as the document is also available on the website www.cofinimmo.com.

In 2012, Cofinimmo used 673,000 sheets of paper (A4 and A3 format). This represents a 32% decrease compared to the previous year and has been the lowest consumption in the last five years. The investments in hardwares and softwares as well as raising the employees' awareness have been effective.

[1] Source: IBGE.

Human resources

COFINIMMO, IN A MIDDLE-TERM VISION, IS CONCERNED WITH THE DEVELOPMENT AND WELL-BEING OF ITS STAFF. AT EVERY MOMENT OF THEIR PROFESSIONAL EVOLUTION, THE COMPANY IS ATTENTIVE THAT EVERY EMPLOYEE BENEFITS FROM A TECHNICAL KNOWLEDGE UPDATE AS WELL AS OPPORTUNITIES FOR PERSONAL DEVELOPMENT.
ON A LONGER TERM, CONSCIOUS OF ITS RESPONSIBILITY, THE COMPANY IS DEVOTED TO INSURE A MANAGEMENT AT RETIREMENT THAT IS CHALLENGING YET FREE OF FUTURE WORRIES.

MOREOVER, COFINIMMO FOCUSES ON PROMOTING DIVERSITY AND EQUAL OPPORTUNITIES AMONG ITS STAFF. THE STAFF MEMBERS ARE INVITED TO GET INVOLVED ON A SOCIETAL AND ENVIRONMENTAL LEVEL BOTH INDIVIDUALLY AND WITH SOLIDARITY.

Chantal Cabuy - Head of Human Resources & Internal Communication

Manpower

On 31.12.2012, Cofinimmo employed 109[1] employees (average age 39 years), of whom 54% are university graduates and 25% are post-graduated. About 57% of the staff work in client and portfolio management, with the remaining personnel employed in support activities.

The staff total breaks down into 65% female and 35% male employees. In 2012, 11 staff members were taken on with six departures. Absenteeism, down slightly, stands at less than 2% of the total number of days worked.

Diversity

In 2010, Cofinimmo was one of the first four companies to receive the "Diversity Label" granted by the Brussels Capital Region. The company has been consolidating its approach in this direction ever since.

In 2012, the Consolidation Plan was approved by Actiris's Management Committee.

Cofinimmo's initial plan was adopted on 23.02.2010. The extension of the plan maintains Cofinimmo's commitment in this area, which is reflected at a number of different levels:

- that of recruitment, by strengthening the interactions with young people in particular;
- that of human resources management, by offering coaching and training in stress management (generative individual coachings and team coachings);
- that of the external positioning of the company, by continuing actions on networking and testimonies on the issue of diversity.

Remuneration

The remuneration packages offered by Cofinimmo are determined by reference to market remuneration for similar posts and the salary is based on identical criteria for each employee, while taking into account an objective job classification. It includes a retirement benefit plan, a profit-sharing scheme and, since 2009, a non-recurrent bonus linked to the results of the company. The profit-sharing scheme amounted to €439,456 in 2012. The members of the Group's Executive Committee and Management benefit from a stock option plan designed to cement company loyalty by allying their interests with the results of the Group. In 2012, a total of 4,095 stock options were granted, representing a fair value of €363,900 (see Note 47 on page 178).

Nurturing talent

In 2012, a period of confirmed economic and financial uncertainty, Cofinimmo continued its efforts to nurture talent, aware, more than ever, that its human capital constitutes a major strength which is likely to differentiate it from other firms in the same sector. Having obtained the "Investor in People" label, Cofinimmo has, for five years, been underlining the essential deployment of knowledge. The HR department, in cooperation with the line managers and staff, draws up a personal development plan covering languages, information and communication technologies, technical subjects and soft skills (communication, speaking in public, conflict management, etc.).

Special attention is devoted to the manager coaching aspect, with managers receiving training in this field each year. The skills they acquire enable them to meet the needs and expectations of their fellow staff members.

In tandem with the more traditional training courses, the company offers its staff the opportunity to pursue longer-term training at post-graduate level, both in Belgium and, more exceptionally, abroad.

In 2012, almost 80% of staff took one or more training courses, representing a total of 4,655 hours and a budget corresponding to close to 2.1% of gross payroll, breaking down evenly among all employees (men/women/young/old, etc.). Out of a total of 357 days of training courses taken by employees, 40 were dedicated to the different themes of corporate responsibility, diversity management, the environment, buildings' energy performance and sustainable development.

[1] Including two employees in the Netherlands.

Well-being and satisfaction

In 2012, Cofinimmo's Investors in People label was renewed for the third time. It is now the first Belgian company to have achieved the Silver status. IIP has four levels of assessment, Basic, Bronze, Silver and Gold, each defined by an ever higher level of employee satisfaction and development.

Since obtaining the previous label (2009), Cofinimmo has continued to improve and develop in a variety of areas essential to the motivation and commitment of each of its employees: transparent and proactive communication; assessment, feedback and reward processes; individual and team coaching; training culture; work/life balance; accountability; etc.

Cofinimmo's objective is to achieve Gold status by 2018.

Performance assessment

Wishing to meet its staff's expectations, Cofinimmo asks its managers to hold (at least) two formal assessment interviews per year.

The annual interview, taking place at year-end, reviews (after the self-assessment of the staff member) various generic and specific skills and the level of adhesion to the company values. It is also at this time that the manager, in agreement with the staff member, determines the objectives for the coming year and the means to achieve them (training, equipment, support, coaching, etc.). These objectives are in line with the corporate objectives set by the Board of Directors.

Internal communication by Management

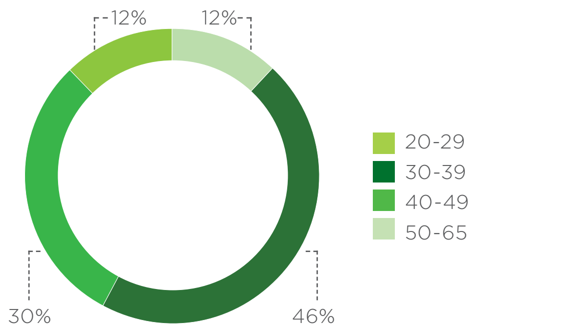
Regularly and openly, the Management undertakes proactive, dynamic communication with all its teams. In this it presents:

- the Group strategy and its reorientations and the chain reaction which the strategic choices have at the level of the individual objectives;
- the annual and half-yearly results, as well as the forecasts for the coming years;
- the significant acquisitions and sales.

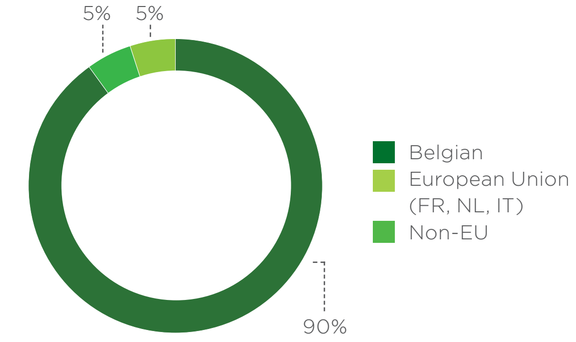
To achieve this, although it gives preference to dialogue and meetings, it also takes advantage of tools such as the internal communications magazine, intranet and internal television circuit. Each team or each business sector can post documents on the intranet, allowing everyone to have at their disposal, in real time, all the information essential to understanding the company and its activities.

Cofinimmo in this way encourages the sharing of information between its various entities. This interdepartmental interactivity reflects its desire to cultivate a true team spirit, one of its three corporate values.

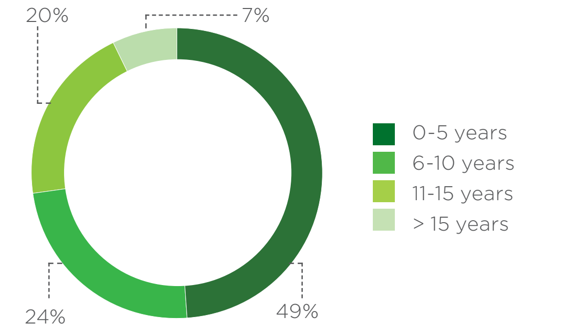
Staff members by age group (in %)



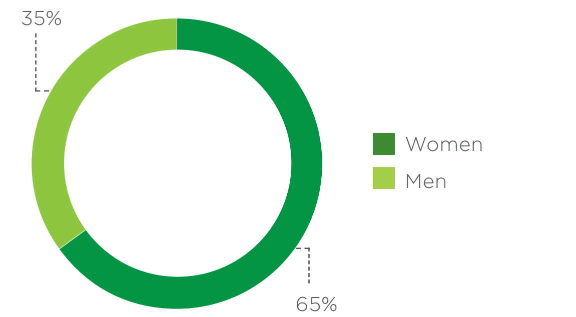
Nationalities of employees (in %)



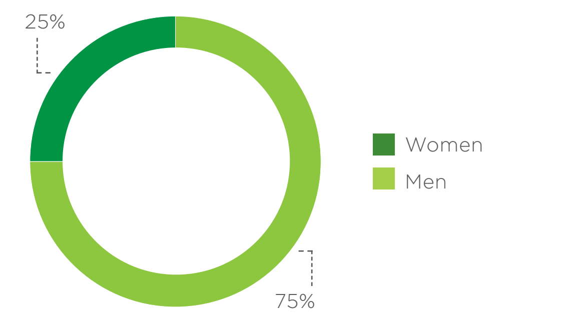
Seniority (in %)



Men/women (entire staff) (in %)



Men/women (Executive Committee) (in %)



Key performance indicators

DATA COMPLIANT WITH THE EPRA REFERENCE DOCUMENTS

SCOPE

The data are calculated on the basis of information in the possession of Cofinimmo as owner and manager of its real estate portfolio and that obtained from the buildings' occupants.

They concern the offices portfolio only, i.e. approximately 786,066m² over a total of 1,865,527m². These environmental indicators are exclusively managed by occupants in the other segments (healthcare real estate and property of distribution networks).

Nevertheless, in these other segments, on the execution of new constructions or major renovation works on existing buildings, Cofinimmo proposes sustainable construction alternatives that are less energy-consuming to the future occupants.

TOTAL DIRECT CONSUMPTION OF ENERGY FROM FUELS (MWh/year)

Based on the GRI EN3 indicator:
Total energy consumed coming from fuels (gas, fuel oil, biogas, etc.).

	Gas consumption					Relative consumption		
	2010 MWh	Δ	2011 MWh	Δ	**2012 MWh**	2010 MWh	2011 kWh/m²	**2012 kWh/m²**
Multi-tenant **cover** (no. of buildings)	51		52		**48**			
Single-tenant **cover** (no. of buildings)	26		31		**28**			
Consumption (MWh/an)								
Multi-tenants leases[1]	37,566	-22.9%	28,953	2.8%	**29,756**	131	99	**106**
Single-tenants leases[2]	35,718	-0.7%	35,468	19.8%	**42,502**	94	75	**97**
Headquarters[1,2]	515	-26.6%	378	27.8%	**483**	104	76	**97**
TOTAL	73,284	-12.1%	64,421	12.2%	**72,257**	110	84	**101**
Like-for-like								
2010-2011	72,296	-27.7%	51,937			109		
2011-2012			57,027	18.6%	**67,650**		84	**100**
Like-for-like cover		74		66				

Notes :
1 The fuel values used represent heating gas for 100%.
2 The indicated values represent the total consumption of the building, without distinction of private and common areas.
3 Cofinimmo has no influence on the private consumption of the buildings' tenants. It can only act on the common technical equipment's consumption of multi-tenant buildings whose Property Management is taken care of by Cofinimmo Services.
4 The like-for-like analysis is conducted on the consumptions of the common service equipment of multi-tenant buildings and all the consumptions of single-tenant buildings.

TOTAL DIRECT CONSUMPTION OF ENERGY FROM FUELS (MWh/year) DEPENDING ON THE BUILDING'S AGE

	Gas consumption					Relative consumption		
	2010 MWh	Δ	2011 MWh	Δ	**2012 MWh**	2010 kWh/m²	2011 kWh/m²	**2012 kWh/m²**
0 - 5 years	12,844	-10.1%	11,545	-23.9%	**8,787**	93	72	**78**
6 - 10 years	16,911	-32.5%	11,423	5.7%	**12,070**	94	63	**73**
11 - 15 years	20,165	-14.0%	17,333	28.7%	**22,309**	109	86	**105**
> 16 years	23,364	3.2%	24,121	20.5%	**29,070**	142	108	**133**
TOTAL	73,284	-12.1%	64,421	12.1%	**72,236**			

NORMALISED DIRECT ENERGY CONSUMPTION LIKE-FOR-LIKE

In order to assess the harshness of the climate, the standardized consumptions are normally compared on the basis of degree-days (DD). The colder it is, the higher the number of degree-days. The average number of degree-days for a place (established over the last 30 years) is called "Normal Degree-Days" (NDD).

	Normalised consumption = Observed consumption x NDD/DD							
	Gas consumption					Relative consumption		
	2010 MWh	△	2011 MWh	△	**2012 MWh**	2010 kWh/m²	2011 kWh/m²	**2012 kWh/m²**
Multi-tenant (1)								
2010-2011	33,710	15.7%	38,995			119	138	
2011-2012			35,579	-9.9%	**32,064**		135	**121**
Single-tenant (2)								
2010-2011	31,654	2.9%	32,586			84	86	
2011-2012			43,017	-3.1%	**41,695**		104	**101**
Headquarters	465	11.9%	521	1.1%	**526**			
TOTAL Like-for-like (1+2)								
2010-2011	65,364	9.5%	71,581			99	108	
2011-2012			78, 596	-6.2%	**73,759**		116	**109**

Notes :
1 DD 15/15 at Uccle for 2010 are 2,309.7°.
2 DD 15/15 at Uccle for 2011 are 1,514.7°.
3 DD 15/15 at Uccle for 2012 are 1,914.7°.

TOTAL CONSUMPTION OF ELECTRICAL ENERGY (MWh/year)

Based on the GRI EN4 indicator:
Total electricity consumed coming from indirect renewable and non-renewable sources ("indirect" means that the electricity is produced off-site and is purchased from an electricity supplier).

	Electricity consumption					Relative consumption		
	2010 MWh	△	2011 MWh	△	**2012 MWh**	2010 kWh/m²	2011 kWh/m²	**2012 kWh/m²**
Multi cover (no. of buildings)	54		48		**52**			
Single cover (no. of buildings)	32		36		**26**			
Consumption (MWh/year)								
Multi-tenant (1=2+3)	35,241	-7.6%	32,562	-4.2%	**31,196**	138	132	**123**
Private elements (2)	14,069	-8.4%	12,888	-6.0%	**12,115**	69	66	**59**
Common elements (3)	21,172	-7.1%	19,674	-3.0%	**19,081**	69	67	**65**
Single-tenant (4)	60,030	8.7%	65,231	-0.7%	**64,7541**	139	142	**152**
Headquarters	350	-4.6%	334	-4.3%	**319**	71	67	**64**
TOTAL (1+4)	95,270	2.6%	97,793	-1.9%	**95,951**	110	113	**116**
Like-for-like								
2010-2011	63,824	-2.0%	62,663			97	95	
2011-2012			78,622	-4.5%	**75,114**		117	**112**
Like-for-like cover		76		66				

Notes :
1. The values mentioned for single-tenant buildings represent the building's total consumption without distinction of private and common areas.
2. The values mentioned for the private areas of multi-tenant buildings are partial: in 2010, 78% of the buildings' surface areas; 75% in 2011 and 91% in 2012.
3. The values mentioned for the common areas of multi-tenant buildings are partial: in 2010, 98% of the buildings' surface areas; in 2011, 90% and in 2012, 93%.
4. Cofinimmo has no influence on the private consumption of the buildings' tenants. It can only act on the common technical equipment's consumption of multi-tenant buildings for which Cofinimmo Services takes care of the Property Management.
5. The like-for-like analysis is conducted on the consumptions of the common service equipment of multi-tenant buildings and all the consumptions of single-tenant buildings.

TOTAL ELECTRICAL ENERGY CONSUMPTION (MWh/year) ACCORDING TO THE BUILDING'S AGE.

	Electricity consumption					Relative consumption		
	2010 MWh	△	2011 MWh	△	**2012 MWh**	2010 kWh/m²	2011 kWh/m²	**2012 kWh/m²**
0 - 5 years (**2010** : 19 ; **2011** : 19 ; **2012** : 14)	10,720	13.1%	12,122	-24.4%	**9,169**	68	74	**71**
6 - 10 years (**2010** : 17 ; **2011** : 17 ; **2012** : 14)	33,292	-33.9%	22,012	15.8%	**25,479**	151	119	**154**
11 - 15 years (**2010** : 29 ; **2011** : 22 ; **2012** : 26)	22,890	-24.1%	17,379	13.0%	**19,640**	109	97	**89**
> 16 years (**2010** : 21 ; **2011** : 21 ; **2012** : 14)	14,300	133.5%	33,392	-11.5%	**29,540**	96	147	**150**
TOTAL	81,201	4.6%	84,905	-1.3%	**83,829**			

RELATIVE ENERGY CONSUMPTION ($kWh/m^2/year$)

Based on the GRI CRE1 indicator
Ratio between the total energies consumed, all sources together, i.e. electric, fuel, district heating and cooling, divided by unit of surface area. The total numerator of the energies consumed corresponds to the addition, in absolute value, of the three following indicators: electrical energy, energy from district heating and cooling, energy from fuels. The surface area used for the denominator corresponds, for office buildings, to the surface area of the superstructure.

	Relative consumption				
	2010 kWh/m²	△	2011 kWh/m²	△	**2012 kWh/m²**
Multi cover (no. of buildings)	86		79		**78**
Single cover (no. of buildings)	77		83		**76**
Consumption (MWh/year)					
Multi-tenant (1)	200	-17.0%	166	3.0%	**171**
Single-tenant (2)	234	-7.1%	217	15.0%	**249**
Headquarters	174	-17.7%	143	12.7%	**162**
TOTAL (1+2)	220	-10.6%	197	10.4%	**217**
Like-for-like					
2010-2011	206	-15.8%	174		
2011-2012			201	5.2%	**212**
Like-for-like electricity cover		76		66	
Like-for-like gas cover		75		66	

Notes :
1 The like-for-like analysis is conducted on the consumption of the common services equipment of multi-tenant buildings and all the consumptions of single-tenant buildings.

RELATIVE ENERGY CONSUMPTION ($kWh/m^2/year$) ACCORDING TO THE BUILDING'S AGE

	Relative consumption				
	2010 kWh/m²	△	2011 kWh/m²	△	**2012 kWh/m²**
0 - 5 years	161	-9.4%	146	1.5%	**148**
6 - 10 years	245	-25.8%	182	24.7%	**227**
11 - 15 years	218	-15.8%	183	5.3%	**193**
> 16 years	238	7.4%	255	10.8%	**283**

TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (tons of CO_2/year)

Based on the GRI EN16 indicator

- Electricity column: Indirect greenhouse gas emission coming from the purchase of electricity, district heat or cold per year.
- Gas column: Greenhouse gas emission due to the use of combustibles on site.
- Total column: Total quantity, direct or indirect, of greenhouse gas emissions.

	CO_2 Emissions										
	2010			Δ	2011			Δ	**2012**		
	Elec ton CO^2	Gas ton CO^2	Total ton CO^2		Elec ton CO^2	Gas ton CO^2	Total ton CO^2		Elec ton CO^2	Gas ton CO^2	Total ton CO^2
Cover (no. of buildings)	86	77			84	83			**78**	**76**	
Consumption											
Multi-tenant (1)	27,312	7,588	35,340	-12.0%	25,235	5,849	31,084	-2.9%	**24,177**	**6,011**	**30,188**
Single-tenant (2)	46,523	7,215	53,738	7.4%	50,554	7,165	57,719	1.8%	**50,185**	**8,585**	**58,770**
Headquarters	271	104	375	-10.7%	259	76	335	3.0%	**247**	**98**	**345**
TOTAL (1+2)	73,835	14,803	88,638	0.2%	75,790	13,013	88,803	0.2%	**74,362**	**14,596**	**88,958**
Like-for-like											
2010-2011	49,464	14,604	64,067	-7.8%	48,563	10,491	59,055				
2011-2012					60,932	11,519	72,451	-0.8%	**58,123**	**13,665**	**71,878**

Notes :

1 The Like-for-like analysis is conducted on the consumptions of the common service equipment of multi-tenant buildings and all the consumptions of single-tenant buildings.

2 The total greenhouse gas emissions for offices detailed in this table come from heating gas. It is based on the "total consumption of energy from fuels" indicator.

3 The conversion coefficients used are as follows:

A. conversion of electricity consumption into primary energy: 2.5;

B. conversion of gas consumption into primary energy: 1;

C. the CO_2 emission factor is 310g/KWh for electricity (mixed Belgian production) and 202g/KWh for gas (source: Lampiris).

4 Cofinimmo has no influence on the CO_2 emissions of private consumptions, i.e. consumptions of single-tenant buildings and of private areas of multi-tenant buildings.

TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (tons of CO_2/year) ACCORDING TO THE BUILDING'S AGE.

	CO_2 Emissions										
	2010			Δ	2011			Δ	**2012**		
	Elec ton CO_2	Gas ton CO_2	Total ton CO_2		Elec ton CO_2	Gas ton CO_2	Total ton CO_2		Elec ton CO_2	Gas ton CO_2	Total ton CO_2
0 - 5 years	8,308	2,594	10,902	7.6%	9,395	2,332	11,727	-24.3%	**7,106**	**1,775**	**8,881**
6 - 10 years	25,801	3,416	29,217	-33.7%	17,060	2,307	19,367	14.5%	**19,747**	**2,438**	**22,185**
11 - 15 years	17,740	4,073	21,813	-22.2%	13,468	3,501	16,970	16.3%	**15,221**	**4,506**	**19,727**
> 16 years	11,082	4,719	15,802	94.6%	25,879	4,872	30,751	-6.5%	**22,894**	**5,872**	**28,766**

RELATIVE GREENHOUSE GAS EMISSIONS ($kg\ CO_2/m^2/year$)

Based on the GRI CRE3 indicator

Total quantity of directly and indirectly emitted greenhouse gases per m² of surface area and per year.

The surface area used for the denominator corresponds, for office buildings, to the surface area of the superstructure.

	Relative emissions of CO_2										
	2010				2011				**2012**		
	Elec. kg CO_2/m^2	Gas kg CO_2/m^2	Total kg CO_2/m^2	Δ	Elec. kg CO_2/m^2	Gas kg CO_2/m^2	Total kg CO_2/m^2	Δ	Elec. kg CO_2/m^2	Gas kg CO_2/m^2	Total kg CO_2/m^2
Multi cover (no. of buildings)	86	77			84	83			**78**	**76**	
Consumption											
Multi-tenant (1)	53	26	80	-10.0%	52	20	72	-0.1%	**50**	**21**	**72**
Single-tenant (2)	108	19	127	-1.4%	110	15	125	9.7%	**118**	**20**	**137**
Headquarters	55	21	76	-10.7%	52	15	68	3.0%	**50**	**20**	**70**
TOTAL (1+2)	85	22	107	-2.9%	87	17	104	6.0%	**90**	**20**	**111**
Like-for-like											
2010-2011	75	22	97	-7.8%	74	16	89				
2011-2012					91	17	108	-0.8%	**87**	**20**	**107**

Notes :

1 The like-for-like analysis is conducted on the consumptions of the common service equipment of multi-tenant buildings and all the consumptions of single-tenant buildings.
2 The total greenhouse gas emissions for offices detailed in this table come from heating gas. It is based on the "total consumption of energy from fuels" indicator.
3 The conversion coefficients used are as follows:
A. conversion of electricity consumption into primary energy: 2.5;
B. conversion of gas consumption into primary energy: 1;
C. the CO_2 emission factor is 310g/KWh for electricity (mixed Belgian production) and 202g/KWh for gas (source: Lampiris).
4 Cofinimmo has no influence on the CO_2 emissions of private consumptions, i.e. consumptions of single-tenant buildings and of private areas of multi-tenant buildings.

TOTAL WATER CONSUMPTION PER SUPPLY SOURCE ($m^3/year$)

Based on the GRI EN8 indicator

	Consumption of water					Relative consumption		
	2010 m^3/yr	Δ	2011 m^3/yr	Δ	**2012 m^3/yr**	2010 $m^3/yr/m^2$	2011 $m^3/yr/m^2$	**2012 $m^3/yr/m^2$**
Multi cover (no. of buildings)	37		30		**40**			
Single cover (no. of buildings)	22		15		**18**			
Consumption (MWh/year)								
Multi-tenant (1)	78,077	-18.4%	63,747	20.1%	**76,537**	0.35	0.33	**0.32**
Single-tenant (2)	131,967	-23.4%	101,086	11.2%	**112,423**	0.35	0.35	**0.34**
Headquarters	696	-12.8%	607	-24.2%	**460**	0.14	0.12	**0.09**
TOTAL (1+2)	210,044	-21.5%	164,832	14.6%	**188,959**	0.35	0.34	**0.33**
Like-for-like								
2010-2011	161,484	-0.7%	160,340			0.36	0.36	
2011-2012			153,915	-4.0%	**147,790**		0.35	**0.33**
Like-for-like cover		37		41				

Notes :

1 The like-for-like analysis is conducted on all the buildings' consumptions (multi-tenant and single-tenant).
2 The only supply source is tap water.
3 The water consumed feeds the air-conditioning, sanitation systems and the kitchenettes.
4 Cofinimmo's influence is limited to the common installations of the multi-tenant buildings for which Cofinimmo Services takes care of the Property Management.

TOTAL WATER CONSUMPTION PER SUPPLY SOURCE ($m^3/year$) ACCORDING TO THE BUILDING'S AGE

	Consumption of water					Relative consumption		
	2010 m^3/yr	Δ	2011 m^3/yr	Δ	**2012 m^3/yr**	2010 $m^3/yr/m^2$	2011 $m^3/yr/m^2$	**2012 $m^3/yr/m^2$**
0 - 5 years (2010 : 15 ; 2011 : 14 ; 2012 : 13)	27,929	-2.3%	27,298	-0.3%	**27,228**	0.18	0.17	**0.17**
6 - 10 years (2010 : 14 ; 2011 : 8 ; 2012 : 13)	74,167	-35.7%	47,653	36.1%	**64,849**	0.43	0.26	**0.36**
11 - 15 years (2010 : 20 ; 2011 : 14 ; 2012 : 25)	66,833	-24.2%	50,639	19.2%	**60,373**	0.41	0.25	**0.30**
> 16 years (2010 : 10 ; 2011 : 9 ; 2012 : 8)	41,115	-4.6%	39,242	-7.0%	**36,509**	0.38	0.18	**0.16**

Cofinimmo in the stock market

Cofinimmo offers private and institutional investors, from Belgium and abroad, who are seeking a moderate risk profile combined with a high dividend yield, four instruments listed on the stock market:

→ the ordinary share;
→ the preference share;
→ the non-convertible bonds;
→ the convertible bonds.

THE RISK, LIQUIDITY, AND RETURN PROFILES ON THESE INSTRUMENTS DIFFER.

THE ORDINARY SHARE

The Cofinimmo ordinary shares have been listed on NYSE Euronext Brussels (ticker: COFB) since 1994.

The ordinary share is included in the BEL20 and Euronext 150 indexes as well as the EPRA Europe and GPR250 real estate indexes. Cofinimmo is the foremost real estate investment company of the BEL20.

STOCK MARKET CONTEXT AND TREND IN COFINIMMO SHARE

2012 was marked by an upturn of the stock market in a context of interventions by European and US central banks.
The Euronext 100 and EPRA Europe indexes ended with an average increase of 14.8% and 22.6% respectively for the year.

Like the previous year, the European listed property sector was characterised in 2012 by substantial discounts of the price compared with the revalued net asset value of 22% on average[1]. The Cofinimmo share was traded with a discount of 6% on average in 2012. It therefore performed better in this respect than the shares of the majority of the other real estate companies.

During the first half of 2012, the Cofinimmo share price fluctuated between €83.4 and €95.0. The share price reached its lowest value on 01.06.2012 at €83.4. The Cofinimmo share performance was lower during the second half of 2012, ending the year with a closing price of €89.6. The average price for the year 2012 stands at €88.4.

The opposite graph illustrates the Cofinimmo share performance (without applying any adjustment on the dividend payment date) in relation to the BEL20, Euronext 100, and EPRA Europe indexes and the 10-year German government bond rate during 2012. The Cofinimmo share posted a negative performance of 1.34%. The BEL20 and Euronext 100 indexes obtained a final result of 18.8% and 14.8% respectively.

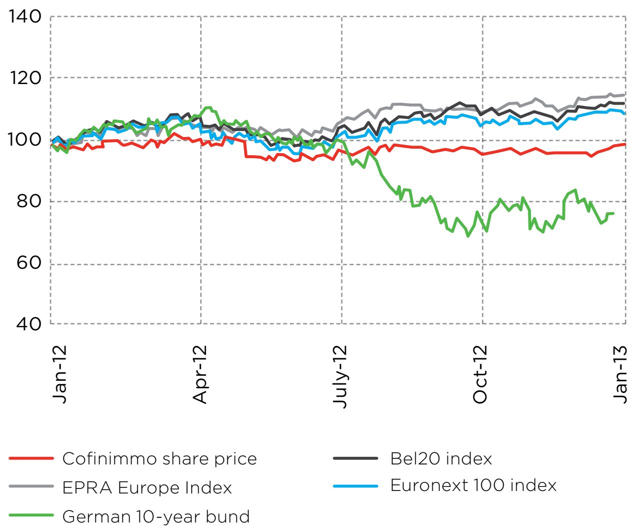
[1] Source: JP Morgan European Equity Research, December 2012.

WITHHOLDING TAX

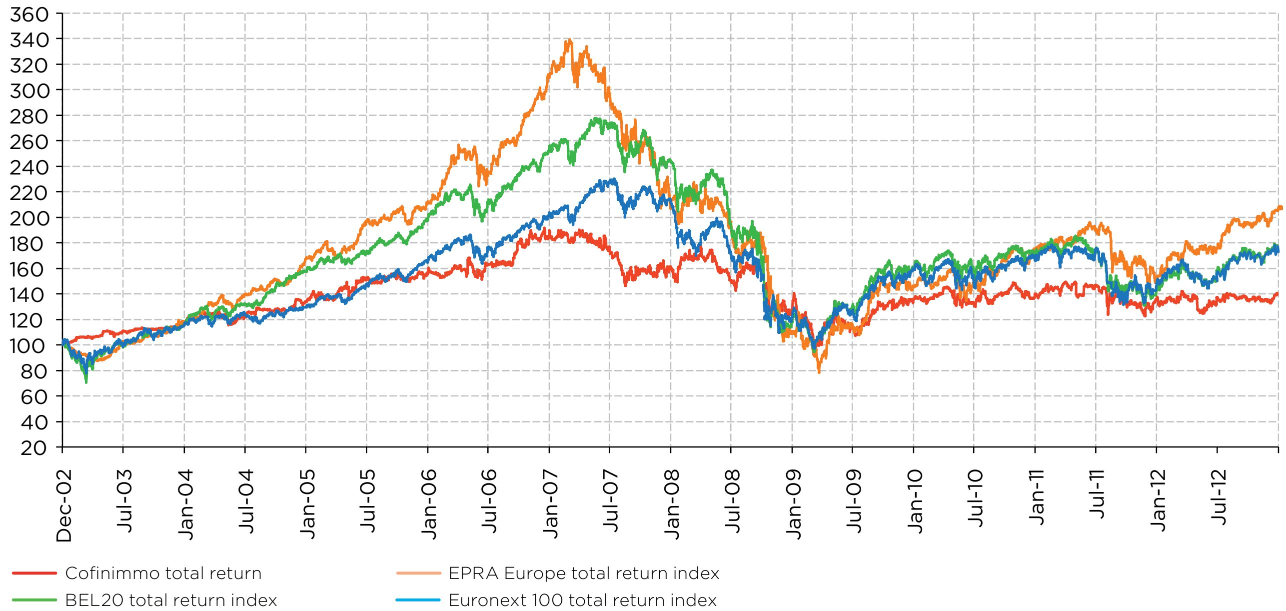
As from 07.01.2013, no withholding tax is deducted for non-resident investors having a non-profit-making activity and whose corporate purpose solely consists in the management and investment of funds that have been collected for state or private pensions.

As a reminder, as from 01.01.2013, the applicable withholding tax rate on distributed dividends stands at 25%.

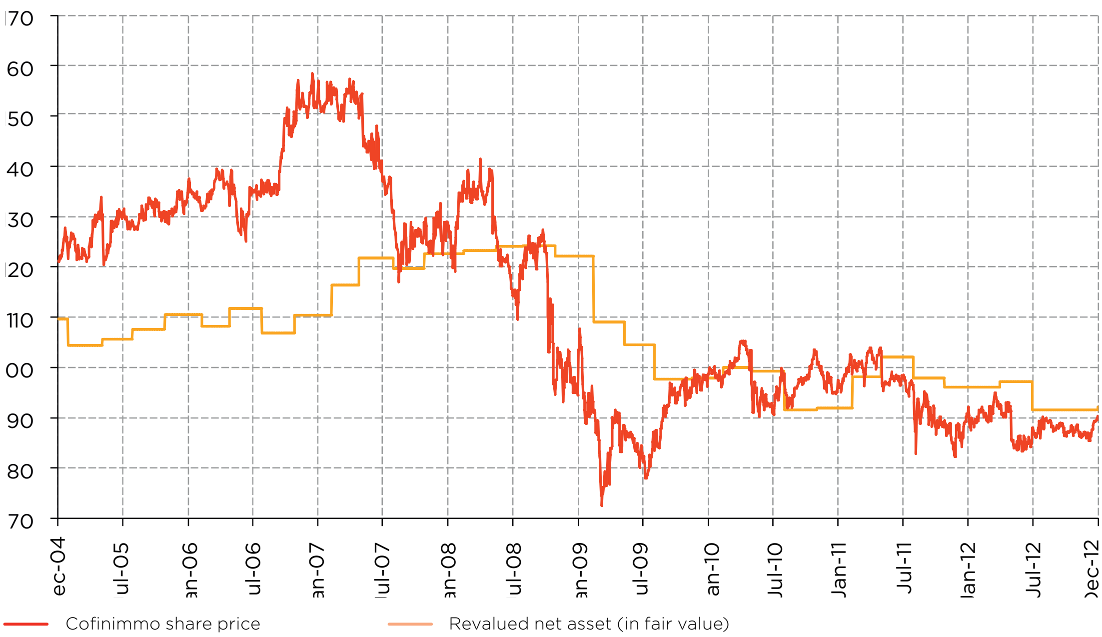
TREND IN THE SHARE PRICE (in %)



TOTAL RETURNS (in %)



COMPARISON OF SHARE PRICE VS. REVALUED NET ASSET PER SHARE (in €)



SHARPE RATIO

Calculation of the Sharpe ratio[1] over a period of five years closing on 31.12.2012	Cofinimmo	EPRA Europe	BEL20
Risk premium compared to risk-free rate (A)[2]	20.98%	19.73%	14.96%
Volatility (B)	17.76%	22.90%	21.98%
Sharpe ratio (A/B)	**118%**	**86%**	**68%**

TOTAL RETURN (in %)

Assuming the reinvestment of the dividend made available for payment in May, Cofinimmo achieved a return of 6.06% over 2012.

The graph above illustrates the stock market performances, taking into account the reinvestment of the dividend, of the Cofinimmo share compared to the BEL20, Euronext 100 and EPRA indexes over the past 10 years. During the same period, Cofinimmo generated a return of 39.5%, i.e. an annual average return of 3.38%. The BEL20 and Euronext 100 indexes recorded a variation of 77.49% and 51.98% respectively, which corresponds to average annual yields of 5.90% and 4.27%. At the same time, the EPRA total return index rose by 108.49%, i.e. an annual return equivalent to 7.62%.

Considering the reinvestment of the dividend at the internal rate of return of the share, Cofinimmo generated a return of 92% over the past 10 years, i.e. an average annual internal rate of return of 6.72%.

Taking the risk profile into account in the market performance assessment (as indicated in the Sharpe ratio in the table above), the good performance of the Cofinimmo share clearly emerges compared to that of the EPRA and BEL20 indexes.

[1] The Sharpe ratio is calculated based on the five-year yield, the volatility, and the 10-year risk-free rate.
[2] The risk-free rate used is the 10-year Bund.

COFINIMMO SHARE LIQUIDITY

In 2012, Cofinimmo continued to put effort into enhancing the liquidity of its share. It participated in more than 35 road-shows and conferences throughout the year, and the company invested in publicity campaigns aimed at both institutional and retail investors. With a market capitalisation of its ordinary shares standing at €1.47 billion and an average daily volume of €3.0 million or just over 33,000 shares, Cofinimmo's liquidity level is sufficient to keep it on the radar screen of major institutional investors.

THE ORDINARY SHARE

ISIN BE0003593044	2012	2011	2010
Share price (in €)			
Highest	95.0	103.90	105.30
Lowest	83.4	82.30	90.25
At close	89.6	90.82	97.41
Average	88.4	94.80	97.59
Dividend yield[1]	**7.3%**	**6.9%**	**6.7%**
Gross return[2] (over 12 months)	**6.0%**	**0.1%**	**5.4%**
Dividend[3] (in €)			
Gross	6.50[4]	6.50	6.50
Net	4.88[4]	5.13	5.53
Volume			
Average daily volume[5]	33,584	34,683	31,087
Annual volume	8,765,448	9,017,465	8,113,577
Number of shares entitled to a share in the consolidated results of the financial year	**16,007,572**	**14,126,279**	**13,614,485**
Market capitalisation at end of period (x €1,000)	**1,470,688**	**1,365,960**	**1,326,187**
Free float zone[6]	**90%**	**90%**	**90%**
Velocity[6]	**53.37%**	**59.24%**	**67.00%**
Adjusted velocity[6]	**57.22%**	**63.83%**	**74.45%**
Pay-out ratio[7]	**85.41%**	**87.25%**	**81.05%**

THE PREFERENCE SHARE

The preference shares are listed on NYSE Euronext Brussels (tickers: COFP1 for the series issued on 30.04.2004 and COFP2 for the series issued on 26.05.2004). These shares are registered with voting rights and are convertible into ordinary shares since 01.05.2009, at a rate of 1 for 1.

During the financial year 2012, 378,412 preference shares were converted into ordinary shares. At 31.12.2012, 689,397 unconverted preference shares are still outstanding.

In 2019, Cofinimmo will have the possibility to purchase the unconverted shares at their issue price (also see the section "Capital structure" under the chapter "Corporate Governance Statement", page 84).

THE PREFERENCE SHARE

	COFP1		COFP2	
ISIN BE0003811289 (COFP1)/**ISIN BE0003813301** (COFP2)	**2012**	2011	**2012**	2011
Share price (in €)				
At close	95.00	93.50	82.51	76.51
Average	98.55	93.45	82.32	88.50
Dividend yield[1]	**6.46%**	**6.82%**	**7.74%**	**7.20%**
Gross return[2] (over 12 months)	**8.06%**	**7.35%**	**15.58%**	**-8.28%**
Dividend[3] (in €)				
Gross	6.37[4]	6.37	6.37[4]	6.37
Net	4.78[4]	5.03	4.78[4]	5.03
Volume				
Average daily volume[5]	28	61	91	34
Annual volume	139	245	2,909	864
Number of shares	**395,198**	**513,297**	**294,199**	**554,512**
Market capitalisation at end of period (x €1,000)	**37,544**	**52,522**	**24,274**	**52,519**

[1] Gross dividend on the average annual share price.
[2] Appreciation of the share price + dividend yield.
[3] Dividends are subject to 25% withholding tax.
[4] Forecast.
[5] Average calculated based on the number of trading days during which a volume was recorded.
[6] According to Euronext's method.
[7] In the net current result - Group share, excluding IAS 39 impact.

THE NON-CONVERTIBLE BONDS

Cofinimmo has issued four bonds:

Bond characteristics:	2004	2009	2010	2012
Issuer	Cofinimmo Luxemburg SA	Cofinimmo SA/NV	Cofinimmo SA/NV	Cofinimmo SA/NV
Amount issued	€100 million	€100 million	€50 million	€140 million
Issue date	15.07.2004	25.11.2009	07.09.2010	07.08.2012
Maturity date	15.07.2014	25.11.2014	29.09.2013	07.02.2020
Listing	NYSE Euronext Brussels and Luxemburg Stock Exchange	NYSE Euronext Brussels	NYSE Euronext Brussels	Luxemburg Stock Exchange

(in %)

ISIN XS0193197505 (Cofinimmo Luxemburg SA 2004-2014)	2012	2011	2010
Market price			
At close	104.12	103.06	103.77
Average	103.71	103.10	104.51
Yield to maturity (12-month average)	**3.30**	**4.13**	**4.01**
Effective yield at issue	**5.06**	**5.06**	**5.06**
Interest coupon (in %)			
Gross (per €100)	5.25	5.25	5.25
Net (per €100)	3.94	4.15	4.46
Number of securities	**1,000,000**	**1,000,000**	**1,000,000**

(in %)

ISIN BE0002171370 (Cofinimmo SA/NV 2009-2014)	2012	2011	2010
Market price			
At close	103.46	102.42	102.82
Average	103.08	102.11	103.63
Yield to maturity (12-month average)	**3.38**	**4.24**	**4.07**
Effective yield at issue	**4.54**	**4.54**	**4.54**
Interest coupon (in %)			
Gross (per €1,000)	5.00	5.00	5.00
Net (per €1,000)	3.75	3.95	4.25
Number of securities	**100,000**	**100,000**	**100,000**

(in %)

ISIN BE6202995393 (Cofinimmo SA/NV 2010-2013)	2012	2011	2010
Market price			
At close	99.96	98.48	97.83
Average	99.34	97.77	97.80
Yield to maturity (12-month average)	**3.62**	**4.12**	**3.78**
Effective yield at issue	**2.936**	**2.936**	**2.936**
Interest coupon (in %)			
Gross (per €50,000)	2.936	2.936	2.936
Net (per €50,000)	2.202	2.319	2.496
Number of securities	**1,000**	**1,000**	**1,000**

(in %)

ISIN BE6241505401 (Cofinimmo SA/NV 2012-2020)	2012
Market price	
At close	97.25
Average	96.69
Yield to maturity (12-month average)	**4.04**
Effective yield at issue	**3.55**
Interest coupon (in %)	
Gross (per €100,000)	3.55
Net (per €100,000)	2.66
Number of securities	**1,400**

THE CONVERTIBLE BONDS

In April 2011, Cofinimmo SA/NV issued 1,486,379 bonds convertible into ordinary shares of the company for a total amount of €173.3 million. The issue price and the nominal value of these bonds is €116.60.

They are redeemable in 2016 and will be convertible initially at the rate of one ordinary share for one bond. This exchange ratio will be adjusted according to the anti-dilution provisions usual for this type of issue. The convertible bonds are listed on NYSE Euronext Brussels. On 31.12.2012, 1,486,332 unconverted bonds are still outstanding.

(in %)

ISIN BE0002176429 (Cofinimmo SA/NV 2011-2016)	2012	2011
Market price		
At close	102.30	93.19
Average	98.53	97.40
Yield to maturity (12-month average)	**3.53**	**3.70**
Effective yield at issue	**3.13**	**3.13**
Interest coupon (in %)		
Gross (per €100)	3.13	3.13
Net (per €100)	2.34	2.47
Number of securities	**1,486,332**	**1,486,332**

SHAREHOLDERS' STRUCTURE[1] (ON 31.12.2012)

Company	Number of ordinary shares (A)	%	Number of preference shares (B)	Total number of shares (voting rights) (A+B)	%
Cofinimmo Group (own shares)	1,105,750	6.73%		1,105,750	6.46%
Number of issued shares	16,423,925	100%	689,397	17,113,322	100%
Free float[2]	15,318,175	93.27%	689,397	16,007,572	93.54%

[1] Situation based on transparency declarations received under the Law of 02.05.2007. Any modifications communicated since 31.12.2012 have been published in accordance with the provisions of this same Law and may be consulted on the company's website www.cofinimmo.com.
[2] This calculation of the free float, generally used by Euronext, includes all shareholders individually holding less than 5% of the capital.

SHAREHOLDERS' CALENDAR

Interim announcement: results at 31.03.2013	**02.05.2013**
Ordinary General Shareholders' Meeting for 2013	**08.05.2013**
Dividend released for payment (ordinary and preference shares)	
Ex date[1]	15.05.2013
Record date[2]	17.05.2013
Dividend payment date	From 22.05.2013
Financial service	Bank Degroof (principal paying agent) or any other financial institution
Coupons	
Ordinary share	Coupon 22
Preference share	Coupons 10 (COFP2) and 11 (COFP1)
Half-yearly Financial Report: results at 30.06.2013	**31.07.2013**
Interim announcement: results at 30.09.2013	**12.11.2013**
Annual press release: results at 31.12.2013	**07.02.2014**

[1] Date from which the stock exchange trading takes place without any entitlement to the future dividend payment.
[2] Date on which positions are recorded in order to identify shareholders entitled to the dividend.

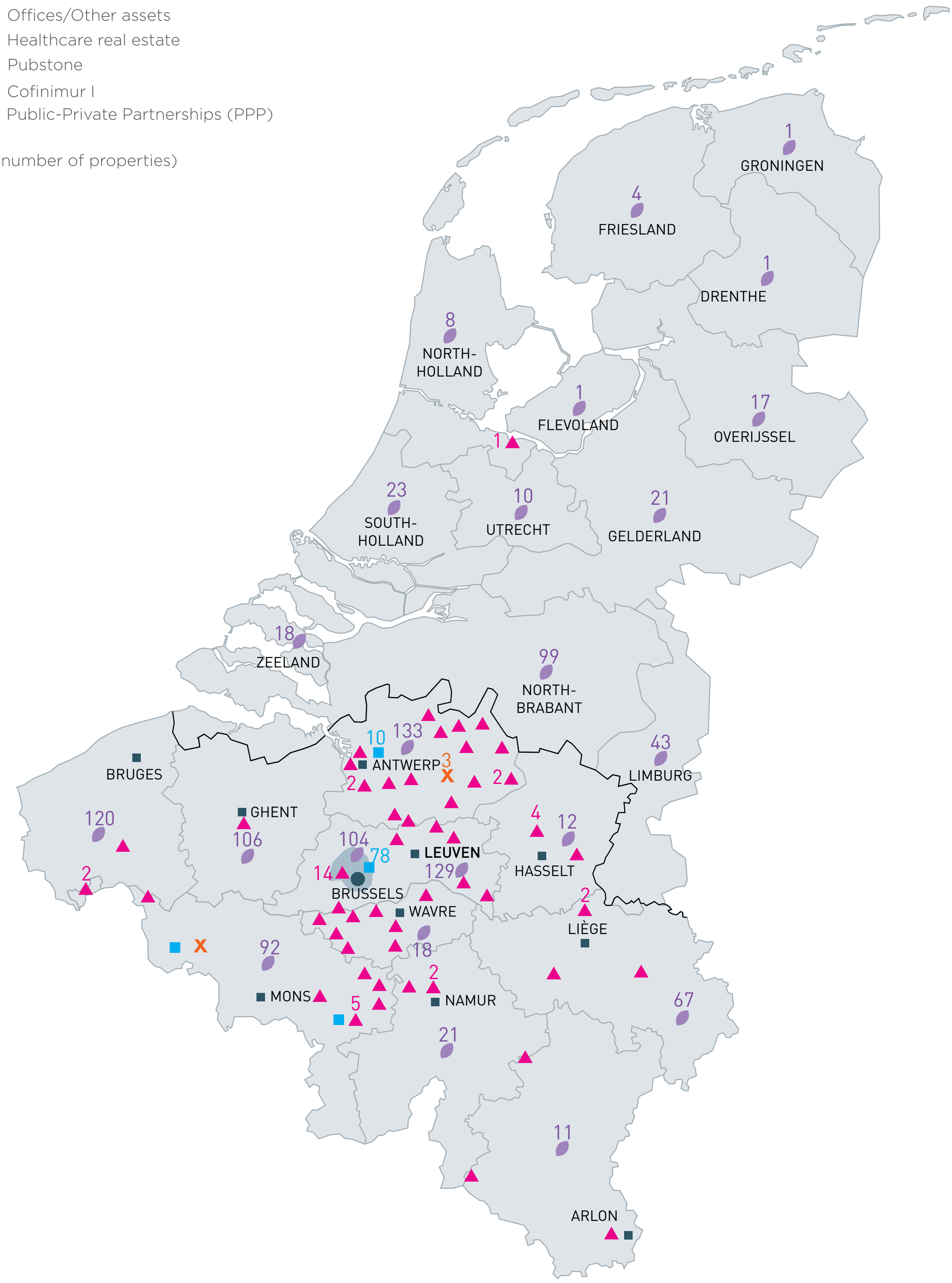
Property report

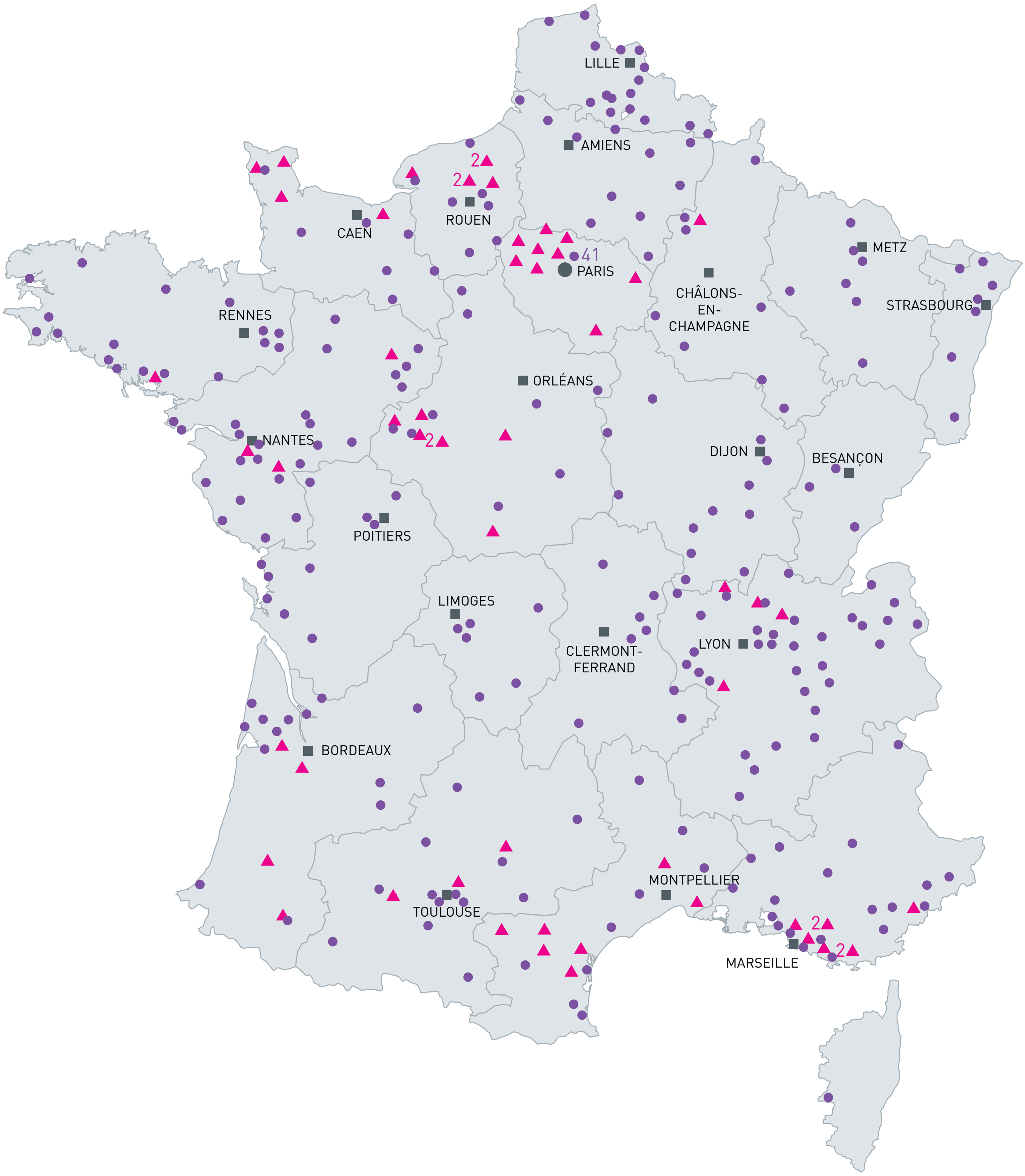
GEOGRAPHIC LOCATION

Office complexes are accounted for according to the number of buildings that constitute them.

x ■ Offices/Other assets
x ▲ Healthcare real estate
x Pubstone
x ● Cofinimur I
x X Public-Private Partnerships (PPP)

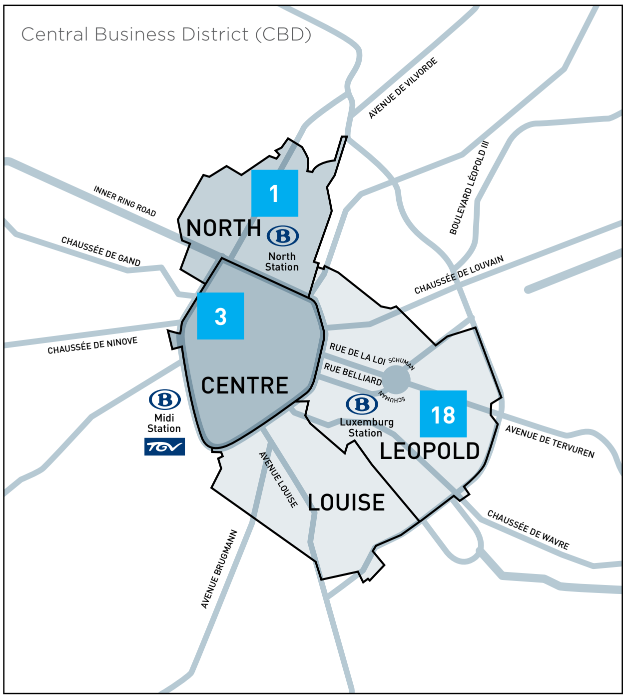
(x = number of properties)




LILLE
AMIENS
ROUEN
CAEN
41
PARIS
CHÂLONS-EN-CHAMPAGNE
METZ
STRASBOURG
RENNES
ORLÉANS
NANTES
DIJON
BESANÇON
POITIERS
LIMOGES
CLERMONT-FERRAND
LYON
BORDEAUX
MONTPELLIER
TOULOUSE
MARSEILLE

MARKET CHARACTERISTICS

OFFICES



Brussels

A key feature of the Brussels office market is the large presence of government institutions, both Belgian and European. This market breaks down into three districts, each of which with its own distinct characteristics:

Central Business District (CBD)

This district, composed of four sub-districts, Brussels Centre, the Leopold District, Brussels North and the Louise District, constitutes the epicentre of the city.

The Centre is the area formed by the Pentagon of Brussels, the historic heart of the city, in which buildings such as the Royal Palace and the Federal Parliament are located. Offices in this area are traditionally occupied by Belgian public authorities and large Belgian companies.

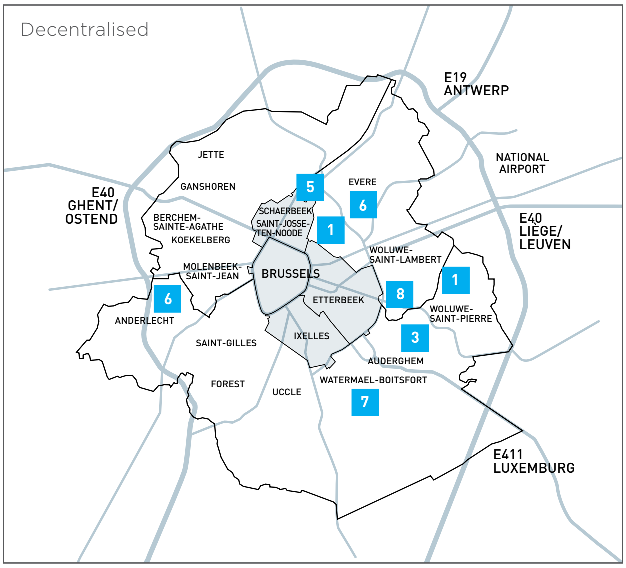
The Leopold District is the European heart of the city. It is centred on the Schuman roundabout, the rue Belliard and the rue de la Loi, and accommodates all the European institutions as well as numerous delegations, representations and associations working closely with them. A network of tunnels provides fast access to the national airport (20 minutes). The Brussels-Luxemburg railway station serves this district and the many restaurants and bars in the neighbouring Place du Luxembourg lend it its characteristic dynamism.

The North District, meanwhile, is a modern business quarter situated close to the North Station. Its typically high-rise buildings are occupied by Belgian and regional ministries, semi-public companies and large corporates.

The Louise District to the south of the Brussels inner ring road is characterised by a mix of prestige properties, such as offices, hotels, shops, etc., all benefiting from the cachet radiated by the Avenue Louise, still one of the city's most prestigious avenues. The offices are chiefly occupied by lawyers, embassies and medium-sized private firms (insurance, financial operations, etc.). The Midi Station, which is the terminal for high-speed trains now running from Brussels to Amsterdam (110 minutes), Cologne (110 minutes), London (120 minutes) and Paris (80 minutes), recently saw the opening of a new business hub under development.

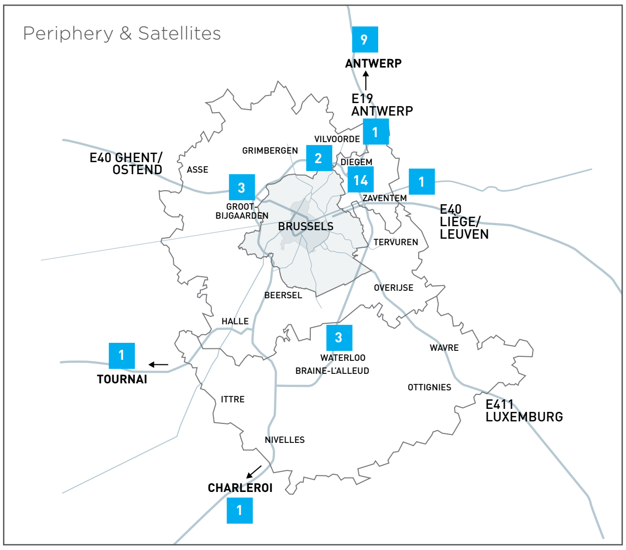
Within the CBD, take-up of office space is generally based on long-term rental contracts (nine to 27 years). The calibre and stability of the tenants means that this area enjoys the lowest vacancy rate, while rent levels here are the highest in the capital. Nevertheless, in 2012, the low take-up by the European and Belgian institutions and the departures and reductions in areas occupied by certain large corporates, have prevented this district from improving its occupancy rate.

Decentralised



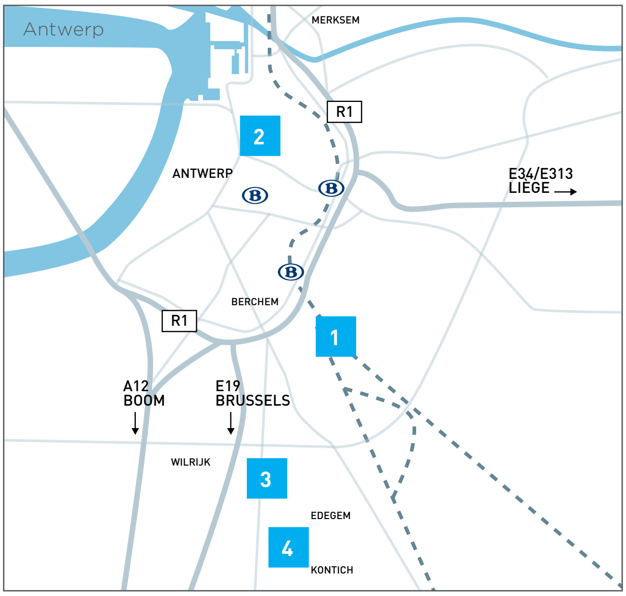
This district encompasses the remaining 19 municipalities of the Brussels Region. It offers an excellent working environment due to its residential setting and green space, easy access and the presence of multiple shopping facilities. Tenants in this area are generally medium to large private companies, willing to conclude classic 3-6-9-year leases.

Periphery & Satellites



This district, situated just outside the Brussels Capital Region along the Brussels outer ring road, mainly houses private companies operating in such sectors as technology, IT, consultancy, pharmaceuticals and chemicals. The out-of-town location, the advantageous tax regime of the Flemish and Walloon Regions compared with Brussels, as well as the presence of the national airport attract many multinationals to this area. However, the northern part of the Periphery (Zaventem-Diegem) is suffering from a high rate of vacant space due, among other factors, to the structurally excessive supply of offices. Leases concluded with tenants in this area are generally of the classic type and flexible, allowing them to be adapted rapidly to a market in a constant state of flux.

Antwerp



The city of Antwerp, with its port, is located in one of the most industrialised regions of Europe. Its office market is spread over four districts: the Port, the Centre, the Singel (the most sought-after area) and the Periphery. Occupants of the office buildings are a highly diverse mix.

HEALTHCARE REAL ESTATE

The healthcare real estate market is not characterised by local sub-markets with differing tenant and lease profiles as is the case for offices. For the entire Cofinimmo portfolio, long leases are concluded (usually 27 years in Belgium, 12 years in France and 15 years in the Netherlands) with operators each managing multiple sites. Nevertheless, the prime locations, i.e. in the city centre or in a desirable setting (e.g. riverside or at the sea) influence the rental potential or the possibility for reclassification in the event of the operator's departure.

PROPERTY OF DISTRIBUTION NETWORKS

Pubstone

The entire Pubstone portfolio is rented to AB InBev. The properties in prime locations (i.e. in the hypercentre or town centre) offer the best redevelopment potential if they are vacated, whether as restaurants or as stores in busy shopping areas.

Cofinimur I

The entire Cofinimur I portfolio is let to MAAF, a subsidiary of the French insurance group Covéa. The establishments are mainly to be found in the centre of large towns or at the entrance of agglomerations, for the most part at strategic locations, such as shopping streets, market squares or business parks.

CONSOLIDATED PROPERTY PORTFOLIO

The table illustrated on the following pages includes:

- the properties for which Cofinimmo receives rents;
- the properties with rents assigned in whole or in part to a third party, with Cofinimmo retaining ownership and the residual value. For these properties, the heading "Contractual rents" comprises the reconstitution of lease payments sold and discounted and, where appropriate, the portion of unsold rents[1];
- the various projects & renovations in progress.

This table does not include the properties which are the subject of a finance lease for which the lessees benefit from a purchase option at the end of the lease. This refers to the Antwerp Court of Justice, the Antwerp Fire Station and the HEKLA Police Station. As a reminder, the rental situation concerning these buildings is as follows:

All properties in the consolidated portfolio are held by Cofinimmo SA, with the exception of those asterisked (*) which are held (wholly or partially) by one of its subsidiaries (see also pages 173-174).

For pictures and detailed descriptions of all the properties, reference is made to the company website (www.cofinimmo.com).

[1] Also see Note 21, pages 154-156.

Property	Superstructure (in m²)	Contractual rent[1] (x €1,000)	Occupancy rate	Tenant
Antwerp Court of Justice	72,131	1,270	100%	Buildings Agency (Belgian Federal State)
Antwerp Fire Station	23,585	190	100%	City of Antwerp
HEKLA Police Station	4,805	583	100%	Federal Police

Inventory of the real estate property

Segment	Acquisition price (x 1,000,000 €)	Insured value[2] (x 1,000,000 €)	Fair value (x 1,000,000 €)	Gross rental yield (in %)
Offices	2,054.14	1,770.42	1,543.16	7.69
Healthcare real estate	981.67		1,172.44	6.32
Property of distribution networks	537.72		529.26	6.62
Others	60.99	11.89	63.71	7.20
TOTAL	3,634.52	1,782.31	3,308.57	7.01

The assumptions used for the estimation of the rental value are based on rental transactions observed on the market taking into account the location and the type of asset.

Property	Address	Year of construction/ last renovation (extension)	Superstructure (in m²)	Contractual rents (x €1,000)	Occupancy rate 2012[3]	Estimated Rental Value (x €1,000)
NORTH GALAXY	Boulevard Albert II, 33/37 - 1000 Brussels	2005	105,420	15,752[4]	100%	15,775
SOUVERAIN 23-25	Boulevard du Souverain, 23/25 - 1170 Brussels	1987	56,891	11,338	100%	10,437
LIVINGSTONE I & II	Avenue Livingstone, 6 - 1040 Brussels		34,341	0	0%	354
EGMONT I	Rue du Pépin, 36 - 1000 Brussels	1997	36,616	2,084[4]	100%	2,084
BOURGETLAAN 42	Avenue du Bourget, 42 - 1130 Brussels	2001	25,756	4,152	82%	4,044
ALBERT Ier 4 - CHARLEROI	Rue Albert 1er, 4 - 6000 Charleroi	2004	19,189	2,630	100%	2,180
GEORGIN 2	Avenue Jacques Georgin, 2 - 1030 Brussels	2006	17,439	3,078	100%	2,665
TERVUREN 270-272	Avenue de Tervueren, 270/272 - 1150 Brussels	2011	19,043	2,448	68%	3,803
SERENITAS	Avenue Van Nieuwenhuyse, 2/6 - 1160 Brussels	1995	19,699	3,420	94%	3,025
COCKX 8-10	Rue Jules Cockx, 8/10 - 1160 Brussels	2008	16,557	2,431	83%	2,752
Others			1,150,087	174,694	95%	171,878
TOTAL			1,865,527	222,027	95.71%	218,997

[1] Non-assigned part of the rents, which varies between 4% and 100%.
[2] This amount does not include the insurances taken during works, nor those that are borne by the occupant as stated in the contract (i.e. for the nursing homes in Belgium and in France, the pubs of the Pubstone portfolio as well as some office buildings), nor those related to lease finance contracts. Furthermore, this amount does not include the MAAF building-related insurances (first rank insurance on all the freehold properties and second rank insurance for the co-owned properties) which are covered for the value of their reconstruction. The insured value includes the full value, land excluded, of office buildings whose lease payments have been sold, whereas the fair value of these buildings corresponds to the residual value of the building after the sale of the lease receivables.
[3] The occupancy rate is calculated as follows: contractual rents divided by rents + ERV on unlet spaces.
[4] Reconstitution of lease payments sold and discounted.

PROPERTY	Year of construction/ last renovation (extension)	Superstructure (in m²)	A Contractual rents (x €1,000)	C=A/B[1] Occupancy rate 2012	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value
OFFICES		543,580	82,642	90%	92,233	84,408
Brussels Leopold & Louise District		**86,909**	**16,830**	**92%**	**18,279**	**16,998**
ARTS 19H	1998	11,099	2,155	100%	2,155	2,268
ARTS 47-49	2008	6,915	1,384	100%	1,384	1,123
AUDERGHEM 22-28	2002	5,853	938	68%	1,382	1,254
GUIMARD 10-12	1995	10,796	2,649	100%	2,649	2,376
LOI 57	2000	10,279	1,856	100%	1,856	1,891
LOI 227	2009	5,785	1,395	93%	1,506	1,210
MONTOYER 14	2006	3,807	776	100%	776	732
SCIENCE 15-17	1995	17,722	3,427	100%	3,427	3,164
SQUARE DE MEEÛS 23	2010	8,896	1,030	54%	1,914	1,914
TRÔNE 98	1986	5,757	1,220	99%	1,230	1,066
Brussels Decentralised		**286,257**	**42,713**	**88%**	**48,729**	**44,258**
BOURGET 40*	1998	14,641	1,912	100%	1,912	1,965
BOURGET 42	2001	25,756	4,152	82%	5,080	4,044
BOURGET 44	2001	14,085	2,180	93%	2,347	2,121
BOURGET 50	1998	5,134	694	89%	782	754
BRAND WHITLOCK 87/93	1991	6,066	870	78%	1,111	940
COCKX 8-10 (Omega Court)*	2008	16,557	2,431	83%	2,918	2,752
COLONEL BOURG 105	2001	2,634	238	67%	353	339
COLONEL BOURG 122	2006	4,129	635	95%	667	623
CORNER BUILDING	2011	3,440	184	32%	570	556
GEORGIN 2	2006	17,439	3,078	100%	3,078	2,665
HERRMANN DEBROUX 44-46	1994	9,666	1,409	90%	1,564	1,557
MOULIN A PAPIER 55	2009	3,499	483	94%	513	468
PAEPSEM business park	1992	26,430	1,747	66%	2,659	2,503
SERENITAS	1995	19,699	3,420	94%	3,649	3,025
SOUVERAIN 23-25	1987	56,891	11,338	100%	11,338	10,437
SOUVERAIN 24	1994	3,897	730	100%	730	675
SOUVERAIN 36	2000	8,310	1,109	79%	1,406	1,363
TERVUREN 270-272	2011	19,043	2,448	68%	3,604	3,803
WOLUWE 102	2008	8,090	1,403	100%	1,409	1,385
WOLUWE 106-108	1996	7,018	407	38%	1,083	1,064
WOLUWE 34	1974	6,680	659	100%	659	0[2]
WOLUWE 58 (+ parking St.-Lambert)	2001	3,868	731	100%	731	708
WOLUWE 62	1997	3,285	455	81%	563	510
Brussels Periphery		**77,704**	**10,004**	**89%**	**11,255**	**10,304**
LEUVENSESTEENWEG 325	1975 (2006)	6,292	347	65%	530	457
NOORDKUSTLAAN 16 A-B-C (WEST-END)	2009	10,022	1,691	91%	1,856	1,781
PARK HILL*	2000	16,694	2,211	89%	2,479	2,250
PARK LANE	2000	35,480	5,025	89%	5,630	5,089
WOLUWELAAN 151	1997	9,216	730	96%	760	727
Brussels Satellites		**8,232**	**1,090**	**82%**	**1,329**	**1,302**
WATERLOO OFFICE PARK I	2004	2,360	386	92%	420	375
WATERLOO OFFICE PARK J	2004	2,360	351	90%	391	368
WATERLOO OFFICE PARK L	2004	3,512	353	68%	518	559
Antwerp Periphery		**36,581**	**4,843**	**89%**	**5,464**	**5,097**
AMCA - AVENUE BUILDING	2010	9,403	1,199	83%	1,436	1,550
AMCA - LONDON TOWER	2010	3,530	423	74%	568	543
GARDEN SQUARE	1989	7,464	886	89%	997	875
PRINS BOUDEWIJNLAAN 41	1980	6,022	1,001	98%	1,026	809
PRINS BOUDEWIJNLAAN 43	1989	6,007	780	89%	873	815
VELDKANT 35	1998	4,155	554	98%	564	505
Other Regions		**47,897**	**7,162**	**100%**	**7,177**	**6,449**
ALBERT Ier 4 - CHARLEROI	2004	19,189	2,630	100%	2,630	2,180
MECHELEN STATION, MECHELEN	2002	28,708	4,532	100%	4,547	4,269

[1] The occupancy rate is calculated as follows: contractual rents divided by rents + ERV on unlet spaces.
[2] Estimated Rental Value not calculed as a consequence of redevelopment into residential.

PROPERTY	Year of construction/ last renovation (extension)	Superstructure (in m²)	A Contractual rents (x €1,000)	C=A/B[1] Occupancy rate 2012	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value
RECONSTITUTION OF LEASE PAYMENTS SOLD AND DISCOUNTED - OFFICES		208,145	23,875	100%	23,983	23,983
Brussels Centre & North		**158,298**	**18,687**	**100%**	**18,711**	**18,711**
EGMONT I*	1997	36,616	2,084	100%	2,084	2,084
EGMONT II*	2006	16,262	851	100%	851	851
NORTH GALAXY*	2005	105,420	15,752	100%	15,776	15,776
Brussels Decentralised		**20,199**	**1,600**	**100%**	**1,601**	**1,601**
COLONEL BOURG 124	2002	4,137	162	99%	163	163
EVEREGREEN	1996	16,062	1,438	100%	1,438	1,438
Brussels Leopold & Louise District		**26,188**	**3,060**	**97%**	**3,143**	**3,143**
LOI 56	2008	9,484	1,118	97%	1,153	1,153
LUXEMBOURG 40	2007	7,522	776	100%	776	776
NERVIENS 105	2008	9,182	1,110	100%	1,110	1,110
SQUARE DE MEEÛS 23 (parking)	2010		56	54%	104	104
Other Regions		**3,460**	**528**	**100%**	**528**	**528**
MAIRE 19 - TOURNAI	1996	3,460	528	100%	528	528
HEALTHCARE REAL ESTATE		622,749	73,058	100%	73,058	70,748
Belgium		**381,158**	**43,731**	**100%**	**43,731**	**41,642**
Operator: Anima Care		**6,752**	**683**	**100%**	**683**	**666**
ZEVENBRONNEN - WALSHOUTEM	2001	6,752	683	100%	683	666
Operator: Armonea		**150,552**	**16,228**	**100%**	**16,228**	**15,077**
BINNENHOF - MERKSPLAS	2008	3,775	415	100%	415	414
DE WYNGAERT - ROTSELAAR	2008 (2010)	6,878	745	100%	745	686
DEN BREM - RIJKEVORSEL	2006	4,063	500	100%	500	488
DOMEIN WOMMELGHEEM - WOMMELGEM	2002	6,836	737	100%	737	684
DOUCE QUIETUDE - AYE	2007	4,635	432	100%	432	375
EUROSTER - MESSANCY	2004	6,392	1,137	100%	1,137	921
HEIBERG - BEERSE	2011	13,568	1,340	100%	1,340	1,277
HEMELRIJK - MOL	2009	9,362	969	100%	969	917
HEYDEHOF - HOBOKEN	2009	2,751	343	100%	343	301
HOF TER DENNEN - VOSSELAAR*	2008	3,280	436	100%	436	371
LA CLAIRIERE - COMINES - WARNETON	1998	2,533	254	100%	254	242
LAARSVELD - GEEL	2006 (2009)	5,591	817	100%	817	762
LAARSVELD SERVICEFLATS - GEEL	2009	809	54	100%	54	65
LE CASTEL - BRUSSELS	2005	5,893	469	100%	469	454
LE MENIL - BRAINE L'ALLEUD	1991	5,430	564	100%	564	512
LES TROIS COURONNES - ESNEUX	2005	4,519	520	100%	520	498
L'ORCHIDEE - ITTRE	2003 (2012)	3,634	542	100%	542	542
L'OREE DU BOIS - WARNETON	2004	5,387	574	100%	574	541
MILLEGHEM - RANST	2009 (2010)	6,943	735	100%	735	711
NETHEHOF - BALEN	2004	6,471	606	100%	606	559
RÉSIDENCE DU PARC - BIEZ	1977 (2012)	12,039	622	100%	622	605
SEBRECHTS - BRUSSELS	1992	8,148	1,061	100%	1,061	938
'T SMEEDESHOF - OUD-TURNHOUT	2003 (2009)	8,648	919	100%	919	849
VOGELZANG - HERENTALS	2009 (2010)	8,044	916	100%	916	856
VONDELHOF - BOUTERSEM	2005 (2009)	4,923	521	100%	521	509
Operator: Calidus		**6,063**	**714**	**100%**	**714**	**671**
WEVERBOS - GENTBRUGGE	2011	6,063	714	100%	714	671
Operator: Le Noble Age		**3,931**	**419**	**100%**	**419**	**668**
PARKSIDE - BRUSSELS	1990	3,931	419	100%	419	668
Operator: Orpea Belgium		**24,775**	**3,324**	**100%**	**3,324**	**3,017**
L'ADRET - GOSSELIES	1980	4,800	444	100%	444	408
LINTHOUT - BRUSSELS	1992	2,837	433	100%	433	411
LUCIE LAMBERT - BUIZINGEN	2004	8,314	1,412	100%	1,412	1,205
RINSDELLE - BRUSSELS	2001	3,054	520	100%	520	484
TOP SENIOR - TUBIZE	1989	3,570	348	100%	348	354
VIGNERON - RANSART	1989	2,200	167	100%	167	155

[1] The occupancy rate is calculated as follows: contractual rents divided by rents + ERV on unlet spaces.

PROPERTY	Year of construction/ last renovation (extension)	Superstructure (in m²)	A Contractual rents (x €1,000)	C=A/B[1] Occupancy rate 2012	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value
Operator: Senior Assist		**68,934**	**7,206**	**100%**	**7,206**	**6,697**
7 VOYES - VEDRIN*	1997	4,172	349	100%	349	347
BELLEVUE - BRUSSELS*	2010	7,926	1,354	100%	1,354	1,148
BORSBEEKHOF - BORGERHOUT*	1994	6,005	793	100%	793	687
BRISE D'AUTOMNE - RANSART*	1992	2,816	195	100%	195	210
CLAIRE DE VIE - LIEGE*	1999	3,055	210	100%	210	213
FARNIENTANE - FEXHE-SLINS*	1999	2,507	187	100%	187	178
LE CHENOY - OTTIGNIES*	1997	4,300	426	100%	426	406
LE COLVERT - CÉROUX-MOUSTY*	1994	2,992	293	100%	293	288
LE GRAND CERF - SPA*	1999	1,880	146	100%	146	139
LES CHARMILLES - SAMBREVILLE*	1999	2,763	260	100%	260	244
LES JOURS HEUREUX - LODELINSART*	2001	3,412	317	100%	317	309
MAISON SAINT IGNACE - BRUSSELS*	1995	8,345	763	100%	763	740
NIEUWE SEIGNEURIE - RUMBEKE*	2011	3,391	516	100%	516	472
PAAL - KOERSEL*	2003	7,017	536	100%	536	557
RÉSIDENCE DU PARC - NIVELLES*	2002	4,324	411	100%	411	390
SAINT CHARLES - BOUILLON*	2005	2,100	125	100%	125	137
SITTELLES - CHASTRE*	2004	1,929	325	100%	325	232
Operator: Senior Living Group		**120,151**	**15,157**	**100%**	**15,157**	**14,846**
ARCUS - BRUSSELS	2008	10,719	1,698	100%	1,698	1,630
BETHANIE - SAINT SERVAIS	2005	4,780	466	100%	466	443
DAMIAAN - TREMELO	2003	18,704	2,101	100%	2,101	2,119
LA CAMBRE - BRUSSELS	1982	13,023	1,797	100%	1,797	1,700
NOOTELAER - KEERBERGEN	1998	1,598	208	100%	208	198
PALOKE - MOLENBEEK	2001	11,262	1,246	100%	1,246	1,183
PRINSENPARK - GENK	2006	5,796	738	100%	738	738
PROGRES - LA LOUVIERE*	2000	4,852	469	100%	469	440
ROMANA - BRUSSELS	1995	4,375	819	100%	819	819
SEIGNEURIE DU VAL - MOUSCRON	1995 (2008)	6,797	1,076	100%	1,076	1,076
TEN PRINS - BRUSSELS	(1972) 2011	3,342	491	100%	491	476
VAN ZANDE - BRUSSELS	2008	3,463	388	100%	388	364
ZONNETIJ - AARTSELAAR	2006 (2009)	6,601	670	100%	670	670
ZONNEWEELDE - KEERBERGEN	1998 (2010	6,106	711	100%	711	711
ZONNEWEELDE - RIJMENAM	2002	9,644	1,338	100%	1,338	1,338
ZONNEWENDE - AARTSELAAR	1978 (2009)	9,089	941	100%	941	941
France		**235,770**	**28,497**	**100%**	**28,497**	**28,276**
Operator: Korian		**171,435**	**19,757**	**100%**	**19,757**	**20,560**
ASTREE - SAINT-ETIENNE*	2006	3,936	407	100%	407	400
BROCELIANDE - CAEN*	2003	4,914	839	100%	839	600
CANAL DE L'OURCQ - PARIS*	2004	4,550	859	100%	859	800
CENTRE DE SOINS DE SUITE SARTROUVILLE*	1960	3,546	349	100%	349	500
CHAMPGAULT - ESVRES-SUR-INDRE*	1975	2,200	169	100%	169	150
CHAMTOU - CHAMBRAY LES TOURS*	1989	4,000	569	100%	569	400
CHATEAU DE LA VERNEDE - CONQUES SUR ORBIEL*	1995	3,789	487	100%	487	850
DOMAINES DE VONTES - EVRES SUR INDRE*	1975	6,352	208	100%	208	600
ESTRAIN - SIOUVILLE-HAGUE*	1995	8,750	646	100%	646	1,350
FRONTENAC - BRAM*	1990	3,006	207	100%	207	250
GLETEINS - JASSANS RIOTTIER*	1990	2,500	252	100%	252	400
GRAND MAISON - L'UNION*	2004	6,338	726	100%	726	600
HORIZON 33 - CAMBES*	1990	3,288	343	100%	343	320
L'ERMITAGE - LOUVIER*	2007	4,013	447	100%	447	350
LA GOELETTE - EQUEURDREVILLE*	2009	4,709	639	100%	639	400
LA PINEDE - SIGEAN*	1998	1,472	59	100%	59	80
LE BOIS CLEMENT - LA FERTE GAUCHER*	2002	3,466	530	100%	530	475
LE CLOS DU MURIER - FONDETTES*	2008	4,510	543	100%	543	450
LE JARDIN DES PLANTES - ROUEN*	2004	3,000	254	100%	254	260
LES AMARANTES - TOURS*	1996	4,207	449	100%	449	520

[1] The occupancy rate is calculated as follows: contractual rents divided by rents + ERV on unlet spaces.

PROPERTY	Year of construction/ last renovation (extension)	Superstructure (in m²)	A Contractual rents (x €1,000)	C=A/B[1] Occupancy rate 2012	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value
LES BLÉS D'OR - CASTELNAU DE LEVIS*	1989	3,695	456	100%	456	430
LES HAUTS D'ANDILLY - ANDILLY*	2008	3,069	463	100%	463	350
LES HAUTS DE JARDY - VAUCRESSON*	2008	4,373	678	100%	678	850
LES HAUTS DE L'ABBAYE - MONTIVILLIERS*	2008	4,572	492	100%	492	470
LES JARDINS DE L'ANDELLE - PERRIERS SUR ANDELLE*	2009	3,348	417	100%	417	350
LES LUBERONS - LE PUY SAINTE REPARADE*	1990	4,217	447	100%	447	385
LES OLIVIERS - LE PUY SAINTE REPARADE*	1990	4,130	444	100%	444	430
LO SOLELH - BEZIERS*	2010	2,760	234	100%	234	275
MEUNIERES - LUNEL*	1988	4,275	674	100%	674	300
MONTPRIBAT - MONFORT EN CHALOSSE*	1980	5,364	683	100%	683	550
PAYS DE SEINE - BOIS LE ROY*	2006 (2010)	6,496	1,144	100%	1,144	1,150
POMPIGNANE - MONTPELLIER*	1972	6,201	806	100%	806	800
PONT - BEZONS*	1990	2,500	203	100%	203	580
ROUGEMONT - LE MANS*	2006	5,986	389	100%	389	500
SAINT GABRIEL - GRADIGNAN*	2008	6,274	718	100%	718	650
SAINTE BAUME - NANS LES PINS*	1970	5,100	537	100%	537	700
VILLA EYRAS - HYERES*	1991	7,636	629	100%	629	625
VILLA SAINT DOMINIQUE - ROUEN*	1988	4,149	825	100%	825	560
WILLIAM HARVEY - SAINT MARTIN D'AUBIGNY*	1989	4,744	538	100%	538	850
Operator: Medica		**21,653**	**2,849**	**100%**	**2,849**	**2,721**
AUTOMNE - REIMS*	1990	4,203	608	100%	608	595
AUTOMNE - SARZEAU*	1994	2,482	415	100%	415	409
AUTOMNE - VILLARS LES DOMBES*	1992	2,889	383	100%	383	350
BRUYERES - LETRA*	2009	5,374	700	100%	700	541
DEBUSSY - CARNOUX EN PROVENCE*	1996	3,591	346	100%	346	377
OLIVIERS - CANNES LA BOCCA*	2004	3,114	397	100%	397	449
Operator: Orpea		**39,696**	**5,670**	**100%**	**5,670**	**4,805**
BELLOY - BELLOY*	2002	2,559	437	100%	437	350
CUXAC - CUXAC CABARDES	1989	2,803	387	100%	387	170
HAUT CLUZEAU - CHASSENEUIL	2002	2,512	387	100%	387	325
HELIO MARIN - HYERES	1975	12,957	1,692	100%	1,692	1,450
LA JONCHERE - RUEIL MALMAISON	2007	3,731	745	100%	745	800
LA RAVINE - LOUVIERS	2000 (2010)	3,600	620	100%	620	500
LA SALETTE - MARSEILLE	1995	3,582	586	100%	586	500
LAS PEYRERES - SIMORRE	1969	1,895	151	100%	151	100
LE CLOS SAINT SÉBASTIEN - SAINT SÉBASTIEN SUR LOIRE	2005	3,697	539	100%	539	450
VILLA NAPOLI - JURANCON	1950	2,360	126	100%	126	160
Operator: Mutualité de la Vienne		**1,286**	**112**	**100%**	**112**	**90**
LE LAC - MONCONTOUR*	1991	1,286	112	100%	112	90
Operator: VP Investissements		**1,700**	**109**	**100%**	**109**	**100**
LA GAILLARDIERE - VIERZON*	1975	1,700	109	100%	109	100
Netherlands		**5,821**	**830**	**100%**	**830**	**830**
Operator: Bergman Clinics		**5,821**	**830**	**100%**	**830**	**830**
BERGMAN CLINICS*	2010	5,821	830	100%	830	830
PROPERTY OF DISTRIBUTION NETWORKS		425,175	37,794	99%	38,040	35,584
Pubstone		**364,489**	**29,973**	**100%**	**29,973**	**27,340**
Pubstone Belgium (813 properties)*		**316,996**	**19,978**	**100%**	**19,978**	**18,417**
Brussels		40,938	3,625	100%	3,625	3,384
Flanders		200,237	11,880	100%	11,880	11,339
Wallonia		75,821	4,473	100%	4,473	3,694
Pubstone Netherlands (246 properties)*		**47,493**	**9,995**	**100%**	**9,995**	**8,923**
MAAF (281 properties)*		**60,686**	**7,821**	**97%**	**8,067**	**8,244**

[1] The occupancy rate is calculated as follows: contractual rents divided by rents + ERV on unlet spaces.

PROPERTY	Year of construction/ last renovation (extension)	Superstructure (in m²)	A Contractual rents (x €1,000)	C=A/B[1] Occupancy rate 2012	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value
OTHERS		31,537	4,247	100%	4,247	3,496
Antwerp Periphery		**60**		**100%**		
NOORDERPLAATS (AMCA)	2010	60		100%		
Brussels Decentralised		**6,175**	**2,107**	**100%**	**2,107**	**1,610**
SOMBRE 56 - BRUXELLES	2004	6,175	2,107	100%	2,107	1,610
Brussels Periphery		**15,657**	**901**	**100%**	**901**	**716**
MERCURIUS 30	2001	6,124	560	100%	560	390
WOLUWELAAN 145	1977	9,533	341	100%	341	326
Other regions		**9,645**	**1,239**	**100%**	**1,239**	**1,170**
KROONVELDLAAN 30 - DENDERMONDE	2012	9,645	1,239	100%	1,239	1,170
TOTAL INVESTMENT PROPERTIES & RECONSTRUCTION OF LEASE PAYMENTS SOLD AND DISCOUNTED		1,831,186	221,616	95,71%	231,561	218,219
LAND RESERVE OFFICES			120.71		119.71	144.92
Brussels Centre & North			**2.87**		**2.87**	**2.87**
DE LIGNE			2.81		2.81	2.81
MEIBOOM 16-18			0.03		0.03	0.03
PACHECO 34			0.03		0.03	0.03
Brussels Leopold & Louise District			**0.50**		**0.50**	**0.50**
MONTOYER 40			0.25		0.25	0.25
LOUISE 140			0.25		0.25	0.25
Brussels Decentralised			**2.99**		**2.99**	**2.99**
TWIN HOUSE			2.99		2.99	2.99
Brussels Periphery			**107.77**		**106.77**	**131.98**
KEIBERG PARK			0.13		0.13	0.13
KOUTERVELD 6			107.59		106.59	131.80
WOLUWE GARDEN 26-30			0.05		0.05	0.05
Antwerp Periphery			**2.64**		**2.64**	**2.64**
PRINS BOUDEWIJNLAAN 24A			2.64		2.64	2.64
Antwerp Singel			**3.83**		**3.83**	**3.83**
LEMANSTRAAT 27			2.00		2.00	2.00
PLANTIN & MORETUS			0.40		0.40	0.40
QUINTEN			0.25		0.25	0.25
REGENT			0.25		0.25	0.25
ROYAL HOUSE			0.25		0.25	0.25
UITBREIDINGSTRAAT 2-8			0.58		0.58	0.58
UITBREIDINGSTRAAT 10-16			0.10		0.10	0.10
Other regions			**0.11**		**0.11**	**0.11**
AVROY 35-39 / DESTENAY 13 - LIEGE			0.11		0.11	0.11
PROJECTS AND RENOVATIONS OFFICES		34,341			354	354
LIVINGSTONE I & II		34,341			354	354
PROJECTS AND RENOVATIONS HEALTHCARE REAL ESTATE			2		2	2
DIAMANT - BRUSSELS			2		2	2
LAND RESERVE HEALTHCARE REAL ESTATE			22		22	22
L'OREE DU BOIS - COMINES - WARNETON			22		22	22
VISHAY - EVERE						
PROJECTS AND RENOVATIONS OTHERS			266		266	255
SOMBRE 56 - BRUSSELS			266		266	255
TOTAL PORTFOLIO		1,865,527	222,027		232,325	218,997

[1] The occupancy rate is calculated as follows: contractual rents divided by rents + ERV on unlet spaces.

Report by the real estate experts

CONTEXT

We have been engaged by Cofinimmo to value its real estate assets as of 31.12.2012 with a view to finalising its financial statements at that date.

DTZ Winssinger et Associates (DTZ) and Pricewaterhouse-Coopers Entreprise Advisory cvba/scrl (PwC) have each separately valued approximately half the portfolio of offices and other properties.
DTZ Winssinger and PwC have each separately valued part of the portfolio of nursing homes in Belgium.
DTZ Eurexi and Jones Lang LaSalle France have each separately valued part of the portfolio of nursing homes and other care facilities in France.
The portfolios of pubs in Belgium and the Netherlands have been valued by DTZ Winssinger and DTZ Zadelhof, respectively.
The portfolio of insurance agencies in France has been valued by DTZ Eurexi.

DTZ and PwC have in-depth knowledge of the real estate markets in which Cofinimmo is active and have the necessary, recognised professional qualifications to perform this assessment. In conducting this assessment, we have acted with complete independence.

As is customary, our assignment has been carried out on the basis of information provided by Cofinimmo regarding tenancy schedules, charges and taxes borne by the landlord, works to be carried out and all other factors that could affect property values. We assume that the information provided is complete and accurate.

Our valuation reports do not in any way constitute an assessment of the structural or technical quality of the buildings or an in-depth analysis of their energy efficiency or of the potential presence of harmful substances. This information is well known to Cofinimmo, which manages its properties in a professional way and performs technical and legal due diligence before acquiring each property.

OFFICE MARKET

Offices represent the lion's share of real estate holdings in the portfolios of institutional investors, at just over 50%. For Confinimmo, offices have now fallen below 50% of its total real estate portfolio.

For the second consecutive year, annual volumes invested in the retail segment are close to those invested in offices. Many transactions have been carried out by private investors as well as several more significant deals carried out by prominent international players (e.g. the acquisition by Klépierre of the Esplanade shopping centre extension in Louvain-la-Neuve).
The level of investments in offices in 2012 was influenced by several factors:

- the legal and fiscal uncertainty around the new anti-abuse law in effect since 01.06.2012 and the cancellation of split deals;
- banks' reluctance to finance real estate, especially in the non-recourse financing section as well as the significant increase in their margins;
- the ever-increasing lawmaking which penalises investment and generates concern and uncertainty: Basel III, Solvency II, AIFMD, etc.

In addition to:

- insurance companies which remain very active on the property market, driven by their objectives to reinvest premium income and the uncertainty linked to the debt and equity markets;
- insurance companies which grant loans or set up loan funds;
- successful capital raisings or private placements such as for Atenor, Ghelamco, Befimmo, Aedifica, ... ;
- opportunities created by German and other funds which are required to arbitrate or sell their assets.

Gross take-up remains sustained at more than 400,000m² in 2012, a 15% increase as compared to 2011. This level is brought about by enticing conditions offered by landlords eager to increase building occupancy. The availability rate is decreasing thanks to the aforementioned sustained take-up and a lack of speculative projects due to lack of funding for such projects.

NURSING HOMES MARKET

The nursing homes market has recorded an exceptional performance in 2012 with more than €260 million invested during the year. The search for investments which guarantee a stable and secure revenue has been a central focus in 2012. On the nursing homes market, this has been observed with the arrival of new institutional investors (insurance companies such as Ethias, AG Real Estate and Belfius). 2012 has also confirmed the growing trend for nursing homes operators to outsource the real estate aspects in order to concentrate on their core business. 2013 should also record good performance and confirm the trends observed in 2012, with Cofinimmo and Ethias having notably announced their willingness to invest in this sector in the years to come.
Demographic growth trends and the reversal of the age pyramid in Belgium constitutes one of the main growth factors for this market. In Belgium, it is estimated that approximately 30% will be over 60 years old in 2050, and almost 10% more than 80 years old. According to forecasting scenarios, the growth in the sector should range from 1,800 to 3,500 beds per year until 2025 in order to meet the increasing demand. Nevertheless, over the last 10 years, growth in supply has been recorded at approximately 900 beds per year, notably due to limitations imposed by the Federal State on the number of licenses delivered. This growing tension between supply and demand has led to an occupancy rate of close to 100% in the nursing homes sector.
The complexity and the financial constraints of this sector generate quite significant entry barriers for an asset type which is sought-after by investors given long-term cash flows and non-existant vacancy levels. Further, triple net leases place the maintenance costs on the operator's side rather than the owner's and the demographic cycle brings positive forecasts. Nevertheless, budgetary efforts to reduce the public debt should limit the subsidies made by the Federal State in the sector. The regionalisation of elderly care approved in the sixth reform of the State and the increase of the dependency rate (the ratio between the working population and the pensioned ones) could weigh on this sector.

PROPERTY OF DISTRIBUTION NETWORKS (PUBSTONE AND COFINIMUR I)

The real estate share of distribution networks currently represents around 15% of Cofinimmo's portfolio. This share should remain stable over the next two to three years. Pubstone (cafés/restaurants sector) and Cofinimur I (retail/agencies sector) present a diversified risk profile, between retail real estate and buildings which could be refurbished into residential units (Pubstone) or proximity agencies (Cofinimur I).
Both portfolios remained stable during 2012. The fair value of this part of Cofinimmo's portfolio has increased by around 3.2% compared to 2011. Few purchases or sales have been recorded in 2012 and for 2013 and 2014, only refurbishment investments are scheduled.
Cofinimmo's investments in this sector are characterised by a search for long-term leases, low rental values and attractive acquisition prices per square metre. Sale and leaseback operations for well-located assets, allowing a diversity of likely uses, are favoured. This part of the portfolio could also be sold by units to local investors.

OPINION

We confirm that our valuation has been done in accordance with national and international standards (International Valuation Standards issued by the International Valuation Standards Council, the Red Book of the Royal Institute of Chartered Surveyors, 7th edition) and their application procedures, in particular for the assessment of Belgian real estate investment funds (Sicafis/Bevaks).

The investment value is defined as the amount most likely to be obtained at normal conditions of sale between willing and well-informed parties, inclusive of transactions costs (mainly transfer taxes) to be paid by the acquirer. It does not reflect the costs of future investments that could improve the property or the benefits associated with such costs.

VALUATION METHODOLOGY

The valuation methodology adopted is mainly based on three methods:

The ERV (Estimated Rental Value) Capitalisation Approach consists in capitalizing the Estimated Rental Value (ERV) of the property using a market yield in line with the investment market and adjusting the then obtained value for the difference between the effective passing rent and the ERV during the period of the in-place lease. The selection of the appropriate yield is based on an analysis of comparable market data, including published industry information. The yield rate corresponds to the yield expected by potential investors at the date of the valuation.

The Discounted Cash Flow Approach requires the assessment of the net rental income generated by the property on a yearly basis during an explicit forecasted period. The projected period varies generally between 10 to 18 years. At the end of this period, an exit value is calculated, taking into account the anticipated rent and yield at term horizon.

The Residual Valuation Approach is used to value land and old heavily to be refurbished buildings. It consists in determining the size and type of project that can be built/refurbished according to urbanistic law and regulations, to then estimate the value of the end project and the costs that need to be incurred to realize such project. The difference between the two estimates is the residual value.

TRANSACTION COSTS

In theory, the disposal of properties is subject to a transfer tax charged by the Government and paid by the acquirer, which represent substantially all transaction costs. For properties situated in Belgium, the amount of this tax mainly depends on the mode of transfer, the capacity in which the acquirer acts and the property's location. The first two variables, and therefore the amount of tax payable, are only known once the sale is contracted. Based on a study from independent real estate experts dated 08.02.2006 and periodically reviewed, the "average" transaction cost for properties over €2,500,000 is assessed at 2.5%.

The fair value (as defined under IAS/IFRS and by the BEAMA's (Belgian Asset Managers Association) press release of 08.02.2006) for properties over €2,500,000 can therefore be obtained by deducting 2.5% of "average" transaction cost from their investment value. This 2.5% figure will be reviewed periodically and adjusted if on the institutional investment transaction market a change of at least +/- 0.5% in the effectively "average" transaction cost is observed.
For properties with an investment value under €2,500,000 transfer taxes of 10% or 12.5% have been subtracted, depending on the region of Belgium where they are situated.

The transfer taxes on properties in France and the Netherlands have been deducted in full from their investment values to obtain their fair values.

ASSETS SUBJECT TO A SALE OF RECEIVABLES

Cofinimmo is owner of several buildings of which the rents have been sold in the past to a third party. The valuers have valued those properties as freehold (before sale of receivables). At the request of Cofinimmo , the values mentioned below represent for these buildings the freehold value net of the rents still due (residual value), as calculated by Cofinimmo. In the forthcoming quarters, the residual value will evolve in such a way as to be, at the maturity of the sale of the receivables, equivalent to the freehold value. This calculation by Cofinimmo has not been audited by the valuers.

INVESTMENT VALUE AND FAIR VALUE

Taking into account the two opinions, the investment value (transaction costs not deducted) of Cofinimmo's total real estate portfolio as of 31.12.2012 is estimated at €3,436,091,000.

Taking into account the two opinions, the likely fair value, after the deduction of the "transaction" transfer costs, of Cofinimmo's total real estate portfolio as of 31.12.2012, corresponding to the fair market value under IAS/IFRS, is estimated at €3,308,570,000.

On this basis, the yield on rent, received or contracted, including from assets that form the object of an assignment of receivables, but excluding projects, land and buildings undergoing refurbishment, and after the application of imputed rent to the premises occupied by Cofinimmo, amounts to 6.71% of the investment value.

If the properties were to be let in full, the yield would increase to 7.01%.

Investment properties have an occupancy rate of 95.71%.

The contractually passing rent (excluding projects, buildings undergoing refurbishment and assets that form the object of an assignment of receivables) for let space plus the estimated rental value for vacant space is 6,11% above the estimated fair rental value for the whole portfolio at this date. This difference results mainly from the inflation indexation of contractual rents since the inception of the in-place leases.
The assets are broken down as follows:

	Investment value	Fair value	% of fair value
Offices	€1,581,735,000	€1,543,156,000	46.6%
Healthcare real estate	€1,214,366,000	€1,172,441,000	35.5%
Property of distribution networks	€574,683,000	€529,258,000	16.0%
Others	€65,307,000	€63,715,000	1.9%
TOTAL	€3,436,091,000	€3,308,570,000	100%

PwC OPINION
The investment value of the part of Cofinimmo's real estate portfolio valued by PwC is estimated as of 31.12.2012 at €834,804,000 and the likely fair value (after the deduction of the transaction costs) is estimated at €814,443,000, corresponding to the fair market value under IAS/IFRS.

DTZ OPINION
The investment value of the part of Cofinimmo's real estate portfolio valued by DTZ and by Jones Lang Lasalle is estimated as of 31.12.2012 at €2,601,287,000 and the likely fair value (after deduction of transaction costs) at €2,494,127,000, corresponding to the fair market value under IAS/IFRS.

Update of determination of fair value at the end of each of the first three quarters of the financial year:

PwC OPINION
The investment value of the part of Cofinimmo's real estate portfolio valued by PwC is estimated as of 31.03.2012 at €829,391,000 and the likely fair value (after the deduction of the transaction costs) is estimated at €809,162,000, corresponding to the fair market value under IAS/IFRS.

PwC OPINION
The investment value of the part of Cofinimmo's real estate portfolio valued by PwC is estimated as of 30.06.2012 at €832,830,000 and the likely fair value (after the deduction of the transaction costs) is estimated at €812,517,000, corresponding to the fair market value under IAS/IFRS.

PwC OPINION
The investment value of the part of Cofinimmo's real estate portfolio valued by PwC is estimated as of 30.09.2012 at €831,481,000 and the likely fair value (after the deduction of the transaction costs) is estimated at €811,201,000, corresponding to the fair market value under IAS/IFRS.

DTZ OPINION
The investment value of the part of Cofinimmo's real estate portfolio valued by DTZ and by Jones Lang Lasalle is estimated as of 31.03.2012 at €2,517,498,000 and the likely fair value (after deduction of transaction costs) is estimated at €2,413,760,000, corresponding to the fair market value under IAS/IFRS.

DTZ OPINION
The investment value of the part of Cofinimmo's real estate portfolio valued by DTZ and by Jones Lang Lasalle is estimated as of 30.06.2012 at €2,549,871,000 and the likely fair value (after deduction of transaction costs) is estimated at €2,444,845,400, corresponding to the fair market value under IAS/IFRS.

DTZ OPINION
The investment value of the part of Cofinimmo's real estate portfolio valued by DTZ and by Jones Lang Lasalle is estimated as of 30.09.2012 at €2,588,397,000 and the likely fair value (after deduction of transaction costs) is estimated at €2,482,001,000, corresponding to the fair market value under IAS/IFRS.

Jean-Paul DUCARME FRICS
Consultant to PwC

Ann SMOLDERS
Partner PwC

Jean-Philippe Carmarans, MRICS
DTZ, International Director

Annual accounts

Consolidated accounts

Consolidated global result (income statement) (x €1,000)

	Notes	2012	2011
A. NET RESULT			
Rents	6	192,280	191,623
Cost of rent free periods	6	-1,673	-1,018
Clients incentives	6	-803	-2,463
Rental indemnities	6	12,620	637
Writeback of lease payments sold and discounted	6	22,994	20,999
Rental-related expenses	6	-67	188
Net rental income	5, 6	225,351	209,966
Recovery of property charges	7	756	273
Recovery income of charges and taxes normally payable by the tenant on let properties	8	41,581	46,122
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	7	-1,766	-1,813
Charges and taxes normally payable by the tenant on let properties	8	-43,549	-45,979
Property result		222,373	208,569
Technical costs	9	-6,243	-4,412
Commercial costs	10	-1,091	-1,560
Taxes and charges on unlet properties		-3,826	-3,574
Property management costs	11	-15,011	-13,926
Property charges		-26,171	-23,472
Property operating result		196,202	185,097
Corporate management costs	11	-7,363	-7,306
Operating result before result on the portfolio		188,839	177,791
Gains or losses on disposals of investment properties and other non-financial assets	5, 12	1,414	6,644
Changes in fair value of investment properties	5, 13, 22	12,197	-9,603
Other result on the portfolio	5, 14	-11,442	-17,221
Operating result		191,008	157,611
Financial income	15	5,559	6,079
Net interest charges	16	-64,208	-62,458
Other financial charges	17	-884	-1,166
Changes in fair value of financial assets and liabilities	18	-24,344	-9,561
Financial result		-83,877	-67,106
Share in result of associated companies and joint ventures		433	213
Pre-tax result		107,564	90,718
Corporate tax	19	-4,273	-6,920
Exit tax	19	-596	39,287
Taxes		-4,869	32,367
Net result		102,695	123,085
Minority interests	34	-4,623	-4,546
NET RESULT – GROUP SHARE	32	98,072	118,539
NET CURRENT RESULT – GROUP SHARE[1]	32	97,486	103,643
RESULT ON THE PORTFOLIO - GROUP SHARE[2]	32	586	14,896

[1] The net current result – Group share corresponds to the net result excluding "Gains or losses on disposals of investment properties and other non-financial assets", "Changes in fair value of investment properties", "Other result on the portfolio", as well as "Exit tax" minus (-) "Share in result of associated companies and joint ventures" related to the result on the portfolio and minus (-) "Minority interests" on these five elements.

[2] The result on the portfolio - Group Share corresponds to the "Gains or losses on disposal of investment properties and other non-financial assets", "Changes in fair value of investment properties","Other result on the portfolio" and "Exit Tax", minus (-) "Share in result of associated companies and joint ventures" related to the result on the portfolio and minus (-) "Minority interests" on these five elements.

Consolidated global result (income statement) (x €1,000)

	Notes	2012	2011
B. OTHER ELEMENTS OF THE GLOBAL RESULT			
Impact on fair value of estimated transaction cost resulting from hypothetical disposal of investment properties		-2,550	-2,331
Changes in the effective part of the fair value of authorized cash flow hedge instruments	24	-50,375	-49,248
Other elements of the global result		-52,925	-51,579
Minority interests		8	87
OTHER ELEMENTS OF THE GLOBAL RESULT – GROUP SHARE		-52,917	-51,492
C. GLOBAL RESULT		49,770	71,506
Minority interests	34	-4,615	-4,459
GLOBAL RESULT – GROUP SHARE		45,155	67,047

Result per share – Group share (in €)

	Notes	2012	2011
Net current result	32	6.09	6.82
Result on the portfolio	32	0.03	0.98
Net result	32	6.12	7.80

Consolidated financial situation (balance sheet) (x €1,000)

	Notes	**31.12.2012**	31.12.2011
Non-current assets		3,533,691	3,414,890
Goodwill	5, 20	150,356	157,456
Intangible assets	23	605	745
Investment properties	5, 21	3,297,900	3,177,560
Other tangible assets	23	856	966
Non-current financial assets	37	24,672	21,880
Finance lease receivables	25	53,397	55,403
Trade receivables and other non-current assets		97	42
Participations in associated companies and joint ventures	4	5,808	838
Current assets		108,797	114,051
Assets held for sale	5, 26	10,670	12,025
Current financial assets	37	6,501	13,779
Finance lease receivables	25	2,973	2,868
Trade receivables	27	22,636	20,840
Tax receivables and other current assets	28	29,142	17,015
Cash and cash equivalents		3,041	10,207
Deferred charges and accrued income	29	33,834	37,317
TOTAL ASSETS		3,642,488	3,528,941

Shareholders' equity		1,542,292	1,515,544
Shareholders' equity attributable to shareholders of parent company		1,476,029	1,460,887
Capital	30	857,822	814,228
Share premium account	30	329,592	312,330
Reserves	31	190,543	215,790
Net result of the financial year	32	98,072	118 539
Minority interests	34	66,263	54,657
Liabilities		2,100,196	2,013,397
Non-current liabilities		1,566,005	1,601,386
Provisions	35	20,493	18,474
Non-current financial debts	37	1,388,883	1,435,094
Other non-current financial liabilities	24, 38	120,835	106,735
Deferred taxes	36	35,794	41,083
Current liabilities		534,191	412,011
Current financial debts	37	351,203	246,316
Other current financial liabilities	24, 38	81,959	58,930
Trade debts and other current debts	39	64,560	79,225
Accrued charges and deferred income	40	36,469	27,540
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,642,488	3,528,941

Calculation of debt ratio (x €1,000)

		2012	2011
Non-current financial debts		1,388,883	1,435,094
Other non-current financial liabilities (except for hedging instruments)	+	35	
Current financial debts	+	351,203	246,316
Other current financial liabilities (except for hedging instruments)	+		
Trade debts and other current debts	+	64,560	79,225
Total debt	=	1,804,681	1,760,635
Total assets (except for hedging instruments)	/	3,616,908	3,528,941
DEBT RATIO	=	49.90%	49.89%

Consolidated cash flow statement (x €1,000)

	Notes	2012	2011
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		10,207	3,265
Operating activities			
Net result of the period		98,072	118,539
Adjustments for interest charges and income		59,429	56,540
Adjustments for gains and losses on disposals of property assets		-304	-6,644
Adjustments for gains and losses on disposals of financial assets		-348	
Adjustments for non-cash charges and income	41	2,617	-23,817
Changes in working capital requirements	42	-9,285	4,129
CASH FLOW RESULTING FROM OPERATING ACTIVITIES		150,181	148,747
Investment activities			
Investments in intangible assets and other tangible assets		-461	-820
Acquisitions of investment properties	43	-15,497	-150,153
Extensions of investment properties	43	-33,237	-34,993
Investments in investment properties	43	-7,100	-8,897
Acquisitions of consolidated subsidiaries	4	-14,573	-28,738
Acquisitions of subsidiaries accounted for under the equity method	4	-5,661	-625
Disposals of investment properties	43	2,394	172,067
Disposals of assets held for sales	43	925	
Payment of exit tax		-11,314	-62,065
Disposals of finance lease receivables		3,033	2,866
CASH FLOW RESULTING FROM INVESTMENT ACTIVITIES		-81,491	-111,358
Financing activities			
Disposals of own shares		37,681	
Dividends paid to shareholders		-67,671	-65,384
Reacquisition of minority interests		-17,441	-964
New minority interests		5,000	47,000
Coupons paid to minorities		-85	
Coupons paid to MCB-holders		-1,379	
Increase of financial debts		260,201	313,116
Decrease of financial debts		-222,707	-253,277
Financial income received		5,593	6,601
Financial charges paid		-63,665	-61,542
Other cash flows from financing activities		-11,383	-15,997
CASH FLOW RESULTING FROM FINANCING ACTIVITIES		-75,856	-30,447
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3,041	10,207

Consolidated statement of changes in shareholder's equity (x €1,000)

	Capital	Share premium account	Reserves[1]	Net result of the year	Equity Parent company	Minority interests	Share-holders' equity
At 01.01.2011	796,528	513,093	66,364	83,796	1,459,781	7,097	1,466,878
Appropriation of the 2010 net result			83,796	-83,796			
Elements directly recognised in shareholder's equity			-51,492	118,539	67,047	4,459	71,506
Cash flow hedge			-49,248		-49,248		-49,248
Impact on fair value of estimated transaction costs resulting from hypothetical disposals of investment properties			-2,244		-2,244	-87	-2,331
Result of the period				118,539	118,539	4,546	123,085
Minority interests						43,101	43,101
Others		-214,086	213,574		-512		-512
SUB-TOTAL	**796,528**	**299,007**	**312,242**	**118,539**	**1,526,316**	**54,657**	**1,580,973**
Issue of new shares[2]	17,697	13,321			31,018		31,018
Conversion of convertible bonds	3	2			5		5
Dividends			-96,452		-96,452		-96,452
At 31.12.2011	814,228	312,330	215,790	118,539	1,460,887	54,657	1,515,544
Appropriation of the 2011 net result			118,539	-118,539			
Elements directly recognised in shareholder's equity			-52,917	98,072	45,155	4,615	49,770
Cash flow hedge			-50,375		-50,375		-50,375
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties			-2,542		-2,542	-8	-2,550
Result of the period				98,072	98,072	4,623	102,695
Minority interests						6,991	6,991
Others			-381		-381		-381
SUB-TOTAL	**814,228**	**312,330**	**281,031**	**98,072**	**1,505,661**	**66,263**	**1,571,924**
Issue of new shares[2]	20,942	11,165			32,107		32,107
Acquisition/disposal of own shares	22,652	6,097	8,932		37,681		37,681
Dividends			-99,420		-99,420		-99,420
AT 31.12.2012	857,822	329,592	190,543	98,072	1,476,029	66,263	1,542,292

[1] See note 31.
[2] Shares (capital + share premium account) issued in the context of mergers are directy eliminated during consolidation because they constitute own shares.

Detail of the reserves (x €1,000)

	Reserve for the positive/negative balance of changes in fair value of investment properties	Reserve for the estimated transaction costs resulting from hypothetical disposal of investment properties	Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	Reserve for the balance of changes in faire value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS
AT 01.01.2011	-28,617	-64,128	-60,061	
Appropriation of the 2010 net result	-143,414	-904	-7,070	-1,312
Elements directly recognised in shareholders' equity		-2,244	-49,248	
Cash flow hedge			-49,248	
Impact on fair value of estimated transaction costs resulting from hypothetical disposals of investment properties		-2,244		
Others	-347			
SUB-TOTAL	**-172,378**	**-67,276**	**-116,379**	**-1,312**
Dividends				
At 31.12.2011	-172,378	-67,276	-116,379	-1,312
Appropriation of the 2011 net result	22,576	-1,461	9,641	-167
Elements directly recognised in shareholders' equity		-2,542	-50,375	
Cash flow hedge			-50,375	
Impact on fair value of estimated transaction costs resulting from hypothetical disposals of investment properties		-2,542		
Others	-257	-145		
SUB-TOTAL	**-150,059**	**-71,424**	**-157,113**	**-1,479**
Acquisition/disposal of own shares				
Dividends				
At 31.12.2012	-150,059	-71,424	-157,113	-1,479

	Distributable reserve	Non-distributable reserve	Tax-exempt reserve	Legal reserve	TOTAL RESERVES
	222,437	1,557	-4,859	35	66,364
	235,905	591			83,796
					-51,492
					-49,248
					-2,244
	209,099	-37	4,859		213,574
	667,441	**2,111**		**35**	**312,242**
	-96,452				-96,452
	570,989	2,111		35	215,790
	87,673	277			118,539
					-52,917
					-50,375
					-2,542
	-1,903	297		1,627	-381
	656,759	**2,685**		**1,662**	**281,031**
	8,932				8,932
	-99,420				-99,420
	566,271	2,685		1,662	190,543

Notes to the consolidated accounts

PAGES

NOTE 1. General business information

Cofinimmo SA/NV (the "Company") is a public Sicaf immobilière/Vastgoedbevak (Société d'Investissement immobilière à Capital Fixe publique/Vastgoedbeleggingsvennootschap met vast kapitaal - public fixed capital real estate investment trust) organised under Belgian Law with registered offices in 1200 Brussels (Boulevard de la Woluwe, 58). The consolidated financial statements of the company for the financial year ended 31.12.2012 comprise the company and its subsidiaries (together referred to as the "Group"). The scope of consolidation has changed since 31.12.2011. The Extraordinary General Meetings on 27.04.2012, 26.10.2012 and 28.12.2012 approved the mergers by absorption of respectively five, three and one companies, which were acquired in 2011 and 2012, with a view to simplifying the organisation of the Group and to transferring the assets held by these subsidiaries to the public Sicafi/Bevak tax regime. The consolidation scope at 31.12.2012 is presented on page 173 of this Annual Financial Report.
The consolidated financial statements and company accounts were authorised for issue by the Board of Directors on 21.03.2013 and will be proposed for approval by the Annual Shareholders' Meeting on 08.05.2013. The Auditor Deloitte, Company Auditors, represented by Mr. Frank Verhaegen, has completed its audit work and confirmed that the accounting information contained in the Annual Financial Report calls for no reservation on its part and is in agreement with the financial statements adopted by the Board.

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 financial year 2011.

NOTE 2. Significant accounting methods

A. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the Belgian Royal Decree of 07.12.2010 concerning Sicafis/Bevaks.

Moreover, the Group has chosen not to anticipate the application of the new standards and interpretations, or their modifications, issued before the authorisation date of publication of the annual accounts but not in force at the closing date. It concerns IAS 12, IAS 28, IAS 32, IFRS 9, IFRS 10, IFRS 11, IFRS 12, IFRS 13.

The preparation of financial statements requires the company to make significant judgments that affect the application of accounting methods (such as for example the determination of the classification of lease contracts) and to proceed to certain estimates (in particular the estimate of the provisions). These assumptions are based on the management's experience, on the assistance from third parties (real estate experts) and on various other factors that are believed to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

B. BASIS OF PREPARATION

The financial statements are presented in euro, rounded to the nearest thousand. They are prepared on the historical costs basis except the following assets and liabilities which are stated at their fair value: investment properties and derivative financial instruments.

Some financial figures in this Annual Financial Report have been rounded up and, consequently, the overall totals in this Report may differ slightly from the exact arithmetical sum of the preceding figures.

Finally, some reclassifications can intervene between the publication dates of the annual results and of the Annual Financial Report.

C. BASIS OF CONSOLIDATION

I Subsidiaries

Subsidiaries are those entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that the control commences until the date that the control ceases.

Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group. The subsidiaries' financial statements cover the same accounting period as that of the company.

Minority interests represent interests in subsidiaries neither directly nor indirectly held by the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The book value of the Group's interests and the minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

II Jointly controlled entities

Jointly controlled entities are associated companies and joint ventures over which the Group has joint control, established by contractual agreement or following a distribution of shares amongst a limited number of shareholders. The consolidated financial statements include the Group's share in the result of associated companies and joint-ventures on an equity accounted basis, from the date that the joint control commences until the date that the joint control ceases. The jointly controlled entities' financial statements cover the same accounting period as that of the company.

III Transactions eliminated on consolidation

Intra-group balances and transactions, and any gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the enterprise. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

A list of the Group companies is included in Note 46 to the consolidated financial accounts.

D. GOODWILL AND BUSINESS COMBINATIONS

When the Group takes control of an integrated combination of activities and assets corresponding to the definition of business according to IFRS 3 - "Business combinations", assets, liabilities and contingent liabilities of the business acquired are recorded separately at fair value at the acquisition date. The goodwill represents the positive variation between the acquisition costs (excluding acquisition-related costs) plus any minority interests and the fair value of the acquired net assets. If this difference is negative ("negative goodwill"), it is immediately recorded in the results after confirmation of the values.

After its initial recording, the goodwill is not amortised but submitted to an impairment test realised at least every year with the cash generating units to which the goodwill was allocated. If the book value of a cash generating unit exceeds its value in use, the resulting writedown is recorded in the results and first allocated in reduction of the possible goodwill and than to the other assets of the unit, proportionally to their book value. A depreciation booked on a goodwill is not written back during a subsequent year.

In accordance with IFRS 3, the goodwill can be set temporarily at the acquisition and adjusted within the 12 following months.

In the event of the disposal of a cash generating unit, the amount of goodwill that is allocated to this unit is included in the determination of the result of the disposal.

E. TRANSLATION OF FOREIGN CURRENCIES

I Foreign entities

There is no subsidiary whose financial statements are denominated in a currency other than the euro on the balance sheet date.

II Foreign currency transactions

Foreign currency transactions are recognised initially at exchange rates prevailing at the date of the transaction. Subsequently, at closing, monetary assets and liabilities denominated in foreign currencies are translated at the then prevailing currency rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are included in the income statement as a financial income or a financial charge.

F. DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments (Interest Rate Swaps, purchase of CAP options, sale of FLOOR options) to hedge its exposure to interest rate risks arising from its operational, financing and investment activities. For more details about derivative financial instruments, see Note 24.

Derivative financial instruments are recognised initially at cost and are remeasured to fair value at subsequent reporting dates.

The fair value of Interest Rate Swaps, CAP options, FLOOR options and other derivative instruments is the estimated amount the Group would receive or pay to close the position at the balance sheet date, taking into account the then prevailing spot and forward interest rates, the value of the option and the creditworthiness of the counterparties.

Revaluation is carried out for all derivative products on the basis of the same assumptions as to rate curve and volatility using an application of the independent provider of market data Bloomberg. This revaluation is compared with the one given by the banks, and any significant discrepancy between the two revaluations is documented. See also point W below.

The accounting treatment depends upon the qualification of the derivative instrument as a hedging instrument and on the type of hedging. A hedging relationship qualifies for hedge accounting if, and only if, all the following conditions are met:

- at the inception of the hedge, there is a formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risks;
- the effectiveness of the hedge can be reliably measured;
- the hedge is assessed on an ongoing basis and is determined to have been highly effective throughout the financial reporting periods for which the hedge was designated.

I Fair value hedges

Where a derivative financial instrument hedges the exposure to changes in fair value of a recognised asset or liability or a unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk, any resulting gain or loss on the hedging instrument is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

II Cash flow hedges

Where a derivative financial instrument hedges the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, a firm commitment or a highly probable forecasted transaction, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. The ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement immediately.

When the firm commitment or the forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity are reclassified into income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

G. INVESTMENT PROPERTIES

Investment properties are properties which are held to earn rental income for the long term. In accordance with IAS 40, investment properties are stated at fair value.

External independent real estate experts determine the real estate portfolio every three months. Any gain or loss arising, after the acquisition of a property, from a change in its fair value is recognised in the income statement. Rental income from investment properties is accounted for as described under (R). The real estate experts carry out the valuation on the basis of the method of calculating the present value of the rental income in accordance with the "International Valuation Standards/RICS Valuation Standards", established by the International Valuation Standards Committee/Royal Institute of Chartered Surveyors, as set out in the corresponding report. This value, referred to hereafter as the "investment value", corresponds to the price that a third-party investor would be disposed to pay in order to acquire each of the properties making up the portfolio of assets and in order to benefit from their rental income while assuming the related charges, without deduction of transfer taxes. The disposal of an investment property is usually subject to the payment to the public authorities of transfer taxes or a value added tax.

A portion of transfer tax is deducted by the valuers from the investment value of the investment properties to establish the fair value of the investment properties, as evidenced in their expert report (see Note 21).

At the time of an acquisition, the transfer taxes incurred in the case of a hypothetical subsequent disposal are recorded directly in the shareholders' equity; any adjustment made subsequently is booked in the income statement.

If an investment property becomes owner-occupied, it is reclassified as asset held for own use and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording.

H. DEVELOPMENT PROJECTS

Properties that are being constructed or developed for future use as investment properties are is classified as development projects and stated at fair value until construction or development is complete, at which time they are reclassified and subsequently accounted for as investment property, always at fair value.

All costs directly associated with the purchase and construction, and all subsequent capital expenditures qualifying as acquisition costs, are capitalised. Provided the project exceeds one year, interest charges are capitalised at a rate reflecting the average borrowing cost of the Group.

I. PROPERTY LET FOR LONG PERIODS

I Types of long leases

Under Belgian law, properties can be let for long periods under two different regimes:

- long ordinary leases: the obligations of the lessor under the lease remain essentially those under any lease, for instance to ensure that space in a state of being occupied is available to the lessee during the whole term of the lease. This obligation is met by the lessor by bearing the maintenance costs (other than rental) and the cost of insuring the building against fire and other causes of damages;
- long leases which involve the assignment of a real right ("droit réel") by the assignor to the assignee: in this case, ownership passes temporarily to the assignee who will bear a.o. maintenance (other than rental) and insurance costs. Three contract types fall under this category: (a) the "bail emphytéotique" which must last a minimum of 27 years and a maximum of 99 years and can apply to land and/or construction; (b) the "droit de superficie" which may not exceed 50 years but has no minimum duration and concerns bare land and (c) the "droit d'usufruit" which may not exceed 30 years and has no minimum duration and can apply to land with construction or bare land. Under all these contracts, the assignor keeps a residual right in that it will recover full ownership of the property at the end of the term of assignment, including the ownership of constructions erected by the assignee, with or without indemnity for these constructions depending on contractual conditions. A purchase option for the residual right may however have been granted which the lessee can exercise during or at the end of the lease.

II Long leases qualifying as finance lease receivables

Provided these leases meet the criteria of a finance lease under IAS 17 § 10, at their inception, the Group as assignor will present them as a receivable for an amount equal to the net investment in the lease agreement. The difference between this latter amount and the book value of the leased property (excluding the value of the residual right kept by the Group) at the inception of the lease will be recorded in the income statement of the period. Any payment made periodically by the lessee will be treated by the Group partly as a repayment of the principal and partly as a financial income based on a pattern reflecting a constant periodic rate of return to the Group.
At each closing date, the residual right kept by the Group will be accounted for at its fair value. This value will increase each year and will correspond, at the end of the lease, to the market value of full ownership. These changes in fair value will be accounted for under "Changes in fair value of investment properties" in the income statement.
Conversely, if Cofinimmo is assignee in a financial lease as defined by IAS 17, it will recognise an asset at an amount equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments, the corresponding amount being recorded as a financial debt. The rents accruing from tenants will be recorded under rental income. The subsequent effective payments to the assignor during the term of the lease will be partially recorded under financial charges and partially as the amortization of the related financial debt. At each closing date, the temporarily assigned right will be accounted for at its fair value in accordance with IAS 40 - "Investment properties", the progressive loss in value resulting from the passage of time being recorded as "Changes in fair value of investment properties" in the income statement.

III Sale of future lease payments under a long lease not qualifying as a finance lease receivable

The amount collected by the Group as a result of the sale of the future lease payments will be recognised in deduction of the property's value to the extent that this sale of lease payments is opposable to third parties and that, as a consequence, the market value of the property is reduced by the amount of the future lease payments sold. The progressive reconstitution of the lease payments sold will be recognised in the income statement under the caption "Writeback of lease payments sold and discounted".

Separately in the income statement, the changes in fair value of the property will be recorded under the heading "Changes in fair value of investment properties".

J. OTHER PROPERTY

I Assets held for own use

In accordance with the alternative method allowed by IAS 16 § 31, the part of the property used by the company itself as headquarters is stated at fair value. It appears under the heading "Assets held for own use".

II Subsequent expenditure

Expenditure incurred to refurbish a property that is accounted for separately, is capitalised. Other expenditure is capitalised only when it increases the future economic benefits embodied in the item of property. All other expenditure is recorded as costs in the income statement (see S II).

III Depreciation

Investment properties, whether land or constructions, are not depreciated but posted at fair value (see G). A depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the following items:

- fixture and fittings 4-10 years;
- furniture 8-10 years;
- computer hardware 4 years;
- software 4 years.

IV Assets held for sale

Assets held for sale (investment properties) are presented separately in the balance sheet at a value corresponding to their fair value.

V Depreciation (Impairment)

The other assets are subject to a depreciation test only if there is an indication showing that their book value will not be recoverable by their use or sale.

K. FINANCE LEASE RECEIVABLES

Finance lease receivables are valued on the basis of their present value at the interest rate prevailing at the time of their issuing. If they are indexed to an inflation index, conservative assumptions concerning inflation are used for the determination of the present value. If recourse is taken to a derivative financial instrument providing hedging, the market interest rate for this instrument will serve as the reference rate for calculating the market value of the receivable concerned at the close of each accounting period. In this case, the entire unrealised gain generated by the valuation at market value of the receivable is limited to the unrealised loss relating to the valuation at market value (see F I) of the hedging instrument. Conversely, any unrealised loss generated by the receivable will be entirely booked in the income statement.

L. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise call deposits, cash and short-term investments.

M. SHAREHOLDERS' EQUITY

I Ordinary shares

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as deduction, net of tax, from the proceeds.

II Preference shares and mandatory convertible bonds

Preference share and mandatory convertible bond capital is classified as equity if it meets the definition of an equity instrument under IAS 32.

III Repurchase of shares

When own shares are repurchased by the Group, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are presented as a deduction from the headings "Capital" and "Share premium account". The proceeds on sales of own shares are directly included in equity without impact on the income statement.

IV Dividends

Dividends are recognised as debt when they are approved by the General Shareholders' Meeting.

N. INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are recognised initially at cost, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis. Upfront fees payable to lenders or legal fees are for example integrated into the effective interest rate calculation. Fixed-rate borrowings are expressed at their amortised nominal value. If, however, interest on a fixed-rate borrowing is swapped into a floating rate by virtue of a matching Interest Rate Swap derivative contract, in conformity with fair value hedge accounting (IAS 39 § 86), the unamortised balance of the fixed-rate borrowing is stated at market value as is the derivative itself (see F I).

The convertible borrowing is evaluated at fair value at the closing date.

O. EMPLOYEE BENEFITS

The Group funds a defined contribution pension scheme for its employees which is entrusted to an insurance company and thus independent from the Group. Contributions paid during the accounting period are charged to income.

P. PROVISIONS

A provision is recognised in the balance sheet when the Group has a legal or contractual obligation as a result of a past event, and if it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the market rate reflecting, where appropriate, the risk specific to the liability.

Q. TRADE AND OTHER PAYABLES

Trade and other payables are stated at cost.

R. OPERATING REVENUES

Operating revenues include revenues from lease contracts on buildings and revenues from real estate services.

Revenues from lease contracts are recorded under the rental revenues heading. Some lease contracts allow for a period of free occupancy followed by a period during which the agreed rent is due by the tenant. In this case, the total amount of the contractual rent to be collected until the first break option for the tenant is recognised in the income statement (header "rental revenues") pro rata temporis over the length of the lease contract, beginning at the start of the occupancy and ending at the first break option (i.e. the firm term of the lease). More accurately, the contractual rent expressed in annual amount is first recognized as a revenue and the rent-free period spread over this firm term of the lease is then booked as an expense. Hence, first, an accrued income account is debited at the start of the lease for an amount corresponding to the rental revenue (net of the cost of rent-free periods) already earned but not yet expired.

When real estate experts make an estimation of the value of the buildings based on the present value of future cash flows method, they include in these values the total rents yet to be collected. Hence, the accrued income account referred to above is redundant with the part of the buildings representing rents already earned and recognised in the income statement but not yet due. Therefore, secondly, in order to avoid this redundancy which would wrongfully swell the total of the balance sheet and the shareholder's equity, the amount under the accrued income account is reversed against a charge booked under the heading "Other result on the portfolio". Once the date of the first break option is passed, no charge is to be recorded in the income statement, as would have been the case without this reverse booking.

As a result, the operating result before result on the portfolio (and thus the current income of the analytical form) reflects the rents spread over the firm term of the lease, whereas the net result reflects the rents to date and as they are cashed.

Until 2010, rents were recorded as “rental income” during the year they were collected, without any correction to be made under the header “Other result on the portfolio”.

The concessions granted to tenants are, on their part, booked as charges over the firm term of the lease. They refer to incentives consisting in the financing by the landlord of certain expenses the tenant is normally responsible for, such as the cost of the fitting works of private surfaces for example.

S. OPERATING EXPENSES

I Services costs

Services costs paid, as well as those borne on behalf of the tenants, are included in the direct property expenses. Their reclaiming from the tenants is presented separately.

II Works carried out on properties

Works carried out which are the responsibility of the building owner are recorded in the accounts in three different ways, depending on the type of works concerned:

- expenditure on maintenance and repairs which does not add any extra functionality to or increase the standard of comfort of the building is considered as current expenditure for the period, and as property costs;
- extensive renovation works: these are normally undertaken at intervals of 25 to 35 years and involve virtually reconstructing the building whereby, in most cases, the existing carcass work is reutilised and state-of-the-art building techniques are applied; on completion of such renovation works, the property can be considered as new and the expenditures are capitalised;
- improvement works: these are works carried out on an occasional basis to add functionality to the property or significantly enhance the standard of comfort, thus making it possible to raise the rent and, hence, the estimated rental value. The costs of these works are capitalised by reason of the fact that and in so far as the expert normally recognises a pro tanto appreciation in the value of the property. Example: installation of an air conditioning system where one did not previously exist. Works which generate expenses to be activated are identified taking into account the previous criteria during the preparation of the budgets. The capitalized expenses are related to materials, engineering works, technical studies, internal costs, architect fees and interests during the construction.

III Commissions paid to letting agents and other transactions costs

Commissions relating to property rentals are entered in current expenditure for the year under the caption commercial costs. Commissions relating to the acquisition of properties, transfer duties, notary fees and other ancillary costs are considered as transaction costs and included in the acquisition cost of the acquired property. These costs are also considered as part of the acquisition cost when the purchase is done through a business combination. Commissions on property sales are deducted from the disposal price obtained to determine the gain or loss made.

Property valuation costs and technical valuation costs are always entered in current expenditure.

IV Financial result

Net financing costs comprise interest payable on borrowings, calculated using the effective interest rate method, and gains and losses on hedging instruments that are recognised in the income statement (see F). Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset. Dividend income is recognised in the income statement on the date that the dividend is declared.

T. INCOME TAX

Income tax on the profit or loss for the year comprises current tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity. Current tax is the expected tax payable on the taxable income for the year, using the tax rate enacted at the balance sheet date, and any adjustment to taxes payable in respect of previous years.

U. EXIT TAX AND DEFERRED TAXES

An exit tax is the tax on the gain that arises upon approval of a Belgian non-Sicafi/Bevak company as a Sicafi/Bevak or merger of a non-Sicafi/Bevak company with a Sicafi/Bevak. When the non-Sicafi/Bevak company, which is eligible for this regime, first enters the consolidation scope of the Group, a provision for exit tax liability is recorded simultaneously with a revaluation gain on the property corresponding to the market value of the property and taking into account a forecasted merger date.

Any subsequent adjustment to this exit tax liability is recognised in the income statement. When the approval or merger takes place, the provision becomes a debt and any difference is also recognized in the income statement. The same treatment is applied mutatis mutandis to French companies eligible for the SIIC regime and to Dutch companies eligible for the FBI regime. When companies not eligible for the Sicafi/Bevak, SIIC or FBI regimes are acquired, a deferred tax is recognized on the unrealised gain of the investment property.

V. STOCK OPTION

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 47.

W. ESTIMATES AND MAIN SOURCES OF CONCERN

I. Fair value of the portfolio

Cofinimmo’s portfolio is valued quarterly by real estate experts. This valuation by real estate experts is intended to determine the market value of a property at a certain date, as a function of the market evolution and the characteristics of the property concerned. In parallel to the work of the real estate experts, Cofinimmo proceeds with its own valuation of its assets. This valuation is used by the Group as counter-value of the experts’ evaluation in order to minimise the uncertainties linked to the estimations of the real estate experts. The portfolio is recorded at the fair value established by the real estate experts in the Group’s consolidated accounts.

II. Financial instruments

The fair value of the Group's financial instruments is calculated on the basis of the market values in the Bloomberg software[1]. These fair values are compared with the quarterly estimations received from the banks and major variations are analysed.

More details are given in Note 24.

III. Goodwill

Goodwill is calculated at acquisition date as the positive difference between the acquisition cost and Cofinimmo's share in the net asset acquired. This goodwill is then the subject of an impairment test by comparing the net book value of the groups of buildings with their value in use. The calculation of the value in use is based on assumptions of future cash flows, indexation rates, cash flow years and residual values.

More details are given in Note 20.

IV. Transactions

When acquiring a portfolio, the Group takes into account elements such as the percentage of shares held and the authority for appointing directors of each of the parties concerned for determining joint control or overall control.

When a property portfolio meets the definition of a business combination as defined in IFRS 3, the Group revaluates the assets and liabilities acquired in the context of the business combination at their fair value. The fair value of the property assets of the business combination is established on the basis of the value established by the real estate experts.

More details are given in Note 4.

NOTE 3. Management of operational risk

The Group actively manages its client base in order to minimise vacancies and tenant turnover in the office segment. The Property Management team is responsible for swiftly resolving tenant complaints while the commercial team maintains regular contact with them so as to offer alternative solutions from within the portfolio should tenants require more or less space. Although this activity is fundamental to protect rental income, it has little impact on the price at which a vacant property can be let, as that depends on prevailing market conditions. Nearly 100% of the lease contracts include a provision whereby rents are annually indexed. Before accepting any new client, a credit risk analysis is requested from an outside rating agency. An advance deposit or bank guarantee is usually required from non-public sector tenants corresponding to six months' rent.

Rents are payable in advance, on a monthly, quarterly or yearly basis. A quarterly provision covering property charges and taxes incurred by the Group but contractually rechargeable to tenants is also requested. The level of rental defaults recorded net of recoveries represents 0.061% of total turnover over the period 1996-2012. A serious deterioration in the general economic situation is likely to magnify losses on lease receivables, particularly in the office sector. The possible insolvency of a major tenant can represent a significant loss for Cofinimmo, as well as an unexpected vacancy or even having to rent out the vacant space at a price below the level of the broken contract.

By operating risk, Cofinimmo means the risk of losses due to inadequacies in the company's procedures or failures in its management. Direct operating costs are driven essentially by two factors:

- the age and quality of buildings, which determine the level of maintenance and repair expenses, both closely monitored by the Property Management team, while the execution of works is outsourced;
- the vacancy level of office properties and tenant turnover, which determine the level of expenses for unlet space, the letting fees, refurbishment costs, incentives granted to new clients, etc. which the active commercial management of the portfolio is designed to minimise.

Construction and refurbishment projects are prepared and supervised by the Group's Project Management team with a mandate to complete them on time and on budget. For managing large-scale projects, specialised outside companies are brought in by the Group.
The risk of buildings being destroyed by fire or other disastrous events is insured for a total reconstruction value of €1,782.31 million[2] in relation to a fair value for the investment properties of €1,493.75 million at 31.12.2012, including the value of the land. Cover has been obtained for the resulting vacancies. Cofinimmo also has an insurance for its public liability as the building owner or project supervisor.

Details of the Group's financial risk are provided in Note 24.

[1] The data supplied by Bloomberg result from price observations relative to actual transactions and the application to these observations of valuation models developed in scientific literature (www.bloomberg.com).
[2] This amount does not include insurance policies taken during works, nor insurances for which the occupants are contractually responsible (i.e. for nursing homes in Belgium and in France, pubs of the Pubstone portfolio and certain office properties), nor insurances relating to finance lease contracts, nor insurance policies relating to the MAAF buildings (primary insurance on all fully-owned buildings and secondary insurance on co-owned buildings), which are covered for their reconstruction value.

NOTE 4. Business combinations and joint ventures

BUSINESS COMBINATIONS PREVIOUS TO 2012

As a reminder, three business combinations were established in the past. The first was the acquisition of 90% of Immobrew SA/NV (since renamed Pubstone SA/NV) in 2007, the second was the acquisition of Médimur (now Cofinimmo France) in 2008 and the third was the acquisition of the MAAF Group's branches and offices portfolio in 2011, carried out by the newly-formed company Cofinimur I, owned 97.65% by Cofinimmo.
For more details on these three operations, we refer you to Note 4, page 104 of the Annual Financial Report 2009 and page 143 of the Annual Financial Report 2011.

JOINT VENTURES

Cofinimmo owns a 51% stake in the joint venture Cofinea I SAS, a company under French law which benefits from the "Société d'Investissement Immobilier Cotée" (SIIC) tax regime. The company was created under a partnership agreement signed between Cofinimmo and the Orpea Group concluded in November 2011. This partnership stipulates that the parties will form joint ventures for the purpose of acquiring, owning and letting properties in the healthcare sector operated exclusively by Orpea. The first transaction was carried out between the two groups in April 2012 with the acquisition of the "Les Musiciens" EHPAD in Paris.

The following amounts are included in Cofinimmo's consolidated financial statements at 31.12.2012 via the equity-consolidated company Cofinea I SAS.

Consolidated balance sheet (x €1,000)	**2012**
Share in associated companies or joint ventures	5,216
Result of the period	220
Opening bookings	-665
Financing of the share in Cofinea I SAS	5,661

Consolidated income statement (x €1,000)	**2012**
Share in the result of associated companies or joint ventures	220

JOINT VENTURES PRIOR TO 2012

As a reminder, Cofinimmo owns a 50% stake in the joint venture FPR Leuze SA/NV since 2011.
For more details about this transaction, see note 4, page 144 of the 2011 Annual Financial Report.

ACQUISITIONS OF SUBSIDIARIES OTHER THAN BUSINESS COMBINATIONS AND JOINT VENTURES

A single company was acquired during 2012: Immopol Dendermonde SA/NV, whose only asset is a police station in Dendermonde, Kroonveldlaan 30, the construction of which was delivered at the end of March 2012[1].
This acquisition is detailed in the Management Report (see page 53).
The overall positive impact on the 2012 revenue is k€890.

Net amount paid for the acquisition of consolidated subsidiaries (x €1,000)

	2012
Amount paid in cash for the acquisition of companies	14,635
Cash from the acquisition balance sheet of acquired companies	62
Net amount paid for the acquisition of companies	14,573
Fair value of investment properties from acquired companies	18,506

[1] The company Immopol SA/NV was merged with Cofinimmo SA/NV on 26.10.2012.

NOTE 5. Segment information

In fair value, offices represent 46.6% of the portfolio, healthcare real estate 35.5%, property of distribution networks 16.0% and the other business sectors 1.9%.
The different property segments are described on pages 24 to 53.

Two clients represent more than 10% of the contractual rents: AB InBev, with a €30 million presence in the property of distribution networks segment, and the Buildings Agency (Belgian Federal State), with a €26 million presence in the offices segment.

(x €1,000)

	OFFICES										HEALTHCARE	
	Brussels CBD[1]		Brussels decentralised		Brussels periphery		Antwerp		Other regions		Belgium	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
INCOME STATEMENT												
Net rental income	47,452	45,144	42,299	42,237	10,896	10,576	4,378	8,980	7,659	8,252	42,471	36,401
Property result after direct property costs	43,588	43,060	36,341	35,847	9,488	9,352	3,444	7,999	7,261	8,210	42,192	36,285
Property management costs												
Corporate management costs												
Gains or losses on disposals of investment properties and other non-financial assets		5,012				3		1,037				422
Changes in fair value of investment properties	-5,933	-19,702	-26,662	-13,833	1,254	-4,971	828	-3,806	-4,195	3,135	17,199	16,824
Other result on the portfolio		-829				-69		-4,301		40		-201
Operating result												
Financial result												
Share in associated companies and joint ventures												
Taxes				27							-259	-341
NET RESULT												
NET RESULT - GROUP SHARE												

	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
BALANCE SHEET												
Assets												
Goodwill												
Investment properties, of which:	625,840	609,876	635,966	623,490	155,805	144,381	62,337	60,722	108,417	113,089	750,460	679,229
Development projects	66,344	1,435	5,031	196	2,278	296	446	412	60	1,031	57,698	48,339
Assets held for own use			9,150	9,130								
Assets held for sale												
Other assets												
TOTAL ASSETS												
Shareholders' equity and liabilities												
Shareholders' equity												
Shareholders' equity attributable to shareholders of parent company												
Minority interests												
Liabilities												
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES												

[1] Central Business District.

REAL ESTATE				PROPERTY OF DISTRIBUTION NETWORKS						OTHERS		UNALLOCATED AMOUNTS		TOTAL	
France		Netherlands		Pubstone Belgium		Pubstone Netherlands		Cofinimur I France							
2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
28,357	26,206	207		19,777	19,253	9,791	9,535	7,765		4,299	3,382			225,351	209,966
28,324	26,174	204		19,313	18,843	9,495	9,238	7,491		4,072	4,015			211,213	199,023
												-15,011	-13,926	-15,011	-13,926
												-7,363	-7,306	-7,363	-7,306
				219	279		15	85			-124	1,110		1,414	6,644
9,541	2,238	393		11,781	6,471	-153	2,949	4,846		3,298	1,092			12,197	-9,603
				-6,100	-6,300	-1,181	-989					-4,161	-4,572	-11,442	-17,221
														191,008	**157,611**
												-83,877	**-67,106**	**-83,877**	**-67,106**
220										**213**	**213**			**433**	**213**
-280	-213			-556	39,404	499	410					-4,273	-6,920	-4,869	32,367
														102,695	123,085
														98,072	118,539

2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
26,929	26,929			85,777	91,877	37,650	38,650							150,356	157,456
402,135	392,557	11,226		270,147	258,085	149,686	149,235	107,375	101,725	18,506	45,171			3,297,900	3,177,560
	107										5,937			131,857	57,752
														9,150	9,130
8,620	8,740							2,050	3,285					10,670	12,025
												183,562	181,900	183,562	181,900
														3,642,488	3,528,941
												1,542,292	1,515,544	1,542,292	1,515,544
												1,476,029	1,460,887	1,476,029	1,460,887
												66,263	54,657	66,263	54,657
												2,100,196	2,013,397	2,100,196	2,013,397
														3,642,488	3,528,941

NOTE 6. Rental income and rental-related expenses (x €1,000)

	2012	2011
Rental income		
Gross potential income[1]	203,153	202,660
Rental vacancy[2]	-10,873	-11,037
Rents	192,280	191,623
Cost of rent-free periods	-1,673	-1,018
Concessions granted to tenants	-803	-2,463
Indemnities for early termination of rental contracts[3]	12,620	637
SUB-TOTAL	202,424	188,779
Writeback of lease payments sold and discounted	22,994	20,999
Rental-related expenses		
Rent payable on rented premises	-49	-86
Writedowns on trade receivables	-58	-177
Writeback of writedowns on trade receivables	40	451
SUB-TOTAL	-67	188
TOTAL	225,351	209,966

The amount of the early lease termination indemnities at 31.12.2012 includes the non-recurrent indemnity of €11.20 million paid by Belfius Bank for the termination of their lease for the Livingstone I and II buildings.

Except in some rare cases, the leases contracted by the Group are subject to indexation.

The Group leases out its properties under operating leases and finance leases. Only revenues of operating leases appear under rental income.

The amount under "Writeback of lease payments sold and discounted" represents the difference between the discounted value, at the beginning and at the end of the year, of the future inflation-linked payments on the lease contracts whose receivables have been sold. The writeback through the income statement allows for a gradual reconstitution of the gross initial value of the concerned buildings at the end of the lease. It is a recurring and non-cash income item. The change in fair value of these buildings is determined by the independent real estate expert and is taken as profit or loss under the caption "Changes in fair value of investment properties". This time, it is a non-recurring item as it depends on the expert's assumptions as to future market conditions.

TOTAL RENTAL INCOME

When a lease is classified as a finance lease, the property is considered to be disposed of and the Group to have an interest in a finance lease instead. Payments received on the finance leases are split between "capital" and "interests": the capital element is taken to the balance sheet and offset against the Group's finance lease receivable; the interest element to the income statement. Therefore, only the part of the rents relating to interests flows through the income statement.

Total income generated from the Group's properties, through operating and finance leases (x €1,000)

	2012	2011
Rental income from operating leases	202,424	188,779
Interest income in respect of finance leases	3,176	3,016
Capital receipts in respect of finance leases	3,033	2,866
TOTAL	208,633	194,661

Total minimum future rental receivables under non-cancellable operating leases and finance leases in effect at 31.12 (x €1,000)

	2012	2011
Operating lease	2,609,436	2,451,222
Within one year	217,422	205,578
Between one and five years	561,178	538,910
Beyond five years	1,830,836	1,706,734
Finance lease	56,370	58,271
Within one year	2,973	2,868
Between one and five years	9,295	11,130
Beyond five years	44,102	44,273
TOTAL	2,665,806	2,509,493

[1] The gross potential income corresponds to the sum of real rents received and estimated rents attributed to unlet spaces.
[2] The vacancy is calculated on unlet spaces based on the rental value estimated by independent real estate experts.
[3] Early termination compensations are recognised directly in full in the income statement, in accordance with IAS 17.50.

NOTE 7. Net redecoration expenses (x €1,000)

	2012	2011
Costs payable by tenants and borne by the landlord on rental damage and refurbishment at end of lease	1,766	1,813
Recovery of property charges	-756	-273
TOTAL	1,010	1,540

The recovery of property charges is only made up of indemnities on rental damage.

NOTE 8. Charges and taxes not recovered from the tenant on let properties (x €1,000)

	2012	2011
Recovery income of charges and taxes normally payable by the tenant on let properties	41,581	46,122
Rebilling of rental charges invoiced to the landlord	17,007	18,373
Rebilling of withholding taxes and other taxes on let properties	24,574	27,749
Rental charges and taxes normally payable by the tenant on let properties	-43,549	-45,979
Rental charges invoiced to the landlord	-17,341	-18,613
Withholding taxes and other taxes on let properties	-26,208	-27,366
TOTAL	-1,968	143

The amount of charges and taxes not recovered at 31.12.2012 includes primarily the amount of charges not recovered on the buildings Livingstone I and II of €1.3 million.

Under usual lease terms, these charges and taxes are borne by the tenants through rebilling. However, a number of lease contracts of the Group provide otherwise, leaving the taxes or the charges to be borne by the landlord.

NOTE 9. Technical costs (x €1,000)

	2012	2011
Recurrent technical costs	5,097	3,797
Repairs	4,452	3,249
Insurance premiums	645	548
Non-recurrent technical costs	1,146	615
Major repairs (building companies, architects, engineering offices, ...)[1]	1,061	537
Damage expenses	85	78
Losses providing from disasters and subject to insurance cover	247	335
Insurance compensation for losses providing from disasters	-162	-257
TOTAL	6,243	4,412

NOTE 10. Commercial costs (x €1,000)

	2012	2011
Letting fees paid to real estate brokers	595	775
Advertising	178	30
Fees paid to lawyers and other experts	318	429
Others		326
TOTAL	1,091	1,560

[1] Except for capital expenditures.

NOTE 11. Management costs

Management costs are split between property management costs and other costs.

PROPERTY MANAGEMENT COSTS

These costs comprise the costs of personnel responsible for this activity, the operational costs of the company headquarters and fees paid to third parties. The management fees collected from tenants covering partially the costs of the property management activity are deducted.

The portfolio is managed internally except for the MAAF agencies portfolio. The internal costs of property management are divided as follows:

(x €1,000)

	2012	2011
Office charges	1,978	2,400
IT	991	1,310
Others	987	1,090
Fees paid to third parties	3,488	2,816
Recurrent	2,967	1,548
Real estate experts	971	842
Lawyers	392	87
Property management	586	
Others	1,018	619
Non-recurrent	521	1,268
Mergers and acquisitions (other than business combinations)	521	1,268
Public relations, communication and advertising	573	463
Personnel expenses	10,911	10,159
Salaries	8,436	8,049
Social security	1,597	1,374
Pensions and other benefits	878	736
Management fees earned from tenants	-2,584	-2,263
Fees related to lease contracts	-2,345	-2,096
Fees for additional services	-239	-167
Taxes and regulatory fees	498	217
Depreciation charges on office furniture	147	134
TOTAL	15,011	13,926

Fees for real estate experts totalled €970,728 for 2012. These emoluments are calculated partially based on a fixed amount per square metre and partially based on a fixed amount per property.

CORPORATE MANAGEMENT COSTS

Corporate management costs cover the overheads of the company as a legal entity listed on the stock exchange and as a Sicaf immobilière/Vastgoedbevak. These expenses are incurred in order to provide complete and continued information, economic comparability with other types of investment and liquidity for the shareholder's indirect participation in a property portfolio. Certain costs of studies relating to the Group's expansion also come under this category.

(x €1,000)

	2012	2011
Office charges	404	390
IT	144	130
Others	260	260
Fees paid to third parties	828	925
Recurrent	803	611
Lawyers	195	65
Auditors	428	414
Others	180	132
Non-recurrent	25	314
Public relations, communication and advertising	561	636
Personnel expenses	4,171	4,008
Salaries	3,543	3,522
Social security	456	335
Pensions and other benefits	172	151
Taxes and regulatory fees	1,399	1,347
TOTAL	7,363	7,306

The fixed emoluments of Deloitte, Company Auditors for reviewing and certifying Cofinimmo's company and consolidated accounts amounted to €114,400 (excluding VAT). Its emoluments for certifying the company accounts of Cofinimmo's subsidiaries amounted to €140,861 (excluding VAT) and are calculated for each company based on their effective performances.

The fees of the Degroof Bank as financial service provider are to be found under the heading "Others" of "Fees paid to third parties". It is a fixed amount for their annual services.

(x €1,000)

	2012	2011
Emoluments for the company auditor	347	421
Emoluments for the execution of a mandate of company auditor	255	217
Emoluments for exceptional activities or special assignments within the Group	92	204
Other certification assignments	60	98
Other assignments external to the auditing duties	32	106
Emoluments for people with whom the auditor is connected	34	151
Emoluments for exceptional activities or special assignments within the Group	34	151
Other certification assignments		
Tax advisory duties	34	151
TOTAL	381	572

The emoluments of the company auditors, others than Deloitte, for the Group's French companies amounted to K€48 (excluding VAT).

NOTE 12. Gains or losses on disposal of investment properties and other non-financial assets (x €1,000)

	2012	2011
Disposal of investment properties		
Net disposal of properties (selling price - transaction costs)	3,319	172,067
Investment value of properties sold	-3,016	-165,423
Fair value of properties sold	-2,800	-161,229
Writeback of the impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-216	-4,194
Others	763	
SUB-TOTAL	1,066	6,644
Disposal of other non-financial assets		
Gain on disposal of remaining MCBs	348	
SUB-TOTAL	348	
TOTAL	1,414	6,644

The future hypothetical transaction fees are deducted directly from capital and reserves on the acquisition of properties. When the properties are sold, this amount must therefore be deducted from the difference between the price obtained and the book value of these properties in order to calculate the gain actually made.

The item «Others» includes an amount recovered following an old dispute on the Loi 57 building.

NOTE 13. Changes in fair value of investment properties (x €1,000)

	2012	2011
Positive changes in fair value of investment properties	93,875	59,256
Negative changes in fair value of investment properties	-81,678	-68,859
TOTAL	12,197	-9,603

The breakdown of the changes in fair value of properties is presented in Note 22.

NOTE 14. Other result on the portfolio (x €1,000)

	2012	2011
Changes in deferred taxes[1]	-181	-390
Writeback of rents already earned but not expired	-2,644	-8,105
Changes in fair value of other non-financial assets		-348
Goodwill impairment[2]	-7,100	-6,900
Other	-1,517	-1,478
TOTAL	-11,442	-17,221

The writeback of already earned rents not expired, recognized during the year, results from the application of the accounting method detailed in Note 2.

NOTE 15. Financial income (x €1,000)

	2012	2011
Interests and dividends received[3]	2,290	2,948
Interest receipts in respect of finance lease and similar receivables	3,176	3,016
Other financial income	93	115
TOTAL	5,559	6,079

[1] See Note 36.
[2] See Note 20.
[3] The amount of dividends received is nil at 31.12.2012.

NOTE 16. **Net interest charges** (x €1,000)

	2012	2011
Nominal interests on loans with amortised cost	26,886	34,678
Bilateral loans - floating rate	8,876	16,438
Syndicated loans - floating rate	778	2,952
Treasury bills - floating rate	2,966	3,015
Investment credits - floating or fixed rate	1,544	1,193
Bonds - fixed rate	7,286	7,401
Nominal interests on loans at fair value through the net result (convertible bonds)	5,436	3,679
Charges relating to authorised hedging instruments	33,616	24,619
Authorised hedging instruments qualifying for hedge accounting	28,948	20,632
Authorised hedging instruments not qualifying for hedge accounting	4,668	3,987
Other interest charges	3,706	3,161
TOTAL	64,208	62,458

The effective interest cost on loans is k€69,988 for 2012 (2011: k€67,428), calculated by adding the net interest charge, (k€64,208 for 2012; k€62,458 for 2011) and the amortisation costs of hedging instruments relating to the period (k€5,780 for 2012; k€4,970 for 2011). This charge corresponds to an average effective interest rate on loans of 4.11% (2011: 4.20%).

NOTE 17. **Other financial charges** (x €1,000)

	2012	2011
Bank costs and other commissions	493	285
Others	391	881
TOTAL	884	1,166

NOTE 18. **Changes in fair value of financial assets and liabilities** (x €1,000)

	2012	2011
Authorised hedging instruments qualifying for hedge accounting	11,080[1]	-9,642
Authorised hedging instruments not qualifying for hedge accounting	-18,536[2]	-4,177
Convertible bonds	-15,793	11,811
Others	-1,095	-7,553
TOTAL	-24,344	-9,561

Only the changes in the ineffective part of the fair value of cash flow hedging instruments, as well as the changes in fair value of trading instruments, are taken into account. The changes in the effective part of the fair value of cash flow hedging instruments are booked directly under equity.

NOTE 19. **Corporate tax and exit tax** (x €1,000)

	2012	2011
Corporate tax	4,273	6,920
Parent company	1,417	1,511
Pre-tax result	98,208	113,094
Result exempted from income tax due to the Sicafi/Bevak regime	-98,208	-113,094
Taxable result based on non-deductible costs	3,710	4,089
Tax rate of 33.99%	1,261	1,390
Others	156	121
Subsidiaries	2,856	5,409
Exit tax - subsidiaries	596	-39,287

The non-deductible costs chiefly comprise the office tax in the Brussels Capital Region. The heading “Others” chiefly comprises taxes related to the merged companies. With the exception of the institutional Sicafis/Bevaks, the Belgian subsidiaries are not subject to the Sicafi/Bevak regime.

As a reminder, Pubstone SA/NV became an institutional Sicafi/Bevak on 30.06.2011. As a result, a sum of k€39,403 was booked in the results account. For more details, please refer to the manangement report (see page 15) and to Note 35 on deferred taxes in the Annual Financial Report 2011.

[1] The gross amounts are respectively an income of k€25,367 and a charge of k€14,287.
[2] The gross amounts are respectively an income of k€9,875 and a charge of k€28,411.

NOTE 20. Goodwill

PUBSTONE

Cofinimmo's acquisition in two stages (31.10.2007 and 27.11.2008) of 89.90% of the shares of Pubstone Group SA/NV (formerly Express Properties SA/NV) (see page 31 of the Annual Financial Report 2008) generated a goodwill for Cofinimmo resulting from the positive difference between the acquisition cost and Cofinimmo's share in the fair value of the net asset acquired. More specifically, this goodwill results from:

- the positive difference between the conventional value offered at the acquisition for the property assets (on which the price paid for the shares was based) and the fair value of those property assets (this being expressed after deduction of the transaction costs standing at 10.0% to 12.5% in Belgium and 6.0% in the Netherlands);
- and the deferred tax corresponding to the theoretical hypothesis imposed by the IAS/IFRS standards of an immediate disposal of all pubs at closing date. A tax rate of respectively 34% and 25% for the assets located in Belgium and in the Netherlands has been applied to the difference between the tax value and the market value of the assets at the acquisition.

COFINIMMO FRANCE

Cofinimmo's acquisition of 100% of the shares of Cofinimmo France SA (formerly Médimur) on 20.03.2008 generated a goodwill for Cofinimmo resulting from the positive difference between the acquisition cost and the fair value of the acquired net assets. More precisely, this goodwill results from the positive difference between the conventional value offered for the property assets at the acquisition (on which the price paid for the shares was based) and the fair value of those property assets (being expressed after deduction of the transaction cost standing at 1.80% and 6.20% in France).

Changes in goodwill (x €1,000)

	Pubstone Belgium	Pubstone Netherlands	Cofinimmo France	TOTAL
COST				
AT 01.01	100,157	39,250	26,929	166,336
AT 31.12	100,157	39,250	26,929	166,336
WRITEDOWNS				
AT 01.01	8,280	600		8,880
Writedowns recorded during the year	6,100	1,000		7,100
AT 31.12	14,380	1,600		15,980
BOOK VALUE				
AT 01.01	91,877	38,650	26,929	157,456
AT 31.12	85,777	37,650	26,929	150,356

IMPAIRMENT TEST

At the end of the accounting year 2012, the goodwill was subject to a depreciation test (executed on the groups of properties to which it was allocated per country) comparing the fair value of the properties plus the goodwill with their utility value.

The fair value of buildings is the value of the portfolio as established by independent real estate experts. This fair value is established using three valuation methods: the ERV (Estimated Rental Value) capitalisation approach, the expected cash flow approach and the residual valuation approach. To carry out the calculation, the independent real estate experts take as their main assumptions the indexation rate, the capitalization rate and buildings' estimated end-of-lease resale value. These assumptions are based on market observations taking into account investors' expectations, particularly regarding revenue growth and risk premium demanded by the market. For further information, see the real estate expert's report.

The value in use is established by the Group according to expected future net cash flows based on the rent stipulated in the tenants' leases. The main assumptions are the indexation rate, the discount rate, an attrition rate (if applicable), as well as the buildings' end-of-lease resale value. These assumptions are based on the Group's knowledge of its own portfolio as well as the yield expected from its equity.

Given the different methods used to calculate the fair value of buildings established by the independent real estate experts and the value in use established by the Group, as well as the fact that the assumptions used to calculate each of these may differ, the two values may not be the same.

The fact that the value in use is higher than the fair value is grounds for maintaining the goodwill at k€85,777 for Pubstone Belgium, k€37,650 for Pubstone Netherlands and k€26,929 for Cofinimmo France.

The result of this test (illustrated in the table below) gives a depreciation of k€6,100 on the goodwill of Pubstone Belgium and a depreciation of k€1,000 on the goodwill of Pubstone Netherlands. For Cofinimmo France, no depreciation was recorded. During the financial year 2012, the fair value of the Pubstone Belgium and Cofinimmo France portfolios recorded positive variations of respectively k€11.781 and k€9.541, whereas the fair value of the Pubstone Netherlands portfolio recorded a negative variation of k€153.

ASSUMPTIONS USED IN THE CALCULATION OF THE VALUE IN USE OF PUBSTONE

A projection of future net cash flows was drawn up for the entire remaining duration of the lease bearing on the operating result and disposal of assets.

During this remaining period, an attrition rate is taken into account based on the terms of the lease signed with AB InBev. The pubs vacated are assumed to have all been sold. At the end of the initial 27-year lease, a residual value is calculated. The disposal price of the properties and the residual value are based on the average value attributed by the expert to the m^2 of assets on 31.12.2012, indexed. The indexation considered for these cash flows is 2% per annum. The discount rate used is 6.37%

ASSUMPTIONS USED IN THE CALCULATION OF THE VALUE IN USE OF COFINIMMO FRANCE

A projection was drawn up of future net cash flows over 27 years. The assumption adopted is the renewal of all the leases during a 27-year period.

The cash flow comprises the present indexed rent up to the date of the first renewal of the lease. After this date, the cash flow considered is the indexed allowable rent. Cash expenditures foreseen in the buildings' renovation plan are also taken into account. Allowable rents are rents estimated by the expert, stated in his valuation of the portfolio at 31.12.2012, which are considered sustainable in the long-term in terms of the profitability of the activity of the operating lessee. At the 28th year, a residual value is calculated per property. The indexation considered for these cash flows is 2% per annum. The discount rate used is 6.37%.

(X €1,000)

Building group	Goodwill	Net book value[1]	Utility value	Impairment
Pubstone Belgium	91,877	362,024	355,924	-6,100
Pubstone Netherlands	38,650	188,336	187,336	-1,000
Cofinimmo France	26,929	244,600	244,600	
TOTAL	157,456	794,960	787,860	-7,100

Sensitivity analysis of the value in use when the two main variables of the impairment test vary by 0.50%

Building group	Variation in inflation		Variation in the discount rate	
	+0.50%	-0.50%	+0.50%	-0.50%
Pubstone Belgium	6.53%	-6.01%	-5.75%	6.28%
Pubstone Netherlands	6.53%	-6.02%	-5.75%	6.29%
Cofinimmo France	6.74%	-6.15%	-5.92%	6.52%

This change corresponds to the difference between the rate used by the independent expert (rate of return of 6.66%) and the rate used in establishing the value in use (discount rate of 6.37%).

NOTE 21. Investment properties (x €1,000)

	2012	2011
Properties available for lease	3,156,893	3,110,678
Development projects	131,857	57,752
Assets held for own use	9,150	9,130
TOTAL	3,297,900[2]	3,177,560

The fair value of the portfolio, as determined by the independent experts, stands at k€3,308,570 at 31.12.2012. It includes investment properties for k€3,297,900 and assets held for sale for k€10,670.

Properties available for lease (x €1,000)

	2012	2011
AT 01.01	**3,110,678**	**2,990,379**
Capital expenditures	6,206	8,268
Acquisitions	43,413	241,954
Transfers from/to Assets held for sale	-1,400	-10,200
Transfers from/to Development projects	-58,509	25,132
Sales/Disposals (fair value of assets sold/disposed of)	-1,974	-161,218
Writeback of lease payments sold and discounted	22,994	20,999
Increase/Decrease in fair value[3]	35,485	-4,636
AT 31.12	3,156,893	3,110,678

[1] Including goodwill.
[2] Including the fair value of the investment properties subject to disposal of receivables, which stands at k€394,978.
[3] Note 22 reconciles the total change in fair value of the investment properties.

FAIR VALUE OF INVESTMENT PROPERTIES

Investment properties are accounted for at fair value using the fair value model in accordance with IAS 40. This fair value is the price at which a property could be exchanged between knowledgeable and willing parties in normal competitive conditions. It is determined by the independent experts in a two step approach.

In the **first step**, the experts determine the investment value of each property based on the present value of the net future rental income net of maintenance and renovation costs. The yield used depends essentially on market rates applied in the property investment market, taking into consideration the location and the quality of the property and of the tenant at the valuation date. Future rental income is estimated based on the contractual rent of the current lease and reasonable assumptions about rental income from future leases in the light of current conditions. This value is the price that an investor (or hypothetical buyer) would be ready to pay to acquire the property in order to earn its rental revenues and to achieve a certain return on his investment.

In a **second step**, the experts deduct from the investment value an estimated amount for the transaction costs that the buyer or seller must pay in order to carry out a transfer of ownership. The investment value less the estimated transaction costs is the fair value in the meaning of IAS 40.

In **Belgium**, the transfer of ownership of a property is subject to the payment of transfer taxes. The amount of these taxes depends on the method of transfer, the type of purchaser and the location of the property. The first two elements, and therefore the total amount of taxes to be paid, are only known once the transfer has been completed.

The range of taxes for the major types of property transfer includes:

- sale of properties: 12.5% for properties situated in the Brussels Capital Region and in the Walloon Region, 10% for properties situated in the Flemish Region;
- sale of real estate under the rules governing estate traders: 4.0% to 8.0%, depending on the Region;
- long lease agreements for real estate (up to 50 years for surface rights and up to 99 years for the long lease right): 0.2%;
- sales of properties where the purchaser is a public body (e.g. an agency of the European Union, the Federal Government, a regional government or a foreign government): tax exempt;
- contribution in kind of real estate property against the issue of new shares in favour of the contributing party: tax exempt;
- sale of shares of a real estate company: no taxes;
- merger, split and other forms of company restructuring: no taxes, etc.

The effective rate of the transfer tax therefore varies from 0 to 12.5%, whereby it is not possible to predict which rate would apply to the transfer of a given property before that transfer has effectively taken place.

In January 2006, all independent experts[1] who carry out the periodic valuation of the Belgian Sicafis'/Bevaks' real estate portfolios were asked to compute a weighted average transaction cost percentage to apply on the Sicafis'/Bevaks' real estate portfolios, based on supporting historical data. For transactions concerning properties with an overall value exceeding €2.5 million, given the range of different methods for property transfers (see above), the experts have calculated on the basis of a representative sample of 220 transactions taking place in the market between 2003 and 2005 and totalling €6.0 billion, that the weighted average transfer tax comes to 2.5%. This percentage is reviewed annually and, if necessary, adjusted at each 0.5% threshold.

For transactions concerning properties with an overall value of less than €2.5 million, transaction costs of between 10.0% and 12.5% would apply, depending on the Region in which the property is located.

As at 01.01.2004 (date of transition to IAS/IFRS), the transaction costs deducted from the investment value of the real estate portfolio amounted to €45.5 million and have been accounted for under a separate caption of equity entitled "Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties".

The 2.5% transaction costs have been applied to the subsequent acquisitions of buildings. At 31.12.2012, the difference between investment value and fair value for the global portfolio was €127.52 million or €7.97 per share.

It is worth noting that the average gain in relation to the investment value realised on the disposal of assets operated since the changeover to the Sicafi/Bevak regime in 1996 equals 9.6%. Since that date, the Group has undertaken asset disposals for a total of €1,633.82 million.

The transaction costs applied on the properties located in **France** and the **Netherlands** come to 5.56% and 6.00% respectively (average over the portfolio).

[1] Cushman & Wakefield, de Crombrugghe & Partners, Winssinger & Associates, Stadim and Troostwijk-Roux.

SALE OF LEASE RECEIVABLES

On 21.04.2005, the Cofinimmo Group sold to Fortis Bank SA/NV all the future lease payments relating to the 18-year lease contract with the Buildings Agency for the North Galaxy building which it fully owns. On 19.07.2012, Cofinimmo and the Buildings Agency (Belgian Federal State) signed an addendum to the lease related to the North Galaxy building, extending it for nine years, in exchange for various incentives.

On 22.12.2008, the Cofinimmo Group sold to a subsidiary of the Société Générale Group the usufruct receivables for an initial period of 15 years payable by the European Commission and relating to the Loi 56, Luxembourg 40 and Everegreen buildings which Cofinimmo owns in Brussels. The usufruct from these three buildings ends between December 2020 and April 2022. Cofinimmo retains bare ownership and the indexation part of the receivables from the Luxembourg 40 building was not sold.

On 20.03.2009, the Cofinimmo Group sold to a subsidiary of the Société Générale Group the usufruct receivables for an initial period of 15 years payable by the European Commission and relating to the Nerviens 105 building situated in Brussels. The usufruct ends in May 2023. Cofinimmo retains bare ownership of the building.

On 23.03.2009, the Cofinimmo Group sold to Fortis Bank 90% of the finance lease receivables payable by the City of Antwerp relating to the new Fire Station. At the end of the financial lease, the building will automatically be transferred to the City of Antwerp for free. The Cofinimmo Group also sold on the same date and to the same bank lease receivables payable by the Belgian State relating to the Colonel Bourg 124 building in Brussels and the Maire 19 building in Tournai. Cofinimmo retains ownership of these two buildings.

On 28.08.2009, the Cofinimmo Group sold to BNP Paribas Fortis 96% of the lease receivables pertaining to 2011 and the following years relating to the Egmont I and Egmont II buildings.

The leases related to the North Galaxy, Colonel Bourg 124, Maire 19, Egmont I and Egmont II buildings, as well as the usufructs from the Loi 56, Luxembourg 40, Everegreen and Nerviens 105 buildings do not qualify as financial leases. The fair value of these properties after the sale of their rental income or usufruct receivables corresponds to the difference between their market value, including the future rental income or lease receivables, and the discounted value of the future rental income or lease payments sold. In fact, by virtue of Article 1690 of the Belgian Civil Code, a third party wishing to buy the North Galaxy, Colonel Bourg 124, Maire 19, Egmont I and Egmont II buildings would be deprived of the right to receive rental income on that property until the end of the lease. Likewise, in the case of the Loi 56, Luxembourg 40, Everegreen and Nerviens 105 buildings, the buyer would be deprived of the receivables until the expiry of the right of usufruct.

Although neither specifically foreseen nor forbidden under IAS 40, the derecognition from the gross value of the properties of the residual value of the future receivables sold allows, in the opinion of the Board of Directors of Cofinimmo, a true and fair presentation of the value of the properties in the consolidated balance sheet which corresponds to the independent expert's assessment of the properties, as required by Article 29 § 1 of the Royal Decree of 07.12.2010.

Development projects (x €1,000)

	2012	2011
AT 01.01	57,752	42,656
Investments	30,275	29,732
Acquisitions	6,698	14,093
Transfer from/to Properties available for lease	58,509	-25,132
Sales/Disposals (fair value of assets sold/disposed of)		-11
Increase/Decrease in fair value[1]	-21,377	-3,586
AT 31.12	131,857	57,752

Assets held for own use (x €1,000)

	2012	2011
AT 01.01	9,130	8,881
Increase/Decrease in fair value[1]	20	249
AT 31.12	9,150	9,130

[1] Note 22 reconciles the total change in fair value of the investment properties.

NOTE 22. Breakdown of the changes in fair value of investment properties (x €1,000)

	2012	2011
Properties available for lease	35,485	-4,636
Development projects	-21,377	-3,586
Assets held for own use	20	249
Assets held for sale	-1,931	-1,630
Total	12,197	-9,603

This section includes the change in fair value of investment properties and assets held for sale.

The total portfolio is estimated by the experts at 31.12.2012 based on a capitalization rate of 7.01% applied to the contractual rents increased by the estimated rental value on unlet space (see report of the real estate expert on page 128). A 0.10% variation of this capitalization rate would give rise to a variation of the portfolio fair value of €46.4 million.

NOTE 23. Intangible assets and Other tangible assets (x €1,000)

	Intangible assets		Other tangible assets	
	2012	2011	2012	2011
AT 01.01	745	1,427	966	539
Acquisitions of the year	293	178	163	647
IT software	293	178		
Office fixtures and fittings			163	647
Depreciation of the year	433	860	273	220
IT software	433	860		
Office fixtures and fittings			273	220
AT 31.12	605	745	856	966

The intangible assets and other tangible assets are exclusively assets held for own use.

Depreciation rates used depending on the economic life:

- Fixtures: 10 to 12.5%;
- IT hardware: 25%;
- IT software: 25%.

NOTE 24. Financial instruments

A. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets (x €1,000)	2012	2011
Cash and bank balances (including cash and bank balances included in a group due to be sold and classified as held for sale)[1]	3,041	10,207
Fair value through the net result		
Held for trading	6,486	13,745
Designated as being at fair value through the net result	11,069	11,488
Derivatives which are part of a designated hedging relationship	8,024	10,426
Investments owned until maturity (participations in associated companies and joint ventures)	5,808	838
Loans and receivables (including the balance of client receivables included in a group due to be sold and classified as held for sale)	84,697	79,152
Financial assets available for sale		
TOTAL	119,125	125,856

Financial liabilities (x €1,000)	2012	2011
Fair value through the net result		
Held for trading	44,951	33,671
Designated as being at fair value through the net result	177,289	161,496
Derivatives which are part of a designated hedging relationship	157,807	131,994
Amortised cost	1,627,357	1,599,139
Possible counterparty linked to a business combination	N.A.	N.A.
TOTAL	2,007,404	1,926,300

[1] These are only the amounts available on bank accounts, which is equivalent to loans and receivables.

FINANCIAL INSTRUMENTS BOOKED AT THEIR AMORTISED COST

Fair value of financial instruments posted in the Balance Sheet at their amortised cost (x €1,000)

	2012 Amortised cost	2012 Fair value	2011 Amortised cost	2011 Fair value
Financial assets				
Loans and receivables				
Loans to associated companies	5,594	5,594		
Finance lease receivables	56,370	85,627	58,270	65,045
Trade receivables	22,733	22,733	20,882	20,882
Total financial assets	84,697	113,954	79,152	85,927
Financial liabilities				
Retail bonds	401,229[1]	393,833	261,487	254,710
Commercial paper < 1 year	321,750	321,750	235,500	235,500
Commercial paper > 1 year	15,000	15,000	15,000	15,000
Bank debts	798,390	798,390	994,290	994,290
Other financial debts	26,428	26,428	13,637	13,637
Trade debts and other current debts	64,560	64,560	79,225	79,225
Total financial liabilities	1,627,357	1,619,961	1,599,139	1,592,362

The fair value of trade receivables and debts is estimated at their book value (nominal value).
The fair value of variable loans to associated companies is estimated identically to their book value (nominal value).
The fair value of finance lease receivables is presented in note 25 and calculated based on future cash flows discounted at adapted market rates.
The fair value of variable debts is estimated identically to their book value (nominal value).
The fair value of the retail bonds and the private placements is determined by reference to a quoted price on an active market.

FINANCIAL INSTRUMENTS DESIGNATED AS BEING AT FAIR VALUE THROUGH THE NET RESULT

The financial instruments that are valued, subsequent to initial recognition, at fair value on the balance sheet, are grouped into three levels (one to three), based on the degree to which the fair value is observable:
- the level one fair value measurements are those derived from quoted prices (unadjusted) in active markets for similar assets or liabilities;
- the level two fair value measurements are those derived from data other than quoted prices included within level one, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- the level three fair value measurements are those derived from valuation techniques that include data for the asset or liability that are not based on observable market data (unobservable data).

Level one
The convertible bonds issued by Cofinimmo are level one.

Change in fair value of the convertible bond (x €1,000)

	2012	2011
AT 01.01	161,496	173,311[2]
Change in fair value attributable to changes in credit risk posted during the financial year	7,937	-26,951
Change in fair value attributable to changes in market conditions generating a market risk (interest rate, share prices) during the fiscal year	7,856	15,136
AT 31.12	177,289	161,496

At 31.12.2012, the convertible bond has a fair value of €177,288,890. If the bonds are not converted into shares, the redemption value will be €173,306,311 at final maturity.

[1] The bonds are subject to fair value hedging for an amount of €261 million.
[2] Issue value in April 2011.

Level two

The financial assets and liabilities as well as the financial derivatives owned at fair value by Cofinimmo are all level two, except for the convertible bond issued by Cofinimmo, which is level one. Their fair value is established as follows:

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities with standard terms and conditions and negotiated on active and liquid markets is established based on stock market prices.

Fair value of participations in associated companies and joint ventures

Fair value is determined based on the share in the associated company all of the assets of which are valued at their fair value.

Fair value of hedging derivative financial instruments

The fair value of derivative instruments is calculated based on stock market prices. When such prices are not available, analyses of discounted cash flows based on the applicable yield curve with respect to the duration of the instruments are used in the case of non-optional derivatives, and option evaluation models are used in the case of optional derivatives. Interest rate swaps are evaluated according to the discounted value of estimated and discounted cash flows in accordance with the applicable yield curves obtained on the basis of the market interest rates.

Cash flow hedge (x €1,000)

	2012 Assets	2012 Liabilities	2011 Assets	2011 Liabilities
CAP options	8,024	3,675	10,426	
FLOOR options		154,132		121,492
Interest Rate Swaps				10,502
Fair value hedges				
Interest Rate Swaps	11,069		11,488	
Not part of an effective hedging relationship				
Interest Rate Swaps	6,486	37,822	13,745	33,670
CAP options				1
FLOOR options		7,129		
TOTAL	25,579	202,758	35,659	165,665

Non-current and current parts of the fair value of hedging derivative financial instruments (x €1,000)

	2012 Assets	2012 Liabilities	2011 Assets	2011 Liabilities
Non-current	19,078	120,800	21,880	106,735
Current	6,501	81,958	13,779	58,930
TOTAL	25,579	202,758	35,659	165,665

At reporting date, the shareholders' equity included the effective part of the changes in fair value of financial assets and liabilities corresponding to the derivative financial instruments, qualified as cash flow hedges.

B. FINANCIAL RISK MANAGEMENT

Interest rate risks

Insofar as the Group owns a long-term real estate portfolio, it is highly probable that its borrowings, which finance a large part of this portfolio, will be refinanced on maturity by other borrowings. It is therefore probable that the company's total financial debt will be renewed for a long and indeterminate period. For reasons of cost efficiency, the Group's financing by debt policy separates the raising of borrowings activity (liquidity and margins on floating rates) from the interest rates risks and charges activity (fixing and hedging of future floating interest rates). The funds borrowed are generally borrowed at floating rate and, if a borrowing is contracted at fixed rate, and interest rate swap is generally used to transform it into floating rate. The Group also hedges certain parts of its total debt for certain periods, signing contracts on interest rate derivatives with banks. The banks that sign these contracts are normally different from the ones providing the funds. However, the Group makes sure that the periods and dates of fixture of the interest rate derivatives contracts correspond to the renewal periods and the dates of fixture of the rates of its borrowings contracts, so that the hedging is effective.
If the derivative instrument is hedging an underlying debt contracted at a floating rate, the hedge is qualified as a cash flow hedge, while if it hedges an underlying debt contracted at a fixed rate, it is qualified as a fair value hedge.
Only the intrinsic item is designated as a hedging instrument for optional instruments.
The Group contracts the largest part of its financial debt at floating rate or, if at fixed rate, conversion frequently follows to floating rate so as to take advantage of low short-term rates. However, financial charges being exposed to hikes in rates, the policy of the Group consists in locking in interest rates over a rolling period of minimum three years for at least 50% of the consolidated financial debt. In accordance with this policy, Cofinimmo uses derivatives, mainly Interest Rate Swaps and CAP and

FLOOR options, to ensure the fixing of its interest rate in a corridor between a minimum and a maximum rate (see next section). The cover period of minimum three years was chosen, on the one hand, to offset the depressive effect this time lag would have on the net income and, on the other hand, to forestall the adverse impact of any rise in European short-term interest rates not accompanied by a simultaneous increase in national inflation. Finally, a rise in real interest rates would probably be accompanied or quickly followed by a revival of overall economic activity which would give rise to more robust rental conditions and subsequently benefit the net result.
Simulations conducted show that the net income is historically sensitive to fluctuations in interest rates. However, in 2013, assuming that the structure and level of debt remain constant compared to 31.12.2012 and taking into account the hedging instruments put in place for 2013, an increase or decrease in interest rates of 0.5% would lead to an inverse change of the financial charges of €0.91 million.
The average rate without margin on the closing date, as well as the fair value of the derivative instruments, are shown below. In accordance with IFRS 7, a 1% sensitivity analysis was carried out of the various market interest rates without margin applied to the debt and the derivative instruments.

Impact of a 1% interest rate variation on the average interest rate of the debt, on the notional amount of the principal and on the fair value of financial instruments (based on the debt and derivative positions at the closing date) (x €1,000)

Change	Average interest rate		Notional amount of principal		Fair value of the derivative financial instruments		Fair value of the convertible bond[3]	
	2012	2011	2012	2011	2012	2011	2012	2011
			(x €1,000,000)	(x €1,000,000)	(x €1,000,000)	(x €1,000,000)	(x €1,000,000)	(x €1,000,000)
	4.58%[1]	3.94%[1]	1,458	1,626	-188	-141	175	167
+1%	4.46%	4.07%			-157	-91	-5	-6
-1%	4.60%[2]	3.82%			-199	-262	20	6

Summary of the potential effects of a 1% interest rate variation on equity and on the income statement resulting from variations in fair value of the financial instruments (derivatives + convertible), variations in the variable payments of the derivative financial instruments and the floating rate credits (x €1,000)

Variation	2012		2011	
	Income statement	Equity	Income statement	Equity
+1%	22,870	4,957	14,084	28,450
-1%	11,948	-2,765	-11,306	-100,310

If the interest curve increases in parallel by 1% as at 31.12.2011, the fair value of financial instruments increases by €50.85 million which – given the actual level of short-term interest rates and the exercise price of financial instruments – would result in an increase of €28.45 million in equity and of €22.40 million in the income statement. If the interest curve falls in parallel by 1%, the fair value of financial instruments falls by €120.25 million which – given the current level of short-term interest rates and the exercise price of financial instruments – would result in a decrease of €100.31 million in equity and of €19.95 million in the income statement.

If the interest curve increases in parallel by 1% as at 31.12.2012, the fair value of financial instruments increases by €31.21 million which – given the actual level of short-term interest rates and the exercise price of financial instruments – would result in an increase of €4.96 million in equity and of €26.26 million in the income statement. If the interest curve falls in parallel by 1%, the fair value of financial instruments falls by €10.62 million which – given the current level of short-term interest rates and the exercise price of financial instruments – would result in a decrease of €2.76 million in equity and of €7.85 million in the income statement.

Counterparty risk

The Group maintains a minimum rating standard for its financial counterparties. All financial counterparties have an external investment grade rating apart from one bank which had a BB- rating from S&P as at 31.12.2012. The group has a limited relationship with this financial institution. Writedowns on trade receivables recorded on the income statement are detailed in Note 27. Customer risk is mitigated by diversification of customers and an analysis of their solvency before and during the lease contract. The two main office clients belong to the public sector. On page 27 of this Annual Financial Report, a table shows the top ten customers and the rating assigned by an outside rating firm.

Price risk

The Group could be exposed to price risk linked to the Cofinimmo stock options relating to the convertible bonds. However, given that this option is «out of the money», the risk is considered unlikely.

Foreign exchange risk

The Group is currently not exposed to any exchange risk.

Liquidity risk

The liquidity risk is limited by the diversification of the financing sources and by the refinancing, one year before their maturity date, of the financial debts.

[1] The average effective interest rate for loans in 2011 and 2012 was 4.20% and 4.11% respectively, as stated in note 16.
[2] As at 31.12.2012, the one-month interest rate without margin was 0.13%. Rather than applying a 1% reduction to this rate, the sensitivity analysis applies an interest rate without margin of 0%. The increase in the average interest rate in a scenario of a fall in the variable interest rate is caused by hedging which exceeds the amount of variable-rate debt as at 31.12.2012.
[3] The fair value was calculated by discounting the future coupons.

Collateralisation

The book value of pledged financial assets is €38,544,742 at 31.12.2012.
The terms and conditions of the pledged financial assets are detailed in Note 44.
During 2012, there were no payment defaults on loan agreements or violations of the terms of these same agreements.

C. HEDGING DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments (Interest Rate Swaps, purchase of CAP options, sale of FLOOR options) to hedge its exposure to interest rate risks arising from its operational, financing and investment activities.

Type of hedging derivative financial instruments

CAP

A CAP is an interest rate option. The buyer of a CAP buys the right to pay a maximum interest rate for a specific period. He only exercises this right if the short-term rate exceeds the CAP's interest rate level. In order to buy a CAP, the buyer pays a premium to the counterparty. By buying a CAP, Cofinimmo obtains a guaranteed maximum rate at which it can borrow. The CAP therefore hedges against unfavourable rate increases.

FLOOR

A FLOOR is an interest rate option. The buyer of a FLOOR buys the right to benefit from a minimum interest rate for a specific period. He only exercises this right if the short-term rate falls below the FLOOR's interest rate level. The seller of a FLOOR sells the right to benefit from a minimum interest rate for a specific period and will thus have to pay this rate to the buyer, even if it is higher than the market rate. By selling a FLOOR, Cofinimmo receives a premium paid directly by the buyer.

Through the combination of the purchase of a CAP and the sale of a FLOOR, Cofinimmo ensures itself of an interest rate that is fixed in a corridor between a minimum rate (the rate of the FLOOR) and a maximum rate (the rate of the CAP), whilst limiting the cost of the premium paid for this insurance. For 2013, this corridor is fixed at between 3.00% and 3.75% for an amount of €1,500 million.

The bought CAP options and sold FLOOR options are detailed below.

INTEREST RATE SWAP (IRS)

An Interest Rate Swap (IRS) is an interest rate forward contract, unlike a CAP or a FLOOR, which are interest rate options. With an IRS, Cofinimmo exchanges a floating interest rate against a fixed interest rate or vice versa.

As part of its hedging policy of financial charges, Cofinimmo has contracted Interest Rate Swaps to exchange floating rates against fixed rates.

With regard to the four bond loans it has issued in 2004, 2009, 2010 and 2012 at a fixed rate, Cofinimmo has furthermore contracted Interest Rate Swaps in order to exchange fixed rates against floating rates. The increase in floating rates is hedged via CAP options bought by the Group.

The combination of these IRS contracts and CAP options allows Cofinimmo to benefit from the decrease in interest rates (compared to the initial fixed rates of the bond loans) whilst protecting itself against an increase of these rates via the CAP options. The IRS contracts are detailed in the table of page 163.

CANCELLABLE INTEREST RATE SWAP

A Cancellable Interest Rate Swap is the combination of a classic IRS with the sale by the buyer of an option for the bank to cancel the Swap as from a certain date. Cofinimmo has contracted Cancellable Interest Rate Swaps to exchange floating interest rates against fixed interest rates as part of its hedging policy of financial charges. The sale of this cancellation option allowed reducing the guaranteed fixed rates during the period covering at least the first cancellation date.

The Cancellable Interest Rate Swaps are detailed in the table of page 163.

In accordance with its financial policy, the Group does not hold nor issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Portion of floating-rate borrowings at 31.12.2012 hedged by derivative financial instruments (x €1,000)

The floating-rate debt (€1,458 million) is obtained from deducting from the total debt (€1,740 million) the elements of the debt which remained at fixed rate after taking into account the IFRS, as detailled in the following table.

Financial debts	**1,740,086**
Convertible bonds	-177,289
Mandatory Convertible Bonds	-4,195
Fixed-rate borrowings	-66,890
Others	-33,433
Floating-rate borrowings hedged by derivative financial instruments	**1,458,279**

At 31.12.2012, Cofinimmo had a floating-rate debt for a notional amount of €1,458 million. This amount was hedged against interest rate risk with CAPs for a notional amount of €1,500 million, FLOORs sold forming a collar with CAPs for a notional amount of €1,250 million, and Interest Rate Swaps for a notional amount of €140 million. Note that the value of the CAPs effective from 15.01.2012 to 15.01.2013 was zero for an exercise price at 3.25%, far above the Euribor three months, which amounted to 0.187% at 31.12.2012. The notional of CAPs bought is higher than the notional of floating-rate debts. This is due to the fact that the Group contracted a more important fixed-rate debt than initially planned.

CASH FLOW HEDGE

Period	Option	Exercise price	Annual amount (x €1,000)
2012	CAP bought	3.25%	1,500,000
2013	CAP bought	3.75%	1,250,000
2014-2015	CAP bought	4.25%	1,400,000
2016	CAP bought	4.25%	1,000,000
2017	CAP bought	4.25%	1,000,000
2012	FLOOR sold	3.00%	1,250,000
2013	FLOOR sold	3.00%	1,250,000
2014-2015	FLOOR sold	3.00%	1,400,000
2016-2017	FLOOR sold	3.00%	1,000,000

For the years 2012 to 2017, Cofinimmo projects to maintain a property portfolio partially financed through debt, in order to owe an interest flow to be paid, which forms the element covered by the derivative financial instruments described above.
As at 31.12.2012 Cofinimmo has a debt of €1,150 millions which is covered by cash flow hedging instruments. Based on future projections, this debt will be €1,268 million as at 31.12.2013, €1,556 million at the end of 2014 and €1,617 million at the end of 2015.

Effective part of the changes in fair value of the derivative financial instruments, qualified as cash flow hedge (x €1,000)

	2012	2011
AT 01.01	-116,379	-60,061
Change in the effective part of the change in fair value of derivative financial instruments	-51,009	-55,533
Transfer to the income statement of the intrinsic value of derivative financial instruments active during the period	634	6,285
Appropriation of the result	9,641	-7,070
AT 31.12	-157,113	-116,379

Ineffective part of the changes in fair value of the derivative financial instruments, qualified as cash flow hedge (x €1,000)

	2012	2011
AT 01.01	-9,862	-220
Change in the ineffective part of the change in fair value of derivative financial instruments	-11,080	-9,642
AT 31.12	-20,942	-9,862

FAIR VALUE HEDGE

Cofinimmo Luxemburg SA has contracted an Interest Rate Swap whereby the company pays the Euribor three months +0.80% and receives a fixed interest rate of 5.25% related to the payable coupon regarding the €100 million bond loan maturing on 15.07.2014 that it has issued in 2004.

Cofinimmo SA/NV has contracted an Interest Rate Swap whereby the company pays the Euribor three months +2.22% and receives a fixed interest rate of 5.00% related to the payable coupon regarding the €100 million bond loan maturing on 25.11.14 that it has issued in 2009.

Cofinimmo SA/NV has contracted an Interest Rate Swap whereby the company pays the Euribor six months +1.62% and receives a fixed interest rate of 2.936% related to the payable coupon regarding the €50 million bond loan maturing on 29.09.2013 that it has issued in 2010.

Change in fair value of fair-value hedging instruments (x €1,000)

	2012	2011
AT 01.01	11,487,608	8,517,161
Change in fair value of fair-value hedging instruments	-418,174	2,970,447
Transfer to the income statement of the intrinsic value of derivative financial instruments active during the period	N.A.	N.A.
AT 31.12	11,069,434	11,487,608

Change in fair value of the hedged instrument (x €1,000)

	2012	2011
AT 01.01	261,487,608	258,517,161
Change in fair value of the hedged instrument	-418,174	2,970,447
AT 31.12	261,069,434	261,487,608

DERIVATIVE FINANCIAL INSTRUMENTS HELD FOR TRADING

The Group has contracted several Cancellable Interest Rate Swaps. These instruments, booked as trading, combine a classic IRS, whereby the company pays a fixed interest rate and receives a floating interest rate, and the sale by Cofinimmo of an option for the bank to cancel this Swap from a certain date onwards. The sale of this option allowed to reduce the guaranteed fixed rate during the whole period.

(x €1,000)

	Option	Exercise price	Variable rate	Annual amount (x €1,000)	First option	Frequency of the option
Period						
2010-2018	Cancellable IRS	4.10%	Euribor 3 months	140,000	15.10.2011	Annual
2018	IRS	2.11%	Euribor 1 month	660,000	/	/
2018-2020	IRS	2.37%	Euribor 1 month	800,000	/	/
2012-2016[1]	IRS	3.60%	Euribor 3 months +3.005%	100,000	/	/
2013	CAP bought	3.75%	Euribor 3 months	250,000		
2013	FLOOR sold	3.00%	Euribor 3 months	250,000		

Summary of the derivative financial instruments active in 2013 (x €1,000)

Swap from fixed to floating rate

	Option	Exercise price	Floating rate	Annual amount (x €1,000)	First option	Frequency of the option
Period						
2012-2016[1]	IRS	3.60%	Euribor 3 months +3.005%	100,000		
2004-2014	IRS	5.25%	Euribor 3 months +0.80%	100,000		
2009-2014	IRS	5.00%	Euribor 3 months +2.22%	100,000		
2010-2013	IRS	2.94%	Euribor 6 months +1.62%	50,000		
Hedging instruments						
Period						
2013	CAP bought	3.75%	Euribor 3 months	1,500,000		
2013	FLOOR sold	3.00%	Euribor 3 months	1,500,000		
2013	Cancellable IRS	4.10%	Euribor 3 months	140,000	15.10.2011	Annual

D. MANAGEMENT OF CAPITAL

As a result of Article 54 of the Royal Decree of 10.12.2010 on Sicafis/Bevaks, the public Sicafi/Bevak must, where the consolidated debt ratio exceeds 50% of the consolidated assets, draw up a financial plan accompanied by an execution schedule, detailing the measures taken to prevent this debt ratio exceeding 65% of the consolidated assets. This financial plan is subject to a special auditor's report confirming that the latter has checked the method for drawing up the plan, in particular with regard to its economic bases, and that the figures it contains are coherent with the public Sicafi/Bevak's accounts. The annual and half-yearly financial reports must justify the way in which the financial plan has been executed during the period in question and the way in which the Sicafi/Bevak intends to execute the plan in the future.

1. Evolution of the debt ratio

On 31.03.2012 and 30.06.2012, the debt ratio was above the 50% mark at 51.03% and 50.93% respectively. On 31.12.12, the debt ratio was below the 50% mark at 49.90%. This change over the year can mainly be explained by the dividend paid in May 2012 (40.8% of which has nevertheless been reinvested by shareholders in new ordinary shares).

2. Debt ratio policy

Cofinimmo's policy is to maintain a debt ratio close to 50%. This may repeatedly rise above or fall below the 50% bar without this signalling a change of policy in one or the other direction.

Every year, at the end of the first six months, Cofinimmo draws up a mid-term financial plan that includes all the financial commitments made by the Group. This plan is updated over the course of the year when a significant new commitment is made. The debt ratio and its future evolution are recalculated on each edition of this plan. In this way, Cofinimmo has a permanent prospective view of this key parameter of the structure of its consolidated balance.

3. Debt ratio evolution forecast

Cofinimmo's financial plan, updated on 04.02.2013, shows that Confinimmo's consolidated debt ratio should not deviate significantly from the 50% level on December 31st of the next three years. This forecast nevertheless remains subject to the occurrence of unforeseen events. In this respect, please refer specifically to the "Risks factors" chapter of this Financial Annual Report.

4.Decision

Cofinimmo's Board of Directors thus considers that the debt rate will not exceed 65% and that, for the moment, in view of the economic and real estate trends in the segments in which the Group is present, the investments planned and the expected evolution of its assets, it is not necessary to take additional measures to those contained in the financial plan referred to above.

[1] This Swap was concluded to exchange a fixed rate against a floating rate.

NOTE 25. Finance lease receivables

The Group has concluded finance leases for several buildings, of which the Court of Justice of Antwerp, for 36 years. The Group has also granted financing linked to refitting works to certain tenants. The average implicit yield of these finance lease contracts amounts to 5.50% for 2012 (2011: 5.42%). During the year 2012, conditional rents (indexation) were registered in the income statement of the period for an amount of €0.09 million (2011: €0.12 million).

(x €1,000)

	2012	2011
Less than one year	4,558	4,410
More than one year but less than five years	9,571	11,606
More than five years	156,405	158,847
Minimum lease payments	170,534	174,863
Deferred financial income	-114,165	-116,592
Present value of minimum lease payments	56,370	58,271
Non-current finance lease receivables	53,397	55,403
At more than one year but less than five years	9,295	11,130
At more than five years	44,102	44,273
Current finance lease receivables	2,973	2,868
At less than one year	2,973	2,868

The fair value of these finance lease receivables at 31.12.2012 is estimated at €85.63 million.

NOTE 26. Assets held for sale (x €1,000)

	2012	2011
AT 01.01	12,025	170
Acquisitions		3,285
Investments	2	
Transfer from Investment properties	1,400	10,200
Disposal of assets during the year	-826	
Increase/Decrease in fair value	-1,931	-1,630
AT 31.12	10,670	12,025

All the assets held for sale are investment properties.

NOTE 27. Current trade receivables (x €1,000)

	2012	2011
Gross trade receivables[1]		
Gross trade receivables which are due but not provisioned	8,705	9,165
Gross trade receivables which are not due	13,931	11,675
Bad and doubtful receivables	1,425	1,484
Provisions for impairment of receivables (-)	-1,425	-1,484
TOTAL	22,636	20,840

The Group has recognised a charge of k€19 (2011: k€274) for the impairment of its trade receivables during the year ended 31.12.2012. The Board of Directors considers that the book value of the trade receivables approximates their fair value.

Gross trade receivables which are due but not provisioned (x €1,000)

	2012	2011
Due under 60 days ago	5,173	3,209
Due 60 to 120 days ago	222	2,213
Due over 120 days ago	3,310	3,743
TOTAL	8,705	9,165

[1] The credit risk is detailed in the “Risk factors” section of this Annual Financial Report.

Provisions for impairment of receivables (x €1,000)

	2012	2011
AT 01.01	1,484	1,731
Use	-78	27
Provisions charged to income statement	59	177
Provision writebacks credited to income statement	-40	-451
AT 31.12	1,425	1,484

NOTE 28. Tax receivables and Other current assets (x €1,000)

	2012	2011
Taxes	9,531	1,841
Regional taxes	2,762	2,117
Withholding taxes	10,560	6,245
Others	6,289	6,812
TOTAL	29,142	17,015

The “Other current assets” are mainly various receivables and other charges to be reinvoiced.

The increase of the “Tax” header is mainly due to withholding taxes to be recovered following the mergers realised within the Group.

NOTE 29. Deferred charges and accrued income (x €1,000)

	2012	2011
Rent free periods and incentives granted to tenants to be spread	1,550	1,497
Property charges paid in advance	24,569	30,435
Prepaid interest and other financial charges	7,715	5,385
TOTAL	33,834	37,317

NOTE 30. Share capital and share premium

	Ordinary shares		Convertible preference shares		TOTAL	
(in number)	2012	2011	2012	2011	2012	2011
Number of shares (A)						
AT 01.01	15,220,653	13,667,092	1,067,809	1,249,310	16,288,462	14,916,402
Issued in mergers to Group subsidiaries	434,082	1,041,767			434,082	1,041,767
Issued as a result of the optional dividend	390,778	330,246			390,778	330,246
Conversion of preference shares into ordinary shares	378,412	181,501	-378,412	-181,501		
Conversion of convertible bonds into ordinary shares		47				47
AT 31.12	16,423,925	15,220,653	689,397	1,067,809	17,113,322	16,288,462
Own shares held by the Group (B)						
AT 01.01	1,094,374	52,607			1,094,374	52,607
Issued in mergers to Group subsidiaries	434,082	1,041,767			434,082	1,041,767
Own shares (sold)/purchased - net	-422,706				-422,706	
AT 31.12	1,105,750	1,094,374			1,105,750	1,094,374
Shares outstanding (A-B)						
AT 01.01	14,126,279	13,614,485	1,067,809	1,249,310	15,194,088	14,863,795
AT 31.12	15,318,175	14,126,279	689,397	1,067,809	16,007,572	15,194,088

(x €1,000)	Ordinary shares 2012	Ordinary shares 2011	Convertible preference shares 2012	Convertible preference shares 2011	TOTAL 2012	TOTAL 2011
Capital						
AT 01.01	757,287	729,909	56,941	66,619	814,228	796,528
Own shares sold (purchased) - net	22,652				22,652	
Issued as a result of the optional dividend	20,942	17,697			20,942	17,697
Conversion of preference shares into ordinary shares	20,177	9,678	-20,177	-9,678		
Conversion of convertible bonds into ordinary shares		3				3
AT 31.12	821,058	757,287	36,764	56,941	857,822	814,228
Share premium account						
AT 01.01	256,024	447,215	56,306	65,878	312,330	513,093
Own shares sold (purchased) - net	6,097				6,097	
Issued as a result of the optional dividend	11,165	13,321			11,165	13,321
Conversion of preference shares into ordinary shares	19,957	9,572	-19,957	-9,572		
Conversion of convertible bonds into ordinary shares		2				2
Reclassification of the share premiums		-214,086				-214,086
AT 31.12	293,243	256,024	36,349	56,306	329,592	312,330

CATEGORIES OF SHARES

The Group has issued two categories of shares:

Ordinary shares: the holders of ordinary shares are entitled to receive dividends when these are declared and are entitled to one vote per share at the General Shareholders' Meetings of the company. The par value of each ordinary share is €53.59 on 31.12.2012. The ordinary shares are listed on Euronext Brussels' First Market.

Convertible preference shares: the preference shares were issued in 2004 in two distinct series which both feature the following main characteristics:

- priority right to an annual fixed gross dividend of €6.37 per share, capped at this level and non-cumulative;
- priority right in case of liquidation to a distribution equal to the issue price of these shares, capped at this level;
- option for the holder to convert his preference shares into ordinary shares from the fifth anniversary of their issue date (01.05.2009), at a rate of one ordinary share for one preference share;
- option for a third party designated by Cofinimmo (for example one of its subsidiaries) to purchase in cash and at their issue price, from the 15th anniversary of their issue, the preference shares that have not yet been converted;
- the preference shares are registered, listed on Euronext Brussels' First Market and carry a voting right identical to that of the ordinary shares.

The first series of preference shares was issued at €107.89 and the second at €104.40 per share. The par value of both series is €53.33 per share.

Shares held by the Group: at 31.12.2012, the Group held 1,105,750 ordinary shares (also see page 22) (31.12.2011 : 1,094,374).

AUTHORISED CAPITAL

The General Shareholders' Meeting has authorised the Board of Directors on 29.03.2011 to issue new capital for an amount of €799,000,000 and for a period of five year. At 31.12.2012, the Board had made use of this authorisation for a total amount of €118,291,647.44. Hence the remaining authorised capital amounts to €680,708,352.56 at that date. This authorised capital is based on the par value of the ordinary or preference shares of €53.33 per share before 31.12.2007 and €53.59 per ordinary share subsequently.

NOTE 31. Reserves (x €1,000)

	2012	2011
Legal reserve	1,662	35
Reserve for the balance of changes in fair value of investment properties	-150,059	-172,378
Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-71,424	-67,276
Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-157,113	-116,379
Reserve for the balance of changes in fair value of authorized hedging instruments not qualifying for hedge accounting as defined under IFRS	-1,479	-1,312
Others	568,956	573,100
Tax-exempt reserves	2,685	2,111
Distributable reserves	566,271	570,989
TOTAL	190,543	215,790

The reserves are presented before appropriation of the result of the period.

NOTE 32. Result per share

The calculation of the result per share at balance sheet date is based on the net current result/net result attributable to ordinary and preference shareholders of k€97,486 (2011: k€103,643)/k€98,072 (2011: k€118,539) and a number of ordinary and preference shares outstanding and entitled to share in the result of the period ended 31.12.2012 of 16,015,572[1] (2011: 15,194,088).

The diluted result per share takes into account the effect of a theoretical conversion of the convertible bonds issued by Cofinimmo and the stock options of the mandatory convertible bonds issued by Cofinimur I.

Result attributable to the ordinary and preference shares (x €1,000)

	2012	2011
Net current result attributable to the ordinary and preference shares	97,486	103,643
Net current result for the year	101,192	103,977
Minority interests	-3,706	-334
Result on the portfolio attributable to the ordinary and preference shares	586	14,896
Result on the portfolio for the year	1,503	19,108
Minority interests	-917	-4,212
Net result attributable to the ordinary and preference shares	98,072	118,539
Net result for the year	102,695	123,085
Minority interests	-4,623	-4,546

Diluted result per share (in €)

	2012	2011
Net result	98,071,556	118,538,854
Number of ordinary and preference shares entitled to share in the result of the year	16,015,572[1]	15,194,088
Net current result per share - Group sharee	6.09	6.82
Result on the portfolio per share - Group share	0.03	0.98
Net result per share - Group share	6.12	7.80
Diluted net result	98,071,556	116,408,263
Number of ordinary and preference shares entitled to share in the result of the period taking into account the theoretical conversion of the MCB and the stock options	16,596,525[2]	16,209,304
Diluted net result[2] per share - Group share	5.91[2]	7.18

NOTE 33. Dividend per share[3] (in €)

	Paid in 2012	Paid in 2011
Gross dividends attributable to the ordinary shareholders	91,820,813.50	88,494,152.50
Gross dividend per ordinary share	6.50	6.50
Net dividend per ordinary share	5.1350	5.5250
Gross dividends attributable to the preference shareholders	6,801,943.33	7,958,104.70
Gross dividend per preference share	6.37	6.37
Net dividend per preference share	5.0323	5.4145

A gross dividend for ordinary shares in respect of 2012 of €6.50 per share (net dividend per share of €4.875), amounting to a total dividend of €99,620,137.50, is to be proposed at the Ordinary General Meeting on 08.05.2013[3]. Indeed, at the closing date, the number of ordinary shares entitled to the 2012 dividend amounts to 15,326,175.

[1] Including 8,000 own shares sold in January 2013 and entitled to the dividend for fiscal year 2012.
[2] Assuming the theoretical conversion of mandatory convertible bonds issued by Cofinimur I and the stock options. In accordance with IAS 33, the convertible bond is excluded from the calculation of the diluted net result, as it would have an accretive impact on the diluted result per share.
[3] Based on the parent company's result.

The Board of Directors proposes to suspend the right to dividend for the 39,286 own ordinary shares still held by Cofinimmo under its stock option plan and to cancel the dividend right of the remaining 1,058,464 own shares.

A gross dividend for preference shares in respect of 2012 of €6.37 per share (net dividend per share of €4.775), amounting to a total dividend of €4,391,458.89, is to be proposed at the Ordinary General Meeting on 08.05.2013. Indeed, at the closing date, the number of preference shares entitled to the 2012 dividend stands at 689,397.

The withholding tax applicable to dividends attributed as from 01.01.2013 stands at a rate of 25%. As from 07.01.2013, no withholding tax is applied for non-resident investors having a non-profit activity and whose corporate purpose solely consists of the management and placement of funds collected to serve legal or complementary pensions.

NOTE 34. Minority interests (x €1,000)

	AB InBev	Senior Assist	Cofinimur I		TOTAL
			Atland	MCB Holders	
AT 01.01	10,777	802	1,149	41,929	54,657
Changes in the income statement	974	647	196	2,806	4,623
Registration rights	-8				-8
New minority interests		4,480		5,000	9,480
Contribution of minority interests		-802			-802
Coupon payment				-1,379	-1,379
Dividends	-85				-85
Others				-223	-223
AT 31.12	11,658	5,127	1,345	48,133	66,263

Minority interests represent interests in subsidiaries neither directly nor indirectly held by the Group (see Note 46).

AB InBev

As a reminder, at the end of 2007 Cofinimmo acquired an entire portfolio of pubs, owned until then by Immobrew SA/NV, a subsidiary of AB InBev and renamed Pubstone SA/NV. As at 31.12.2012, AB InBev retains an indirect stake of 10% in the Pubstone structure.

Senior Assist

As at 31.12.2011, Senior Assist held a 10% stake in the companies Gerigroep SA/NV, Vert Buisson SA/NV and Saint Charles SA/NV. These minority interests were contributed by Senior Assist to the capital of Silverstone SA/NV when this new structure was formed[1]. Once it had been set up, Senior Assist acquired 5% of the shares of the institutional Sicafi/Bevak Silverstone SA/NV.

Cofinimur I

As a reminder, at the end of 2011, Cofinimmo acquired a portfolio of branches and offices from the MAAF group through its subsidiary Cofinimur I. At the time of the acquisition, Cofinimur I issued Mandatory Convertible Bonds (MCB) for a total amount of €52 million. During 2012, €5.0 million MCB still held by Cofinimmo SA/NV were sold on the market. Foncière Atland is a 2.35% shareholder of Cofinimur I.

NOTE 35. Provisions (x €1,000)

	2012	2011
AT 01.01	18,474	19,234
Amounts charged to income statement	5,992	5,085
Use	-1,598	-106
Writebacks credited to income statement	-2,375	-5,739
AT 31.12	20,493	18,474

The provisions of the Group (k€20,493) can be separated into two categories:

- provisions corresponding to a contingent quota of the cost of works the Group has committed to undertake in several buildings for k€13,880 (2011: k€12,583);
- provisions to face its potential commitments vis-à-vis tenants or third parties for k€6,613 (2011: k€5,891).

These provisions correspond to the discounted future payments considered as likely by the Board of Directors.

NOTE 36. Deferred taxes (x €1,000)

	2012	2011
Exit tax	2,128	7,099
Deferred taxes	33,666	33,984
TOTAL	35,794	41,083

The exit tax pertains to Cofinimmo France following the adoption of the SIIC regime by the French subsidiary in January 2009. This exit tax is based upon the gains resulting from the valuation of the properties, i.e. the difference between the value of the properties as estimated by the expert on 31.12.2008 and the net book value of these properties at the same date. The taxation rate applied to this figure stands at 19%. The payment of the exit tax is spread over four years. The four payments took place in December 2009, 2010, 2011 and 2012 for a total amount of €20.05 million.

The remaining amount concerns two French entities which have not yet adopted the SIIC status.

The deferred taxes pertain to the Dutch subsidiaries Pubstone Properties I BV and Pubstone Properties II BV. The deferred taxes of these subsidiaries correspond to the taxation, at a rate of 25%, of the difference between the investment value of the assets, less registration rights, and their tax value.

[1] For further information about the constitution of the Institutional Sicafi/Bevak Silverstone SA/NV, see the Group's press release dated 31.01.2012.

NOTE 37. Financial assets and liabilities

Financial assets (x €1,000)

	2012	2011
Non-current financial assets	24,672	21,880
Current financial assets	6,501	13,779
TOTAL	31,173	35,659
Non-current financial assets		
Hedging instruments[1]	19,078	21,880
Loans to associated companies and joint ventures	5,594	
SUB-TOTAL	24,672	21,880
Current financial assets		
Hedging instruments[1]	6,501	13,779
SUB-TOTAL	6,501	13,779
TOTAL	31,173	35,659

Financial liabilities (x €1,000)

Financial debts	2012	2011
Interest-bearing borrowings	1,740,086	1,681,410
TOTAL	1,740,086	1,681,410
Non-current	1,388,883	1,435,094
Current	351,203	246,316
TOTAL	1,740,086	1,681,410

Interest-bearing borrowings (x €1,000)

	2012	2011
Non-current		
Bilateral loans - floating rate	781,621	889,291
Syndicated loans - floating rate		90,000
Treasury bills - floating rate	15,000	15,000
Bonds - fixed rate	578,358	427,336
Others - floating or fixed rate	13,904	13,467
SUB-TOTAL	1,388,883	1,435,094
Current		
Bilateral loans - floating rate	16,171	390
Treasury bills - floating rate	321,750	235,500
Overdrafts - floating rate	13,101	10,389
Others - floating or fixed rate	181	37
SUB-TOTAL	351,203	246,316
TOTAL	1,740,086	1,681,410

All interest-bearing loans are unsecured. The heading "Others" chiefly comprises capital leases related to French assets. The bilateral loans maturing in 2013 (€290 million) have been refinanced.

Maturity of non-current loans (x €1,000)

	2012	2011
Between one and two years	651,690	521,791
Between two and five years	457,193	673,303
Over five years	280,000	240,000
TOTAL	1,388,883	1,435,094

Allocation between floating rate loans and fixed rate loans (non-current and current) (x €1,000)

	2012	2011
Floating rate loans	1,161,721	1,227,284
Fixed rate loans	578,365	454,126
TOTAL	1,740,086	1,681,410

The fixed rate non-convertible bonds have been immediately converted to floating rate[2].

Non-current undrawn borrowing facilities[3] (x €1,000)

	2012	2011
Expiring within one year	50,000	30,000
Expiring after one year	669,400	561,900

[1] For more details about hedging instruments, see Note 24.
[2] See paragraph on interest rate risk management on page 159 of the Annual Financial Report.
[3] The unused lines cover the issues of short-term treasury bills, i.e. €321.7 million at 31.12.2012.

The fair value of the non-convertible bond issues of 2004, 2009, and 2010, for a total amount of €261.10 million fluctuates in accordance with the risk covered, i.e. the Euro Swap Rate, and consequently takes into account a constant average credit margin of 1.53%, which corresponds to the margin paid at the time of issue in 2004, 2009 and 2010.

This fair value differs from the redemption value on maturity in 2013 and 2014, i.e. €250 million, and the market value, i.e. €257.69 million at 31.12.2012 (based on the daily quotation on Bloomberg, for guidance).

In 2011, Cofinimmo issued a convertible bond for a nominal amount of €173.31 million. On 31.12.2012, this bond had a market value of €177.29 million (based on the quotation on Bloomberg, for guidance)[1].

In 2012, Cofinimmo issued a €140 million bond, valued at amortised cost.

NOTE 38. Other financial liabilities (x €1,000)

	2012	2011
Authorised hedging instruments	202,759	165,665
Others	35	
TOTAL	202,794	165,665
Non-current	120,835	106,735
Current	81,959	58,930
TOTAL	202,794	165,665

NOTE 39. Trade debts and other current debts (x €1,000)

	2012	2011
Exit tax	289	5,376
Others	64,271	73,849
Suppliers	**29,515**	**37,270**
Taxes, social charges and salaries debts	**24,975**	**25,491**
Taxes	23,436	24,247
Social charges	551	298
Salaries debts	988	946
Others	**9,781**	**11,088**
Urban charges	632	406
Dividend coupons	33	397
Provision for withholding taxes and other taxes	6,088	5,817
Pubstone dividend coupons	1,322	1,322
Various	1,706	3,146
TOTAL	64,560	79,225

NOTE 40. Accrued charges and deferred income (x €1,000)

	2012	2011
Rental income received in advance	14,531	11,761
Interests and other charges accrued and not due	21,803	14,955
Others	135	824
TOTAL	36,469	27,540

NOTE 41. Non-cash charges and income (x €1,000)

	2012	2011
Charges and income related to operating activities	-19,965	-31,880
Changes in fair value of investment properties	-12,197	9,603
Writeback of lease payments sold and discounted	-22,994	-20,999
Movements in provisions and stock options	2,316	-1,025
Depreciation/Writedown (or writeback) on intangible and tangible assets	706	1,076
(Writeback of) Losses on current assets	19	-274
Exit tax	596	-39,287
Goodwill impairment	7,100	6,900
Rent-free periods	-54	8,221
Minority interests	4,623	4,333
Others	-80	-428
Charges and income related to financing activities	22,582	8,063
Changes in fair value of financial assets and liabilities	24,344	9,561
Others	-1,762	-1,498
TOTAL	2,617	-23,817

[1] See Note 2, paragraph W.

NOTE 42. Changes in working capital requirements (x €1,000)

	2012	2011
Movements in asset items	-7,976	-12,048
Trade receivables	-2,058	-1,657
Tax receivables	-11,329	6,782
Other short-term assets	-1,320	5,811
Deferred charges and accrued income	6,731	-22,984
Movements in liability items	-1,309	16,177
Trade debts	-3,008	12,663
Taxes, social charges and salaries debts	-766	6,284
Other current debts	-397	-4,250
Accrued charges and deferred income	2,862	1,480
TOTAL	-9,285	4,129

NOTE 43. Evolution of the portfolio per segment during the year

The tables below show the movements of the portfolio per segment during the year 2012 in order to specify the amounts included in the cash flow statement.
The amounts included in the cash flow statement and in the tables below are shown in investment value.

ACQUISITIONS OF INVESTMENT PROPERTIES

The acquisitions made during the year were realised in three ways:

- acquisition of the property directly against cash, included in the section "Acquisitions of investment properties" in the cash flow statement;
- acquisition of the property against shares. These transactions are not included in the cash flow statement as they are non cash;
- acquisition of the company owning the property against cash, included in the section "Acquisitions of consolidated subsidiaries" in the cash flow statement.

		Offices	Healthcare assets			Property of distribution networks	Others	Total
			Belgium	France	Netherlands			
Properties available for lease	Direct properties				11,306	436		11,742
	Properties against shares		18,607					18,607
	Companies against cash						14,537	14,537
	Sub-total		18,607		11,306	436	14,537	44,886
Development projects	Direct properties		3,755					3,755
	Properties against shares		3,111					3,111
	Sub-total		6,866					6,866
TOTAL			25,473		11,306	436	14,537	51,752

The sum of k€15,497 booked in the cash flow statement under the heading "Acquisitions of investment properties" comprises the sum of the direct property acquisitions.

EXTENSIONS OF INVESTMENT PROPERTIES

Extensions of investment properties are financed in cash and are included in the "Extensions of investment properties" section in the cash flow statement.

	Offices	Healthcare assets			Property of distribution networks	Others	Total
		Belgium	France	Netherlands			
Development projects	1,676	29,409	-88			32	31,029
TOTAL	1,676	29,409	-88			32	31,029
Amount paid in cash	1,624	31,675	-88			26	33,237
Change in provisions	52	-2,266				6	-2,208
TOTAL	1,676	29,409	-88			32	31,029

INVESTMENTS IN INVESTMENT PROPERTIES

Investments in investment properties are financed in cash and are included in the “Investments in investment properties” section in the cash flow statement.

	Offices	Healthcare assets			Property of distribution networks	Others	Total
		Belgium	France	Netherlands			
Properties available for lease	2,774	497		178	3,118	3	6,570
TOTAL	2,774	497		178	3,118	3	6,570
Amount paid in cash	2,302	1,170		178	3,448	3	7,100
Change in provisions	472	-673			-330		-530
TOTAL	2,774	497		178	3,118	3	6,570

DISPOSALS OF INVESTMENT PROPERTIES

The amounts included in the cash flow statement under the section “Disposals of investment properties” represent the net price received in cash from the buyer.
This net price is made of the net book value of the property at 31.12.2011 and the net gain or loss realised on the disposal after the deduction of the transaction costs.

		Offices	Healthcare assets			Property of distribution networks	Others	Total
			Belgium	France	Netherlands			
Properties available for lease	Net book value					2,175		2,175
	Result on the disposal of assets					219		219
	Net sales price received					2,394		2,394
Assets held for sale	Net book value					840		840
	Result on the disposal of assets					85		85
	Net sales price received					925		925
TOTAL						3,319		3,319

NOTE 44. Contingent rights and liabilities

1. ACQUISITIONS/DISPOSALS

- Cofinimmo has undertaken to acquire the extensions or constructions of new nursing homes realised by Armonea SA/NV (as long lease holder or as contracting partner) on the land plots Cofinimmo has acquired by the transaction with the Group Van Den Brande (now Armonea).
- Cofinimmo has signed call and put options relating to the freehold of a plot of land located in Gentbrugge intended for the construction of a nursing home which will be operated by Foyer de la Femme ASBL/VZW.
- The shares in the company Belliard III-IV Properties SA/NV held by Cofinimmo are subject to a purchase option. The exercise of this option is subject to the fulfilment of certain specific conditions.
- With regard to the assignment of current lease receivables with the Buildings Agency (Belgian State) on the Antwerp Court of Justice, the balance of the receivables not assigned has been pledged in favour of a bank, subject to certain conditions. Cofinimmo has furthermore undertaken to grant a mortgage and a mortgage mandate on the site.
- With regard to the assignment of lease receivables with the Buildings Agency (Belgian State) on the North Galaxy, Egmont I, Egmont II, Maire 19 and Colonel Bourg 124 buildings, as well as the assignment of lease receivables with the City of Antwerp on the Fire Station, the shares of Galaxy Properties SA/NV, Egmont Properties SA/NV, Belliard I-II Properties SA/NV and a SPV to be set up have been pledged in favour of a bank, subject to certain conditions, as well as a deposit of €1.0 million for maintenance and insurance costs payable by the owner in the case of the North Galaxy building. Cofinimmo has furthermore obtained the issuing of guarantees in favour of the bank which can be exercised, subject to certain conditions.
- Through other assignment of lease receivables transactions, Cofinimmo has taken various commitments and granted certain guarantees, in particular with regard to the assignment of the receivables of the prison in Leuze after the execution of the works.
- With regard to the lease signed with the Buildings Agency (Belgian State) for the Police Station of Dendermonde, a purchase option has been granted in favour of the Agency, who, at the end of the lease, can either leave the premises, extend the contract or buy the building.
- Cofinimmo has granted a rental income guarantee on the occasion of the disposal of part of its portfolio located in the Brussels periphery and in Wavre.
- Cofinimmo has granted a purchase option to the HEKLA Police in Antwerp on the property granted under long lease to this entity, to be taken up on the expiry of the long lease.
- Cofinimmo has agreed to several preferential rights and/or purchase options to the long lease holder (“emphytéote”), at market value, on a part of its nursing homes and clinics portfolio.

- Cofinimmo has undertaken and benefits on behalf of its subsidiary Silverstone of a preemptive right on future developments to be executed in partnership with a nursing home operator.
- Cofinimmo has undergone various commitments to not undertake certain actions at the expiry of various financing contracts.
- Cofinimmo has a preemptive right on a project to be executed in partnership with a nursing home operator in Belgium.
- Within the context of the signing of a partnership with Orpea, Cofinimmo will set up joint-ventures with Orpea whose purpose will be the acquisition, holding and leasing of property assets operated by Orpea in France.
- Within the context of the awarding of a public contract relating to the construction and maintenance of a new prison in Leuze-en-Hainaut, Cofinimmo will take over the remaining shares of the company FPR Leuze, institutional Sicafi/Bevak constituted on this occasion, in which it currently holds 50%, on the issuing of the Property Availability Certificate by the Buildings Agency (Belgian State).
- With regard to tendering, Cofinimmo generally issues commitments to obtain bank guarantees.
- As a general rule, Cofinimmo benefits from liability guarantees issued by the sellers of shares in real estate companies it has acquired.

2. MISCELLANEOUS

- With regard to its lease agreements, Cofinimmo receives a rental guarantee (in cash or as a bank guarantee) of an amount generally representing six months of rent.
- With regard to the transfer against a structured deposit to an external trustee (JPA Properties SPRL administered by Intertrust (Belgium) of the finance lease, discharge obligation with respect to Justinvest Antwerpen SA concerning the Antwerp Court of Justice, the matching deposit has been pledged in favour of Cofinimmo SA/NV. The benefit of the pledge has been transferred in favour of a bank, subject to certain conditions.
- Cofinimmo has a call option on the issued preference shares (Art. 8 of the Articles of Association).
- Cofinimmo has undertaken to find a buyer for the Notes falling due in 2027 issued by Cofinimmo Lease Finance (see page 42 of the 2001 Annual Financial Report) for the eventuality that a withholding tax would be applicable to the interest on these Notes following a change in the fiscal laws affecting holders resident in Belgium or the Netherlands.
- When requested to convert the convertible bonds that it issued, Cofinimmo will have the choice, under certain conditions, between releasing new and/or existing shares or paying an amount in cash, or a combination of both.
- Cofinimmo will have the option to acquire in 2023, at their intrinsic value, all the Mandatory Convertible Bonds issued by Cofinimur I, either in cash or in exchange for ordinary Cofinimmo shares, subject to approval by 2/3 of the holders in the latter case.

NOTE 45. Commitments

The Group has capital commitments of k€166,012 (31.12.2011: k€213,471) in respect of capital expenditures contracted for at the balance sheet date but not yet incurred, for new property and extensions construction. Renovation works are not included in this figure.

NOTE 46. Consolidation criteria and scope

CONSOLIDATION CRITERIA

The consolidated financial statements group together the accounts of the parent company and those of the subsidiaries and joint-ventures, as drawn up at the end of the financial year.
Consolidation is achieved by applying the following consolidation methods.

Full consolidation for the subsidiaries

Full consolidation consists of incorporating the entire assets and liabilities of the subsidiaries as well as the income and charges. Minority interests are shown in a separate caption on both the balance sheet and the income statement.
The full consolidation method is applied where the parent company has exclusive control provided that the holding is of a lasting character.
The consolidated financial statements have been prepared at the same date as that on which the consolidated subsidiaries prepared their own financial statements.

Consolidation by the equity method for the joint-ventures

The equity method consists in replacing the book value of the securities by the fair value of the equity share of the associated entity. More details are provided in Note 2, paragraph C.

CONSOLIDATION PERIMETER

Name and address of registered office Fully consolidated subsidiaries	VAT or national number (NN)	Direct and indirect shareholding and voting rights (in %)
BELLIARD I-II PROPERTIES SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 832 136 571	100.00
BELLIARD III-IV PROPERTIES SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 475 162 121	100.00
BOLIVAR PROPERTIES SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 878 423 981	100.00
COFINIMMO FRANCE SA Avenue de l'Opéra 27, 75001 Paris (France)	FR 88 487 542 169	100.00

Name and address of registered office Fully consolidated subsidiaries	VAT or national number (NN)	Direct and indirect shareholding and voting rights (in %)
SAS IS II Avenue de l'Opéra 27, 75001 Paris (France)	FR 74 393 097 209	100.00
SCI AC Napoli Avenue de l'Opéra 27, 75001 Paris (France)	FR 71 428 295 695	100.00
SCI Beaulieu Avenue de l'Opéra 27, 75001 Paris (France)	FR 50 444 644 553	100.00
SCI Chamtou Avenue de l'Opéra 27, 75001 Paris (France)	FR 11 347 555 203	100.00
SCI Cuxac II Avenue de l'Opéra 27, 75001 Paris (France)	FR 18 343 262 341	100.00
SCI de l'Orbieu Avenue de l'Opéra 27, 75001 Paris (France)	FR 14 383 174 380	100.00
SA Domaine de Vontes Avenue de l'Opéra 27, 75001 Paris (France)	FR 67 654 800 135	100.00
SCI du Donjon Avenue de l'Opéra 27, 75001 Paris (France)	FR 06 377 815 386	100.00
SNC du Haut Cluzeau Avenue de l'Opéra 27, 75001 Paris (France)	FR 39 319 119 921	100.00
SARL Hypocrate de la Salette Avenue de l'Opéra 27, 75001 Paris (France)	not subject to tax NN 388 117 988	100.00
SCI La Nouvelle Pinède Avenue de l'Opéra 27, 75001 Paris (France)	FR 78 331 386 748	100.00
SCI Privatel INVESTISSEMENT Avenue de l'Opéra 27, 75001 Paris (France)	FR 13 333 264 323	100.00
SCI RESIDENCE Frontenac Avenue de l'Opéra 27, 75001 Paris (France)	FR 80 348 939 901	100.00
SCI Sociblanc Avenue de l'Opéra 27, 75001 Paris (France)	not subject to tax NN 328 781 844	100.00
COFINIMMO LUXEMBURG SA Boulevard Grande-Duchesse Charlotte 65, 1331 Luxemburg (Luxemburg)	not subject to tax NN 100 044	100.00
COFINIMMO SERVICES SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 437 018 652	100.00
COFINIMUR I SA Avenue Georges V 10, 75008 Paris (France)	FR 74 537 946 824	97.65
EGMONT PROPERTIES SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 891 801 042	100.00
GALAXY PROPERTIES SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 872 615 562	100.00
LEOPOLD SQUARE SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 465 387 588	100.00
PUBSTONE GROUP SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 878 010 643	90.0006
PUBSTONE SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 405 819 096	90.00
PUBSTONE HOLDING BV Prins Bernhardplein 200, 1097 JB Amsterdam (The Netherlands)	not subject to tax NN 8185 89 723	90.00[1]
PUBSTONE PROPERTIES I BV Prins Bernhardplein 200, 1097 JB Amsterdam (The Netherlands)	NL 00.11.66.347.B.01	90.00[1]
PUBSTONE PROPERTIES II BV Prins Bernhardplein 200, 1097 JB Amsterdam (The Netherlands)	NL 00.26.20.005.B.01	90.00[1]
RHEASTONE SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 893 787 296	100.00
SILVERSTONE SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 452 711 674	95.00
SUPERSTONE NV Claudius Prinsenlaan 128, 4818 CP Breda (Pays-Bas)	NL 85.07.32.554.B.01	100.00

Name and address of registered office List of the joint-ventures consolidated by the equity method	VAT or national number (NN)	Direct and indirect shareholding and voting rights (in %)
FPR LEUZE SA/NV Boulevard de la Woluwe 58, 1200 Brussels	BE 839 750 279	50.00
COFINEA I SAS Avenue de l'Opéra 27, 75001 Paris (France)	FR 74 538 144 122	51.00

[1] Economic interest.

Belliard I-II Properties SA/NV holds the residual rights to the property Belliard I-II, charged with a right in a long lease (emphytéose).

Belliard III-IV Properties SA/NV holds the residual rights to the property Belliard III-IV, charged with a right in a long lease (emphytéose).

Bolivar Properties SA/NV owns the freehold of the building Omega Court.

Cofinea I SAS will house the nursing homes operated by Orpea in France following the partnership agreement signed with the Orpea Group in November 2011. Currently, the company owns an EHPAD located in Paris. Cofinimmo SA/NV holds 51% of the capital of Cofinea I SAS, which is accounted for according to the equity method in Cofinimmo's consolidated financial statements.

Cofinimmo France SA owns, directly or indirectly, 43 healthcare institutions in France :

- **15 aftercare and rehabilitation clinics ("cliniques de Soins de Suite et de Rééducation, SSR"):** Belloy in Belloy, Bezons in Bezons, Brocéliande in Caen, Bruyères in Letra, Canal de l'Ourcq in Paris, Château de Gléteins in Janssans-Riottier, Château de la Vernède in Conques-sur-Orbiel, Hélio Marin in Hyères, La Pinède in Sigean, La Ravine in Louviers, La Salette in Marseille, Montpribat in Montfort en Chalosse, Sainte Baume in Nans Les Pins, Siouville in Siouville-Hague and William Harvey in Saint-Martin-d'Aubigny;

- **6 psychiatric clinics:** Champgault in Esvres-sur-Indre, Domaine de Vontes in Esvres-sur-Indre, Haut Cluzeau in Chasseneuil, Horizon 33 in Cambes, La Gaillardière in Vierzon and Pays de Seine in Bois le Roi;

- **22 nursing homes ("Établissements d'Hébergement pour Personnes Âgées Dépendantes, EHPAD"):** Automne in Reims, Automne in Sarzeau, Automne in Villars les Dombes, Chamtou in Chambray-lès-Tours, Cuxac II in Cuxac-Cabardès, Debussy in Carnoux en Provence, Frontenac in Bram, Grand Maison in L'Union, La Goélette in Equeurdreville-Hainneville, La Jonchère in Reuil Malmaison, Las Peyrères in Simorre, Le Bois Clément in La Ferté-Gaucher, Le Clos du Mûrier in Fondettes, Le Clos Saint-Sébastien in Saint-Sébastien-sur-Loire, Le Jardin des Plantes in Rouen, Le Lac in Moncontour, Les Hauts d'Andilly in Andilly, Les Jardins de l'Andelle in Perriers-sur-Andelle, Les Oliviers in Cannes La Bocca, Villa Gabriel in Gradignan, Villa Napoli in Jurançon and Villa Saint Dominique in Rouen.

Cofinimmo SA/NV also has a branch in France, through which it owns 14 medical institutions in France: Hotelia Montpellier in Montpellier, L'Ermitage in Louviers, Les Amarantes in Tours, Les Blés d'Or in Castelnau de Levis, Les Hauts de l'Abbaye in Montivilliers, Les Lubérons in Le Puy-Sainte-Réparade, Les Meunières in Lunel, Les Oliviers in Le Puy-Sainte-Réparade, Les Ophéliades in Saint-Etienne, Les Villandières in Vaucresson, Lo Solelh in Béziers, Rougemont in Le Mans, Sartrouville in Sartrouville and Villa Eyras in Hyères.

Cofinimmo Luxemburg SA has issued a 10-year bond guaranteed by Cofinimmo SA/NV. Its resources are used to finance other Group companies.

Cofinimmo Services SA/NV is responsible for the management of the Cofinimmo properties. It does not act on behalf of third parties.

Cofinimur I SA has a portolio of 281 sites (branches and offices), located in France and used by the MAAF group.

Egmont Properties SA/NV holds a right in a long lease on the Egmont I and II buildings.

FPR Leuze SA/NV was created following the assignment by the Buildings Agency (Belgian State) to the Future Prisons consortium, of which Cofinimmo is part, of the public contract drawn up on the Design-Build-Finance-Maintain model for the construction and maintenance of a new prison in Leuze-en-Hainaut, in the Mons region. Cofinimmo SA/NV owns 50% of FPR Leuze SA/NV, which is therefore consolidated by the equity method in the Group's accounts.

Galaxy Properties SA/NV holds a right in a long lease on the North Galaxy building.

Leopold Square SA/NV owns the freehold of the land under the buildings located in Brussels, Avenue du Bouget 40, and in Diegem, Avenue Mommaerts 16. This subsidiary also holds participating interests in the companies Belliard I-II Properties SA/NV, Bolivar Properties SA/NV, Cofinimmo Services SA/NV, Egmont Properties SA/NV and Galaxy Properties SA/NV.

Pubstone Group SA/NV holds a controlling interest in the company Pubstone SA/NV.

Pubstone SA/NV holds 813 pubs in Belgium and an interest in the company Pubstone Holding BV.

Pubstone Holding BV owns the companies Pubstone Properties I BV and Pubstone Properties II BV.

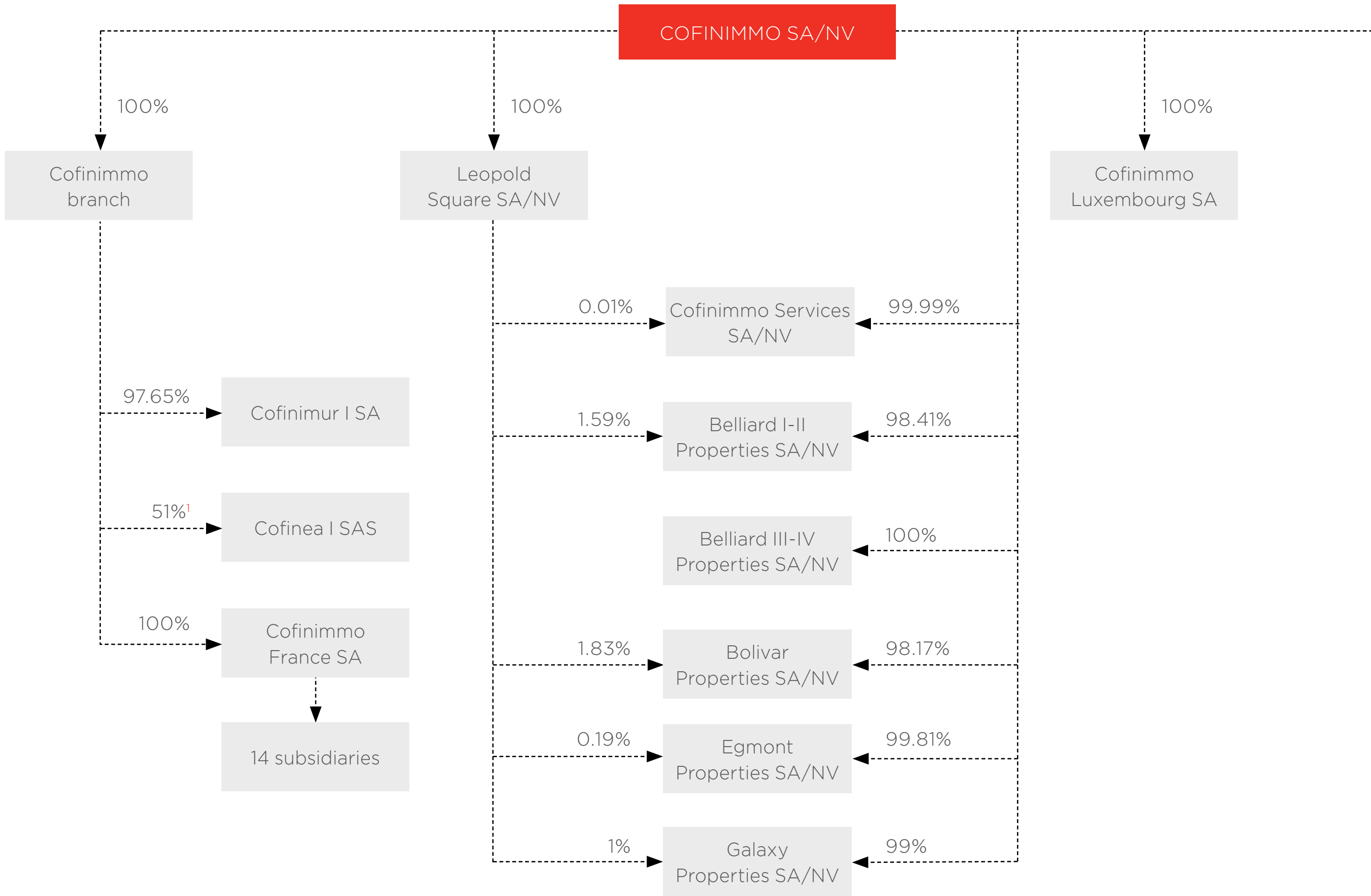
Pubstone Properties I BV owns 200 pubs in the Netherlands.

Pubstone Properties II BV owns 46 pubs in the Netherlands.

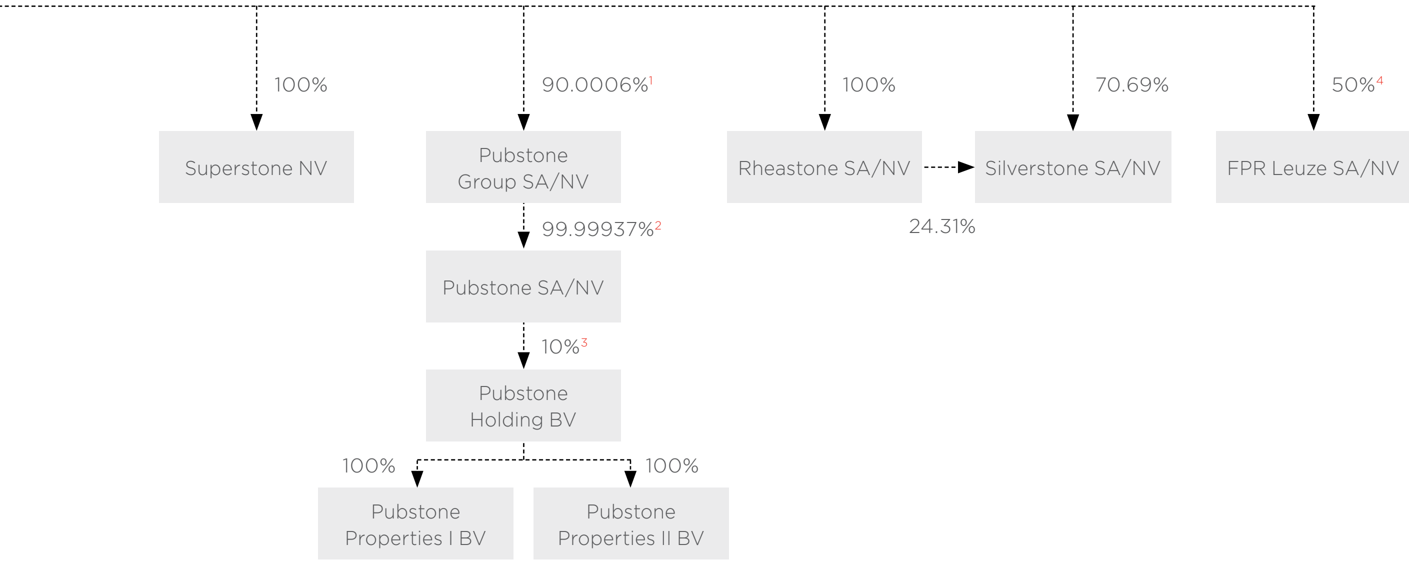
Rheastone SA/NV owns the nursing home Le Progrès in La Louvière.

Silverstone SA/NV owns 21 nursing homes in Belgium : VII Voyes in Vedrin, Bellevue in Forest, Borsbeekhof in Borgerhout, Brise d'Automne in Ransart, Charmilles in Sambreville, Chenoy in Ottignies, Claire de vie in Liège, Colvert in Ottignies, Farnientane in Fexhe-Slins, Grand Cerf in Spa, Hof ter Dennen in Vosselaar, Les jours heureux in Lodelinsart, Maison Saint Ignace in Laeken, Nieuwe Seigneurie in Rumbeke, Parc in Nivelles, Saint Charles in Bouillon, Sitelles in Chastre, De Fakkel in Paal, Karen in Koersel, Villa Vitae in Paal and De Laeck in Koersel.

Superstone NV owns a private clinic located in Naarden (Netherlands). The company has the "Fiscale Beleggingsinstelling" status.



[1] Company consolidated by the equity method.



[1] 9.9994% of the shares held by InBev Belgium SA/NV.
[2] 0.00063% of the shares are held by InBev Belgium SA/NV and its subsidiaries
[3] Majority of the votes.
[4] Company consolidated by the equity method.

NOTE 47. Payments based on shares

STOCK OPTION PLAN

In 2006, Cofinimmo launched a stock option plan by which 8,000 stock options were granted to the management of the Group. This plan was relaunched during each subsequent year. In 2012, a total of 4,095 stock options has been granted.

At the time of exercise, the beneficiaries will pay a strike price of €84.85 per share for the 2012 plan, in exchange for the delivery of the shares. In the event of a voluntary or involuntary departure (with the exception of dismissal on ground of misconduct) of a beneficiary, the accepted and vested stock options will only be exercisable during the first exercise window after the date of the contract breach. The non-vested options will be cancelled. In the event of an involuntary departure due to misconduct, the accepted stock options, vested or not but not yet exercised, will be cancelled. These conditions for the acquisition and exercise periods of the options in case of departure, voluntary or involuntary, will be applied without prejudice of the Board of Directors for the members of the Executive Committee or of the Executive Committee for the other beneficiaries to authorise derogations to these dispositions, based on objective and pertinent criteria in the advantage of the beneficiary.

Evolution of the number of stock options

Year of the plan	2012	2011	2010	2009	2008	2007	2006
ON 01.01		**8,035**	**5,740**	**7,215**	**6,730**	**7,300**	**8,000**
Granted	4,095						
Cancelled		-1,250	-184	-695	-1,800	-1,800	-2,100
Exercised							
Expired							
ON 31.12	**4,095**	**6,785**	**5,556**	**6,520**	**4,930**	**5,500**	**5,900**
Exercisable at 31.12				6,520	4,930	5,500	5,900
Strike price (in €)	84.85	97.45	93.45	86.06	122.92	143.66	129.27
Last date for exercising options	18.06.2022	14.06.2021	13.06.2020	11.06.2019	12.06.2023[1]	12.06.2022[1]	13.06.2021[1]
Fair value of the options at the date of granting (x €1,000)	168.18	363.90	255.43	372.44	353.12	261.27	216.36

Cofinimmo applies the IFRS 2 standard by recognising over the vesting period (namely three years), the fair value of the stock options at the date of granting according to the progressive acquisition method. The annual cost of the progressive vesting is recognised in personnel charges in the income statement.

Fair value of the stock options at the date of granting and assumptions used - weighted average

	2012
Valuation model	Black & Scholes
Contractual life of the options	10 years
Estimated duration	8 years
Strike price (in €)	84.85
Volatility (average last three years)	23.74%
Risk free interest rate	"Euro Swap Annual Rate"
Fair value of the options at the date of granting recognised over three years (x € 1,000)	168.18

NOTE 48. Average number of people linked by an employment contract or by a permanent service contract

	2012	2011
Average number of persons linked by an employment contract or by a permanent service contract	**113**	**109**
Employees	109	105
Executive management personnel	4	4
Full time equivalent	**108**	**104**

[1] In accordance with the Law on economic stimulations of 27.03.2009, the exercise period for the stock option plans of 2005 to 2008 has been extended from 10 to 15 years.

NOTE 49. Related-party transactions

The emoluments and insurance premiums, borne by Cofinimmo and its subsidiaries, for the benefit of the members of the Board of Directors, charged to the income statement, amount to €2,327,189 of which €526,885 are attributed to post-employment benefits.

Pages 85 to 89 of the Annual Financial Report include the composition of the various decision-making bodies and the tables on remuneration of the non-executive and executive Directors.
The difference between the amount of the income statement and that stated in the tables is explained by movements in provisions. The Directors are not beneficiaries of the profit-sharing scheme which exclusively concerns the employees of the Group.

As a reminder, at the end of 2011, Cofinimmo signed a joint venture with the entity FPR Leuze. In April 2012, Cofinimmo signed a second joint venture with the entity Cofinea I SAS, a company incorporated under French Law. Cofinimmo owns 51% of its capital and the Orpea Group 49%. For more details, see Note 4, in the joint venture section, as well as page 40 of the Management Report. At 31.12.2012, the open balance of the intercompany current account concerning Cofinea I SAS is k€5,594.

NOTE 50. Events after the closing

No major events occured after the closing date that could have a significant impact on the figures at 31.12.2012.

It is nevertheless signalled that 8,000 treasury shares were sold in January 2013 at an average price of €88.80 per share. The company's equity was thus reinforced for a global amount of €0.71 million.

It is also signalled that two new credit lines have been signed in February 2013.

For more details on these transactions, see the chapter "Events after 31.12.2012" of the Management Report on page 66.

The amount of the dividend proposed to shareholders at the Ordinary General Meeting of 08.05.2013 is €99,620,137.5 for the ordinary shares and €4,391,458.89 for the preference shares. For more details, see Note 33.

Statutory auditor's report

TO THE SHAREHOLDERS

As required by law, we report to you on the performance of our mandate of statutory auditor. This report includes our report on the consolidated financial statements as defined below together with our report on other legal and regulatory requirements.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – UNQUALIFIED OPINION

We have audited the accompanying consolidated financial statements of Cofinimmo SA/NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as executed by the Royal Decree of 7 December 2010 with respect to public real estate investment trusts and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 3.642.488 (000) EUR and the consolidated income statement shows a consolidated net result (group share) for the year then ended of 98.072 (000) EUR.

Responsibility of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards as executed by the Royal Decree of 7 December 2010 with respect to public real estate investment trusts and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Cofinimmo SA/NV give a true and fair view of the group's net equity and financial position as of 31 December 2012, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as executed by the Royal Decree of 7 December 2010 with respect to public real estate investment trusts and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

In the framework of our mandate, our responsibility is to verify, for all significant aspects, the compliance with some legal and regulatory requirements. On this basis, we provide the following additional comment which does not modify the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is, for all significant aspects, in agreement with the consolidated financial statements and is not in obvious contradiction with any information obtained in the performance of our mandate.

Diegem, 22 March 2013

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Frank Verhaegen

Annual accounts

Company accounts

Global result (income statement) (abbreviated format)

(x €1,000)	**2012**	2011
A. NET RESULT		
Rental income	136,353	134,255
Writeback of lease payments sold and discounted	22,994	20,999
Rental-related expenses	-296	-105
Net rental income	159,051	155,149
Recovery of property charges	756	273
Recovery income of charges and taxes normally payable by the tenant on let properties	14,753	19,155
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-16,294	-18,598
Charges and taxes normally payable by the tenant on let properties	-1,765	-1,802
Property result	156,501	154,177
Technical costs	-4,392	-3,005
Commercial costs	-977	-1,226
Taxes and charges on unlet properties	-3,758	-3,490
Property management costs	-11,226	-11,177
Other property charges	-1	-2
Property charges	-20,354	-18,900
Property operating result	136,147	135,277
Corporate management costs	-6,836	-6,820
Operating result before result on the portfolio	129,311	128,457
Gains or losses on disposals of investment properties and other non-financial assets	1,831	337
Changes in fair value of investment properties	-21,891	-20,574
Other results on the portfolio	-1,422	
Operating result	107,829	108,220
Financial income	18,981	20,399
Net interest charges	-54,780	-50,101
Other financial charges	-2,737	-4,021
Changes in fair value of financial assets and liabilities	28,915	38,597
Financial result	-9,621	4,874
Pre-tax result	98,208	113,094
Corporate tax	-2,173	-2,369
Exit tax		
Taxes	-2,173	-2,369
NET RESULT OF THE PERIOD	96,035	110,725
B. OTHER ELEMENTS OF THE GLOBAL RESULT		
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	830	748
Changes in the effective part of the fair value of authorised cash flow hedge instruments	-50,374	-49,248
Other elements of the global result	-49,544	-48,500
C. GLOBAL RESULT	46,491	62,225

Appropriation account

(x €1,000)	2012	2011
A. NET RESULT	96,035	110,725
B. TRANSFER FROM/TO THE RESERVES	8,370	-10,966
Transfer to the reserve of the positive balance of changes in fair value of investment properties	-28,614	-25,021
Fiscal year	-28,614	-25,021
Previous years		
Transfer to the reserve of the negative balance of changes in fair value of investment properties	4,887	13,395
Fiscal year		
Previous years	4,887	13,395
Transfer to the reserve of the estimated transaction costs resulting from hypothetical disposal of investment properties	175	575
Fiscal year	175	575
Transfer to the reserve of the negative balance of changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting	-11,080	-9,641
Fiscal year	-11,080	-9,641
Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments not qualifying for hedge accounting	13,421	168
Fiscal year	13,421	168
Transfer to other reserves	-255	-278
Transfer from the result carried forward of the previous years	29,836	9,836
C. REMUNERATION OF THE CAPITAL	-104,011	-99,420
D. REMUNERATION OF THE CAPITAL OTHER THAN C[1]	-394	-339
E. RESULT TO BE CARRIED FORWARD	461,553	491,119

Consolidated financial situation (balance sheet) (abbreviated format)

(x €1,000)	2012	2011
Non-current assets	3,290,644	3,254,059
Intangible assets	158	234
Investment properties	2,329,775	2,319,741
Other tangible assets	848	945
Non-current financial assets	906,454	877,734
Finance lease receivables	53,396	55,402
Trade receivables and other non-current assets	13	3
Current assets	61,349	75,719
Current financial assets	6,501	13,779
Finance lease receivables	2,973	2,868
Trade receivables	13,357	14,105
Tax receivables and other current assets	11,705	11,410
Cash and cash equivalents	29	35
Deferred charges and accrued income	26,784	33,522
TOTAL ASSETS	3,351,993	3,329,778

Shareholders' equity	1,514,701	1,553,614
Capital	917,079	872,876
Share premium account	436,170	409,594
Reserves[2]	65,417	160,419
Net result of the financial year	96,035	110,725
Liabilities	1,837,292	1,776,164
Non-current liabilities	**1,358,045**	**1,410,232**
Provisions	19,602	17,547
Non-current financial debts	1,217,427	1,285,768
Other non-current financial liabilities	121,016	106,917
Current liabilities	**479,247**	**365,932**
Current financial debts	346,362	245,896
Other current financial liabilities	56,788	38,875
Trade debts and other current debts	48,014	61,912
Accrued charges and deferred income	28,083	19,249
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,351,993	3,329,778

[1] Profit-sharing plan for the staff employed by the Group.
[2] The reserves include the heading "Reserve for own shares" for an amount of k€-62,115 at 31.12.2012.

Obligation to distribute dividends according to the Royal Decree of 07.12.2010 concerning Sicafis/Bevaks

(x €1,000)	**2012**	2011
Net result	96,035	110,726
Depreciation (+)	381	349
Losses (+)	-3	202
Writeback of writedowns (-)	-14	-440
Writeback of lease payments sold and discounted (-)	-22,994	-20,999
Other non-cash elements (+/-)	18,769	5,216
Result on disposal of property assets (+/-)	-1,831	-337
Changes in fair value of investment properties (+/-)	-25,794	-24,734
Corrected result (A)	64,549	69,983
Realised gains and losses[1] on property assets during the year (+/-)	6,718	13,732
Realised gains[1] on property assets during the year, exonerated from the obligation to distribute if reinvested within four years (-)	-10,928	-26,993
Realised gains on property assets previously exonerated from the obligation to distribute and that were not reinvested within four years (+)		
Net gains on realisation of property assets not exonerated from the distribution obligation (B)	-4,210	-13,261
TOTAL (A+B) x 80%	48,271	45,378
Debt decrease (-)		
OBLIGATION TO DISTRIBUTE DIVIDENDS	48,271	45,378

Shareholders' equity that can not be distributed according to Article 617 of the Company Code

(x €1,000)	**2012**	2011
Net assets	1,514,701	1,553,614
Distribution of dividends and profit-sharing plan	-104,406	-99,240
Net assets after distribution	1,410,295	1,454,374
Paid-up capital or, if greater, subscribed capital	917,079	872,876
Share premium account unavailable for distribution according to the Articles of Association	436,170	409,594
Reserves for estimated transaction costs resulting from hypothetical disposal of investment properties	-59,987	-60,642
Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting	-146,032	-106,737
Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting	-14,900	-1,478
Other reserves declared non-distributable by the General Meeting	2,941	2,389
Non-distributable equity according to Article 617 of the Company Code	1,135,270	1,116,002
Margin remaining after distribution	275,025	338,372

[1] In relation to the acquisition value, increased by the capitalised renovation costs.

Standing document

General information

→ The company attaches great importance to open and comprehensive communication aimed at all its stakeholders.

COMPANY NAME
Cofinimmo: Sicafi/Bevak – fixed public capital real estate investment trust incorporated under Belgian Law.

REGISTERED AND ADMINISTRATIVE OFFICES
The registered and administrative offices are established at 1200 Brussels, Boulevard de la Woluwe 58 (Tel. +32 2 373 00 00). The registered office may be transferred to any other place in Belgium by a simple decision of the Board of Directors.

REGISTER OF LEGAL PERSONS
The company is entered in the Register of Legal Persons (R.L.P.) of Brussels under No. 0426 184 049. Its VAT number is BE 0426 184 049.

CONSTITUTION, LEGAL FORM AND PUBLICATION
Cofinimmo was set up as a limited liability company incorporated under Belgian law (Société Anonyme/Naamloze Vennootschap) on 29.12.1983, by deed enacted before Notary André Nerincx in Brussels, published in the annexes to the Belgian Official Gazette (Moniteur Belge) of 27.01.1984, under the number 891-11. The company has the legal form of a limited liability company incorporated under Belgian Law.

Since 01.04.1996, Cofinimmo has been recognised as a Sicafi/Bevak - fixed public capital real estate investment trust incorporated under Belgian Law, registered with the Financial Services and Markets Authority (FSMA). It is subject to the legal provisions of closed-end investment companies, as stipulated in Article 20 of the Law of 03.08.2012[1] regarding certain types of collective administration of investment portfolios. The company has opted for the category of investments provided for in Article 7, § 1, 5° (real estate properties) of this Law.

The company is subject to the provisions of Book II of the above-mentioned Law of 03.08.2012[2] regarding certain types of collective administration of investment portfolios, as well as to the Royal Decree of 07.12.2010, regarding Sicafi/Bevak entities. The articles of association have been amended on various occasions, the last of which was on 17.01.2013 by deed enacted before Notary-in-Partnership Louis-Philippe Marcelis in Brussels, published in the annexes to the Belgian Official Gazette (Moniteur Belge) of 14.02.2013 under the number 0026916.

The company makes issues for general subscription within the meaning of Article 438 of the Company Code.

DURATION
The company is constituted for an unlimited term.

[1,2] The company's Articles of Association currently mention the "Law of 20.07.2004" and will be updated in 2013.

ACTIVITIES OF THE COMPANY

ARTICLE 3 OF THE ARTICLES OF ASSOCIATION

The company's main activity is the collective investment in real estate.

Consequently, as main activity, the company invests in real estate, as defined in the Sicafi/Bevak legislation ("fixed assets"), i.e. properties as defined by Articles 517 ff. of the Civil Code, real rights on properties, shares with voting rights issued by property companies and shares of institutional Sicafi/Bevak entities, provided that joint or exclusive control is exercised over such companies, shares of public Sicafi/Bevak entities, option rights on fixed assets, units of foreign real estate collective investment undertakings, under the conditions provided for by the Sicafi/Bevak legislation, real estate certificates, rights arising from contracts which bestow one or more assets on the company under financial leasing, or conferring other similar rights of use.

In this capacity, the company may carry out all operations which relate to real estate assets, such as the purchase, conversion, fitting out, letting, subletting, management, exchange, sale, development, transfer to common ownership, profit sharing, whether by merger or otherwise, in any enterprise with similar or complementary activities, and, in general terms, any operations directly or indirectly linked to its corporate purpose.

The company may not act as property developer except on an occasional basis. As an accessory or temporary activity, the company may invest in securities. Such investments shall be diversified in order to ensure the adequate spreading of risk. The company may hold liquid funds, in any currency, as current or deposit accounts or in the form of any money market instrument which can easily be converted. The company may lend securities and carry out hedging operations, provided that the latter are intended exclusively to cover the interest rate and exchange risks to the exclusion of any speculative transaction.

The company and its subsidiaries may enter into finance lease agreements for one or more properties. A finance lease activity with option to purchase the properties can be carried out only as an accessory activity, except if these properties are intended for public interest purposes (in which case the activity may be carried out as a principal activity).

The company is required to carry out all its activities and operations in accordance with the regulations and within the limits provided for by the Sicafi/Bevak legislation and all other applicable legislation.

FINANCIAL YEAR

The financial year starts on January 1st and ends on December 31st of each year.

PLACES AT WHICH DOCUMENTS ACCESSIBLE TO THE PUBLIC MAY BE CONSULTED

The company's articles of association may be consulted at the clerk's office of the Brussels Commercial Court as well as on the website www.cofinimmo.com.

The company and consolidated accounts of the Cofinimmo Group are filed at the National Bank of Belgium, in accordance with the legal provisions governing the matter. Decisions with regard to the appointment and resignation of members of the Board of Directors are published in the annexes of the Belgian Official Gazette (Moniteur Belge). Notices convening General Shareholder Meetings are published in the annexes of the Belgian Official Gazette and in two financial daily newspapers. These notices and all documents relating to the General Shareholder Meetings are simultaneously available on the website www.cofinimmo.com.

All press releases and other financial information given out by the Cofinimmo Group since the beginning of 2008 can be consulted on the website www.cofinimmo.com. The Annual Reports and Annual Financial Reports may be obtained from the registered offices or consulted on the website www.cofinimmo.com. They are sent each year to the holders of registered shares and to any parties expressing a wish to receive them. They include reports by the real estate expert and the statutory auditor.

DECLARATIONS

RESPONSIBLE PEOPLE

The Board of Cofinimmo SA/NV assumes responsibility for the content of this Annual Financial Report, subject to the information supplied by third parties, including the reports of the statutory auditor and the real estate experts. The Board, composed as described on page 75, declares that to the best of its knowledge:

- this Annual Financial Report contains a fair and true statement of the important events and, as the case may be, of major transactions between related parties that have occurred during the year and their impact on the financial statements;
- this Report has no omissions likely to significantly modify the scope of any statements made in this Annual Financial Report;
- the financial statements, established in conformity with the applicable accounting standards, have been submitted to the statutory auditor for a complete audit review and give a fair and true image of the portfolio, financial situation and results of Cofinimmo and its subsidiaries incorporated in the consolidation; moreover, the Management Report includes an outlook for the coming year's result as well as a comment on the risks and uncertainties confronting the company (see page 68).

FORECAST INFORMATION

This Annual Financial Report contains forecast information based on company plans, estimates and projections, as well as on its reasonable expectations concerning external events and factors. By its nature, this forecast information is subject to risks and uncertainties that may have as consequence that the results, financial situation, performance and actual figures differ from this information. Taking into account these uncertain factors, statements regarding future developments cannot be considered as a guarantee whatsoever.

DECLARATION CONCERNING THE DIRECTORS

The Board of Directors of Cofinimmo SA/NV declares that, to the best of its knowledge:

- none of the Directors has ever been convicted for a fraud-related offence, that no official and/or public incrimination has been expressed or any sanctions ever imposed by a legal or supervisory authority, that no Director has been prohibited by court to act as a member of the Directing body and that in this capacity they have never been implicated in a bankruptcy;
- no employment contract has been entered into with the Directors, either with the Sicafi/Bevak, or with its Executive Committee, which provides for the payment of compensation upon termination of the employment contract, except for the comment in the section "Contractual terms of the members of the Executive Committee" in the "Corporate Governance Statement" chapter.

DECLARATION CONCERNING INFORMATION FROM THIRD PARTIES

The information published in this Report provided by third parties, such as the "Report by the real estate expert" and the "Statutory auditor's report", has been included with the consent of the person who has vouched for the content, form and context of this part of the registration document. This information has been faithfully reproduced and, as far as the Board of Directors knows and is able to assure in the light of data published by this third party, no facts have been omitted that might render the reproduced information incorrect or misleading.

HISTORICAL FINANCIAL INFORMATION REFERRED TO BY REFERENCE

The Annual Reports and Annual Financial Reports since financial year 2001, which comprise the company annual accounts, the consolidated annual accounts and the Statutory auditor's report, as well as the Half-Yearly Reports and the Half-Yearly Financial Reports can be consulted on the website www.cofinimmo.com.

FISCAL REGIMES

THE "SICAF IMMOBILIÈRE" (SICAFI)/"VASTGOEDBEVAK" (BEVAK)

The Sicafi/Bevak (public fixed capital real estate investment trust) regime is a collective property investment organisation created in 1995 disposing of a similar regime than the one existing in numerous countries: Real Estate Investment Trusts (REITs) in the US, Fiscale Beleggingsinstellingen (FBI) in the Netherlands, G-REITs in Germany, Sociétés d'Investissements Immobiliers Cotées (SIIC) in France and UK-REITs in the UK.

This regime is currently governed by the Royal Decree of 07.12.2010 which replaces the previous texts. The Law of 23.12.1994 regulated the tax effects on existing companies of the transformation into a Sicafi/Bevak.

The main characteristics of a public Sicafi/Bevak are as follows:

- closed-end company;
- stock exchange listing;
- activity limited to real estate investment; as an accessory activity, the Sicafi/Bevak can invest its assets in listed securities;
- possibility for the Belgian subsidiaries of the public Sicafi/Bevak to be approved as an institutional Sicafi/Bevak;
- diversification of risk: no more than 20% of the total consolidated assets invested in a single property;
- consolidated debt limited to 65% of the market value of the company's assets; the amount of mortgages and other securities is limited to 50% of the total fair value of the properties and to 75% of the value of the mortgaged property;
- very strict rules governing conflicts of interest;
- regular valuation of the asset portfolio by independent real estate experts;
- properties carried at their fair value;
- no depreciation;
- results (rental income and capital gains on sales less operating expenses and financial charges) are exempt from corporate tax;
- at least 80% of the sum of the corrected result[1] and the net gains on realised disposals of real estate assets not exempted from the compulsory distribution are subject to compulsory distribution; the decrease in debt during the year can however be subtracted from the amount to be distributed;
- withholding tax of 25% for physical persons residing in Belgium. No withholding tax is deducted for non-resident investors who are not engaged in a profit-making activity.

Companies applying for the public or institutional Sicafi/Bevak status, or which merge with a Sicafi/Bevak, are subject to an exit tax, which is treated in the same way as a liquidation tax, on net unrealised gains and on tax-exempt reserves, at a rate of 16,5% (increased by a supplementary crisis contribution of 3%, giving a total of 16.995%). Cofinimmo obtained its Sicafi/Bevak status on 01.04.1996.

INSTITUTIONAL FIXED CAPITAL REAL ESTATE INVESTMENT TRUST UNDER BELGIAN LAW

The Institutional Sicafi/Bevak, introduced by the Royal Decree of 07.12.2010, is a light version of the Public Sicafi/Bevak. It enables the Public Sicafi/Bevak to extend the fiscal characteristics of its legal form to its subsidiaries and to undertake specific partnerships and projects with third parties. The institutional Sicafi/Bevak status is acquired on registration with the FSMA.

Its status is governed by the Royal Decree of 07.12.2010, the Law of 03.08.2012 on Collective Investment Undertakings and the Company Code.

The main characteristics of the Institutional Sicafi/Bevak are as follows:

- non-listed company controlled by a Public Sicafi/Bevak;
- registered shares held by institutional or public investors;
- no diversification or debt ratio requirement (consolidation with Public Sicafi/Bevak);
- dividend distribution obligation;
- owned jointly or exclusively by a Public Sicafi/Bevak;
- exclusive purpose of investment in real estate assets;
- no obligation to appoint a real estate expert, the real estate assets being appraised by the Public Sicafi/Bevak's expert;
- statutory accounts drawn up in accordance with IFRS regulations (same accounting scheme as the Public Sicafi/Bevak);
- strict rules on operation and conflicts of interest;
- subject to auditing by the FSMA.

THE "SOCIÉTÉ D'INVESTISSEMENTS IMMOBILIERS COTÉE" (SIIC)

The "Société d'Investissements Immobiliers Cotée" (SIIC) fiscal regime, introduced by the Finance Law for 2003 No. 2002-1575 of 30.12.2002, authorises the creation in France of real estate companies subject to a specific tax regime, similar to the Sicafi/Bevak regime in Belgium.

Cofinimmo opted for the SIIC regime on 04.08.2008, Cofinimmo France and its subsidiaries on 23.01.2009. This regime allows Cofinimmo to benefit, for its French branch and its subsidiaries, from an exemption from corporate tax on its rental income and realised gains in return for an obligation to distribute 85% of profits from its property leases.

[1] Calculated according to the schemes appearing in chapters 3 and 4 of Annex C of the Royal Decree of 07.12.2010.

The main characteristics of the SIIC regime are as follows:

- exemption from corporate tax on the fraction of the profit ari-sing from i) property leases, ii) capital gains on property disposals, iii) capital gains on disposal of shares in subsidiaries or partnerships having opted for the SIIC regime, iv) proceeds distributed by their subsidiaries having opted for the SIIC regime, and v) shares in profits of partnerships engaged in a real estate activity;
- profit distribution obligation: 85% of the exempted profits arising from rental income, 50% of the exempted profits arising from the disposal of property, shares in partnerships and subsidiaries subject to the SIIC regime, and 100% of the dividends distributed to them by their subsidiaries subject to corporate tax having opted for the SIIC regime;
- when opting for the SIIC regime, payment over four years of an exit tax at the rate of 19% on unrealised capital gains relating to properties held by the SIIC or its subsidiaries having opted for the SIIC regime and to the shares of partnerships not subject to corporate tax.

Cofinimmo does not have an FBI status in the Netherlands for Pubstone Holding and its subsidiaries, except for Superstone.

FISCAL MUTUAL FUND (FISCALE BELEGGINGSINSTELLING OR FBI)

Main features:

- only public limited companies, limited liability companies and mutual funds can be considered as FBIs;
- the FBI's statutory purpose and actual operations may only involve the investment of assets;
- investments which consist of fixed assets may be financed by external capital up to no more than 60% of the book value of the fixed assets;
- all other investments may be financed by external capital up to no more than 20% of the book value of these investments;
- at least 75% of shares or ownership interests in an unlisted FBI must be held by natural persons, entities not subject to income tax and/or publicly traded investment companies;
- natural persons may not directly or indirectly own 5% or more of shares or ownership interests in an unlisted FBI;
- entities established in the Netherlands may not own 25% or more of the shares or ownership interests in an unlisted FBI through non-resident companies or funds;
- FBI profits are subject to a 0% corporate tax rate;
- the portion of the FBI's profits that can be distributed must be paid to the shareholders and other beneficiaries within eight months following the close of each financial year.

Share capital

ISSUED CAPITAL

The capital is fully paid-up.

SHARE CAPITAL

The shares have no par value.

SCHEDULE OF CHANGES

The history of the share capital changes before 2012 can be consulted in the 2011 Annual Financial Report as well as in Title VIII of the company's Articles of Association.

These documents are available on the website of the company (www.cofinimmo.com).

SCHEDULE OF CHANGES IN 2012

Date of the transaction	Amount (€) of share capital	Type of transaction	Issue price (€)	Amount (€) of the net contribution to the shareholders' equity[1]	Number of ordinary shares
31.12.2011		**Situation at 31.12.2011**			
31.03.2012		Conversion preference shares Q1 2012			+241,092
25.05.2012	20,941,247.88	Contribution in kind of dividend rights	82.16	32,106,320.48	+390,778
30.06.2012		Conversion preference shares Q2 2012			+97
30.09.2012		Conversion preference shares Q3 2012			+137,074
26.10.2012	10,964,442.94	Merger by absorption of Immopol Dendermonde NV	89.09	18,227,856.76	+204,604
26.10.2012	3,387,978.79	Merger by absorption of Kosalise SA	89.09	5,632,569.57	+63,222
26.10.2012	8,909,427.11	Merger by absorption of Parkside Invest SA	89.09	14,812,393.18	+166,256
31.12.2012		Conversion preference shares Q4 2012			+149
31.12.2012		**Situation at 31.12.2012**			

[1] According to the accounting rules for Belgian Sicafi/Bevak.

Total number of ordinary shares after the transaction	Number of preference shares COFP1	Total number of preference shares COFP1 after the transaction	Number of preference shares COFP2	Total number of preference shares COFP2 after the transaction	Total number of preference shares after the transaction	Total share capital after the transaction
15,220,653		**513,297**		**554,512**	**1,067,809**	**872,875,948.39**
15,461,745	-47,500	465,797	-193,592	360,920	826,717	872,875,948.39
15,852,523	0	465,797	0	360,920	826,717	893,817,196.27
15,852,620	0	465,797	-97	360,823	826,620	893,817,196.27
15,989,694	-70,599	395,198	-66,475	294,348	689,546	893,817,196.27
16,194,298	0	395,198	0	294,348	689,546	904,781,639.21
16,257,520	0	395,198	0	294,348	689,546	908,169,617.99
16,423,776	0	395,198	0	294,348	689,546	917,079,045.11
16,423,925	0	395,198	-149	294,199	689,397	917,079,045.11
16,423,925		**395,198**		**294,199**	**689,397**	**917,079,045.11**

SHARE TYPE DESCRIPTION

On 31.12.2012, Cofinimmo had issued 16,423,925 ordinary shares. In order to modify their rights, the procedure referred to in the Articles of Association, as provided by Law, is applicable.

In addition to ordinary shares, Cofinimmo issued two series of preference shares in 2004. The main features of the preference shares are:

- priority right to an annual fixed gross dividend of €6.37 per share, capped at this amount, which represents a gross yield of 5.90% compared to the subscription price or a net yield of 4.43% after deduction of the 25% withholding tax;
- priority right in case of liquidation to a distribution equal to the issue price, capped at this amount;
- option for the holder to convert preference shares into ordinary shares starting from the fifth anniversary of their issue date (01.05.2009), and during the last 10 days of each quarter, at a rate of one new ordinary share for one preference share (see also page 84);
- option for a third party designated by Cofinimmo (for example, one of its subsidiaries) to purchase in cash and at their issue price, starting from the fifteenth anniversary of their issue, the preference shares that have not yet been converted;
- the preference shares are registered, listed on Euronext Brussels First Market and carry a voting right identical to that for ordinary shares.

The first series of 702,490 preference shares (on Euronext: COFP1) was issued on 30.04.2004, the second series (797,276 shares - on Euronext: COFP2) on 26.05.2004. The characteristics of these series of preference shares are identical, with the exception of the issue price (€107.89 for the COFP1 vs. €104.44 for the COFP2) which represents the purchase price.

EVOLUTION OF THE CONVERSION OF PREFERENCE SHARES INTO ORDINARY SHARE

	Converted COFP1 shares	Converted COFP2 shares
From 01.05.2009 to 10.05.2009	28,348	45,578
From 21.06.2009 to 30.06.2009	81,743	10,083
From 21.09.2009 to 30.09.2009	0	933
From 22.12.2009 to 31.12.2009	2,794	3,594
From 22.03.2010 to 31.03.2010	7,399	47,285
From 20.06.2010 to 30.06.2010	20,000	398
From 20.09.2010 to 30.09.2010	400	1,693
From 22.12.2010 to 31.12.2010	79	129
From 22.03.2011 to 31.03.2011	0	305
From 21.06.2011 to 30.06.2011	0	404
From 21.09.2011 to 30.09.2011	0	439
From 22.12.2011 to 31.12.2011	48,430	131,923
From 22.03.2012 to 31.03.2012	47,500	193,592
From 21.06.2012 to 30.06.2012	0	97
From 21.09.2012 to 30.09.2012	70,599	66,475
From 22.12.2012 to 31.12.2012	0	149

AUTHORISED CAPITAL

On 31.12.2012, the amount of the authorised capital was €680,708,352.56 (see Note 30, page 165).

CHANGES IN HOLDING OF TREASURY SHARES (OWN SHARES)

The number of treasury shares held by the Cofinimmo Group at 01.01.2012 was 1,094,374. During the mergers by absorption of Immopol Dendermonde NV, Kosalise SA, and Parkside Invest SA on 26.10.2012, Leopold Square SA, a company 100% directly and indirectly controlled by Cofinimmo, was allocated 434,082 Cofinimmo ordinary shares. All these shares carry entitlement to a share in the results with effect from 01.01.2012.

The number of treasury shares held by the Cofinimmo Group on 31.12.2012 thus came to 1,105,750 (held by Cofinimmo SA and Leopold Square SA), which represents a level of self-ownership of 6.73%.

Position at 01.01.2012	1,094,374
Sales during the first half of 2012	-119,186
Treasury shares following the mergers of 26.10.2012	+434,082
Sales during the second half of 2012	-303,520
Position on 31.12.2012	1,105,750

SHAREHOLDING

The shareholding structure is set out in the chapter "Cofinimmo in the stock market" on page 112 of this Annual Financial Report. It can also be consulted on the company's website www.cofinimmo.com.

Extracts from the Articles of Association

SUMMARY OF MODIFICATIONS IN 2012

Modification of article 19 of the Articles of Association regarding the date of the Ordinary General Shareholders' Meeting. It is now set to the second Wednesday of May at 3:30 pm.

CAPITAL

Article 6, Point 2 - Authorised capital

The Board of Directors is empowered to increase share capital in one or several tranches up to a maximum amount of seven hundred and ninety-nine million euros (€799,000,000) on the dates and according to the procedures to be decided by the Board of Directors, in accordance with Article 603 of the Company Code. In the case of a capital increase accompanied by the payment or entry in the accounts of a share premium, only the amount assigned to the capital will be subtracted from the remaining available amount of the authorised capital. This authorisation is granted for a period of five years from the date of publication in the annexes of the Belgian Official Gazette (Moniteur Belge) of the minutes of the Extraordinary General Shareholders' Meeting of 29.03.2011.

For any capital increase, the Board of Directors fixes the price, the share premium, where appropriate, and the issue conditions for new shares, unless a decision on these elements is taken by the General Shareholders' Meeting itself.

Share capital increases which are thus decided by the Board of Directors may be carried out by subscription in cash or by non-cash contributions, provided that the legal provisions are respected, or by incorporation of reserves or the share premium account, with or without the creation of new shares, and increases may give rise to the issue of Ordinary Shares or Preference Shares or of shares with or without voting rights. These capital increases may also be carried out by the issue of convertible bonds or subscription rights - whether attached to another security or not - which can give rise to the creation of Ordinary Shares or Preference Shares or of shares with or without voting rights.

The Board of Directors is entitled to abolish or limit the preferential subscription right of the shareholders, including in favour of specific persons other than staff members of the company or its subsidiaries, provided that an irreducible allocation right is granted to the existing shareholders at the time of allocation of the new shares. This irreducible allocation right must meet the conditions laid down by the Sicafi/Bevak legislation and Article 6.4 of the Articles of Association. It does not need to be granted in the case of cash contribution under the distribution of an optional dividend, in the circumstances provided for in Article 6.4 of the Articles of Association.

Share capital increases by non-cash contribution are carried out in accordance with the conditions laid down by the Sicafi/Bevak legislation and the conditions provided for in Article 6.4 of the Articles of Association. Such contributions may also relate to the dividend right in the context of the distribution of an optional dividend.

Notwithstanding the authorisation given to the Board of Directors in accordance with the foregoing, the Extraordinary General Shareholders' Meeting of 29.03.2011 expressly authorised the Board of Directors to carry out one or more capital increases in the event of a takeover bid, in accordance with the provisions of Article 607 of the Company Code and subject to compliance, where appropriate, with the irreducible allocation right provided for under the Sicafi/Bevak legislation. Capital increases carried out by the Board of Directors by virtue of the said authorisation shall be scored against the remaining available capital within the meaning of this Article. This authorisation does not restrict the powers of the Board of Directors to undertake operations utilising authorised capital other than those referred to by Article 607 of the Company Code.

Where capital increases decided in accordance with these authorisations involve a share premium, the amount thereof, after charging any expenses, shall be allocated to an account not available for distribution known as a "Share premium account" which shall constitute, like the capital, the guarantee of third parties and may not be reduced or annulled except by decision of the General Shareholders' Meeting deliberating subject to the conditions of quorum and majority required for reducing the capital, subject to its incorporation in the capital.

Article 6, Point 3 - Acquisition and transfer of own shares

The company may obtain by acquisition or take as security its own shares subject to the conditions laid down by Law. It is authorised to transfer title to shares, on or off the stock market, under the conditions laid down by the Board of Directors, without prior authorisation of the General Shareholders' Meeting. The Board of Directors is specially authorised, for a period of three years from the date of publication of the Extraordinary General Shareholders' Meeting of 29.03.2011, to acquire, accept as security and transfer on behalf of Cofinimmo, the own shares of the company without a prior decision by the General Shareholders' Meeting, where this acquisition or this transfer is necessary in order to prevent serious and imminent harm to the company.

Furthermore, during a period of five years following the holding of the said General Shareholders' Meeting of 21.01.2009, the Board of Directors may acquire, accept as security and transfer (even outside the stock exchange) on behalf of Cofinimmo, the own shares of the company at a unit price that may not be less than eighty-five per cent (85%) of the closing market price on the day preceding the date of the transaction (acquisition, sale and acceptance as security) and that may not be more than one hundred and fifteen per cent (115%) of the closing market price on the day preceding the date of the transaction (acquisition, acceptance as security) whereby Cofinimmo may at no time hold more than twenty per cent (20%) of the total issued shares.

The authorisations referred to above include the acquisitions and transfers of company shares by one or more direct subsidiaries of this company, within the meaning of the legal provisions relating to acquisition of shares in their parent company by subsidiary companies. The authorisations referred to above cover both Ordinary Shares and Preference Shares.

Article 6, Point 4 - Capital increases

All capital increases will be carried out in accordance with Articles 581 to 609 of the Company Code and the Sicafi/Bevak legislation.

In the event of a capital increase by contribution in cash by decision of the General Shareholders' Meeting or in the context of the authorised capital as provided for in Article 6.2, the preference subscription right of shareholders may be limited or abolished only on condition that an irreducible right of allocation is granted to the old shareholders on the allocation of new shares. This irreducible right of allocation meets the following conditions established by the Sicafi/Bevak legislation:

- 1° it relates to all the newly issued shares;
- 2° it is granted to shareholders in proportion to the part of the capital represented by their shares at the time of the operation;
- 3° a maximum price per share is announced no later than the day before the opening of the public subscription period, which must last for at least three trading days.

The irreducible right of allocation applies to the issue of shares, convertible bonds and subscription rights. It need not be granted in the case of contribution in cash with limitation or abolition of the preference subscription right, in addition to a non-cash contribution in the context of the distribution of an optional dividend, provided that the granting thereof is in fact open to all shareholders.

Capital increases by way of non-cash contribution are subject to the rules prescribed by Articles 601 and 602 of the Company Code. In addition, the following conditions must be respected in the case of non-cash contribution, in accordance with the Sicafi/Bevak legislation:

- 1° the identity of the party making the contribution must be mentioned in the report of the Board of Directors referred to in Article 602 of the Company Code, as well as, where appropriate, in the notice convening the General Shareholders' Meeting that will take a decision on the capital increase;
- 2° the issue price may not be below the lower value between (a) a net asset value dating back no more than four months before the date of the contribution agreement or, at the company's choice, before the date of the capital increase deed and (b) the average closing price in the 30 calendar days prior to this same date. In this respect, it is permitted to subtract from the amount referred to in point 2(b) above an amount corresponding to the portion of the gross undistributed dividends, of which the new shares could be deprived, provided that the Board of Directors specifically justifies the amount of the accumulated dividends to be deducted in its special report and discloses the financial conditions of the operation in the Annual Financial Report;
- 3° except where the issue price or, in the case referred to in Article 6.6, the exchange report and their terms and conditions are determined and communicated to the public no later than on the day following the conclusion of the contribution agreement, mentioning the time within which the capital increase will in fact be carried out, the capital increase deed is concluded within a maximum of four months; and
- 4° the report referred to in point 1° above must also indicate the impact of the proposed contribution on the situation of the old shareholders, in particular concerning their portion of the profits, the net asset value and the capital, as well as the impact in terms of voting rights.

These supplementary conditions are not applicable in the case of contribution of the dividend right in the context of the distribution of an optional dividend, provided that the granting of this is in fact open to all shareholders. If the General Shareholders' Meeting decides to ask for the payment of an issue premium, this must be entered in an unavailable reserve account which may be reduced or abolished only by a decision by the General Shareholders' Meeting deliberating in accordance with the provisions laid down for the amendment of the Articles of Association. The issue premium, in the same capacity as the capital, will be in the nature of a common pledge in favour of third parties.

SHARES

Article 7 - Types of shares

The shares are without par value. The shares are divided into two categories: ordinary shares (referred to as "Ordinary Shares" in these Articles of Association) and preference shares (referred to as "Preference Shares" in these Articles of Association).

The Preference Shares confer the rights and have the characteristics set out in Article 8 of the Articles of Association. The Ordinary Shares are registered, bearer or dematerialised shares, at the choice of the owner or holder (hereafter "the Shareholder") and within the limits laid down by the law.

The Shareholder may, at any time and at no cost, request that these shares be converted into registered or dematerialised shares. The Preference shares are registered. All dematerialised shares are represented by an entry in the Shareholders' account held by an accredited account holder or settlement institution.

A register of registered shares is held at the registered office of the company, and where appropriate and permitted by law, this register may take electronic form. Shareholders may consult the register with respect to their shares.

Bearer shares in the company, previously issued and entered in the share account on 01.01.2008, exist in dematerialised form from that date. The other bearer shares will also be converted automatically into dematerialised shares as and when their entry in the share account is requested by the Shareholder with effect from 01.01.2008.

On expiry of the deadlines laid down by the legislation concerning the abolition of bearer shares, those bearer shares for which conversion has not yet been requested will be converted automatically into dematerialised shares and entered in the share account by the company.

Article 8 - Preference Shares

In addition to the Ordinary Shares, the company may issue Preference Shares, against a cash or non-cash contribution, or in connection with a merger. The Preference shares confer the rights and have the characteristics set out below:

8.1. Priority Dividends

8.1.1. Each Preference Share carries entitlement to a dividend payable by priority in relation to the dividend payable on Ordinary Shares (hereafter "Priority Dividend").

The annual gross amount of the Priority Dividend is six euros thirty-seven cents (€6.37) per Preference Share.

The Priority Dividend is only due, in full or in part, where there exist distributable profits within the meaning of Article 617 of the Company Code and where the company's General Shareholders' Meeting decides to distribute dividends.

Accordingly, in the event that during any given year, no distributable profits within the meaning of Article 617 of the Company Code exist, or that the General Shareholders' Meeting were to decide not to pay out dividends, no Priority Dividend will be paid to the holders of Preference Shares. Furthermore, in the event that during any given year, the level of distributable profits within the meaning of Article 617 of the Company Code does not permit payment of the full amount of the Priority Dividend, or that the General Shareholders' Meeting were to decide to distribute dividends the amount of which is insufficient to pay the full Priority Dividends, the holders of Preference Shares will receive a Priority Dividend only for the amounts distributed.

8.1.2. The Preference Shares do not confer rights to the distribution of profits other than the Priority Dividend, subject to their priority right in the event that the company is liquidated, as indicated in point 8.5 below. It follows that the dividend to be distributed among the Preference Shares may never exceed the annual gross amount of the Priority Dividend, namely six euros thirty-seven cents (€6.37) per Preference Share.

8.1.3. The Priority Dividend is released for payment on the same day as the dividend payable on the Ordinary Shares except in the event of requirements relating to the market or to compliance with legal provisions, provided that the delay does not exceed ten working days. The distributable profit which it has been decided to distribute will first be paid to the holders of Preference Shares, for the amount of six euros thirty-seven cents (€6.37) per Preference Share. Any amount remaining from the distributable profit which it has been decided to distribute will then be paid to the holders of Ordinary Shares.

In the event that, during any given year, no dividend is released for payment on the Ordinary Shares, the Priority Dividend will be released for payment on June 1st of that year.

8.1.4. The Priority Dividend is non-cumulative. This means that in the event that the dividend is paid only in part or not at all during one or more years, the holders of Preference Shares will not be able to recover, during the subsequent year or years, the difference between any amount or amounts that may have been paid and the amount of six euros thirty-seven cents (€6.37) per Preference Share.

8.1.5. In the event that, during any given year, the Board of Directors were to decide to distribute a dividend on the Ordinary Shares payable other than in cash, the Priority Dividend will be payable in cash, or according to the same method as for the Ordinary Shares, at the option of each of the holders of Preference Shares.

8.2. Conversion

The Preference Shares are convertible into Ordinary Shares, on one or more occasions, at the option of their holders exercised in the following cases:

- 1° from the fifth anniversary of their issue date, that is from May 1st to May 10th of that year and subsequently during the last ten days of each quarter of the calendar year;
- 2° at any time during a period of one month following notification of the exercise of the call option referred to below; and
- 3° in the event of the company being liquidated, during a period commencing two weeks after publication of the liquidation decision and ending on the day before the General Shareholders' Meeting convened to conclude the liquidation process.

The conversion rate will be one Ordinary Share for one Preference Share.

The conversion will be carried out by issuing new Ordinary Shares, without increasing the company's capital. The company's Board of Directors may have the conversions carried out recorded in an authentic document. These official records may be grouped together at the end of each calendar quarter, on the understanding that the conversion will be deemed to have taken effect on the date of dispatch of the request for conversion.

The request for conversion must be sent to the company by the holder of Preference Shares by registered letter, indicating the number of Preference Shares for which conversion is requested.

8.3. Call option

Starting from the fifteenth year following their issue, the third party designated by the company may purchase in cash all or some of the unconverted Preference Shares. However, this purchase may only take place (1) at the earliest 45 days after the company's Board of Directors has given notification of its decision to exercise the call option, and provided that the Preference Shares concerned have not in the meantime been converted into Ordinary Shares by their holders; and (2) only after any Priority Dividends relating to the year preceding notification of the exercise of the call option have been paid to the holders of Preference Shares.

In the event that the purchase involves only a portion of the unconverted Preference Shares, it would be applied to each holder of Preference Shares, proportionately to the number of Preference Shares held.

Furthermore, should it be the case, in whatever manner, that the unconverted Preference Shares represent no more than two and a half per cent (2,5%) of the total number of Preference Shares originally issued, the third party designated by the company may purchase the balance of the unconverted Preference Shares, as from the fifth year following their issue date, at the earliest 45 days after the company's Board of Directors has given notification of its decision to exercise the call option, and provided that the Preference Shares concerned have not in the meantime been converted into Ordinary Shares by their holders.

The purchase of the unconverted Preference Shares will be made at a price equal to their issue price (capital and share premium, where applicable).

The call option will be exercised by means of notification given by the third party designated by the company, sent to each of the holders of Preference Shares concerned, by registered letter, of its decision to purchase Preference Shares. This notification will indicate the number of Preference Shares to be sold by the holder of the Preference Shares concerned. Transfer of title will take place 45 days following this notification, by means of payment of the price by transfer to the bank account to be indicated by the holders of Preference Shares in response to the notification.

The subscription or acquisition, on whatsoever grounds, of Preference Shares implies the obligation by the holder of Preference Shares to sell to the third party designated by the company, within 45 days of the above-mentioned notification, the Preference Shares, the purchase of which has been duly decided upon by virtue of this provision.

This subscription or this acquisition also entails an irrevocable mandate given to the company to enter the required particulars in the shareholders' register as a record of transfer of the Preference Shares.

In the event of the holder of Preference Shares failing to present the Preference Shares, the purchase of which has been duly decided upon, within 45 days of the notification of the exercise of the call option, the shares not presented will automatically be deemed to have been transferred to the third party designated by the company, subject to deposit of the price with the Caisse des Dépôts et Consignations.

8.4. Voting right

Each Preference Share carries one voting right at the General Shareholders' Meeting identical to that carried by an Ordinary Share.

8.5. Priority in the event of liquidation

In the event that the company is liquidated, each Preference Share will receive by priority, from the net assets of the company remaining after discharge of all debts, charges and liquidation expenses, an amount in cash equal to the paid-up issue price (capital and share premium, where applicable) of the Preference Share concerned.

The Preference Shares will not participate in the distribution of any liquidation surplus. Consequently, the amount distributed to the Preference Shares in the event of liquidation may never exceed the issue price (capital and share premium, where applicable) of the Preference Shares.

In the event of the liquidation of the company, whether voluntary or compulsory, the holders of Preference Shares will automatically have the right to convert the Preference Shares into Ordinary Shares during a period commencing two weeks following publication of the liquidation decision and ending on the day before the General Shareholders' Meeting convened to conclude the liquidation process, on the understanding that the holders of Preference Shares will be informed by the liquidator, prior to this General Shareholders' Meeting, of the result of the liquidation operations.

No distribution will be made to the shareholders before the expiry of this conversion period except where all the Preference Shares have been converted into Ordinary Shares.

8.6. Maximum percentage of Preference Shares

The Preference Shares may not represent in total more than fifteen per cent (15%) of the company share capital following their issue, unless otherwise decided by at least a seventy-five per cent (75%) majority of the votes in each share class.

In addition, the company may not issue Preference Shares or reduce the share capital in such a way that the Preference Shares represent in total more than fifteen per cent (15%) of the company share capital or carry out any other operation which has this effect, unless otherwise decided by at least a seventy-five per cent (75%) majority of the votes in each share class.

8.7. Modification of the rights attached to the different classes of shares

In accordance with Article 560 of the Company Code, any decision to modify the rights of Preference Shares or to replace these Preference Shares with another class of shares may only be taken provided that, for each class of shares, the required terms and conditions concerning presence and majority are met in order for the Articles of Association to be modified.

8.8. Form

The Preference Shares are, and shall remain, registered.

OTHER SECURITIES

Article 9 - Other securities

The company is entitled to issue the securities referred to in Article 460 of the Company Code, with the exception of profit shares and similar securities and subject to compliance with the specific rules provided for by the Sicafi/Bevak legislation and the Articles of Association. These securities may take the forms provided for by the Company Code.

SHAREHOLDING

Article 10 - Stock exchange listing and disclosure of major participations

The company shares must be traded on a regulated Belgian market, in accordance with the Sicafi/Bevak legislation. All shareholders are required to notify the company and the Financial Services and Markets Authority (FSMA) of their holding of securities conferring voting rights or other assimilated financial instruments of the company, in accordance with the legislation on the disclosure of major participations. The percentages which when exceeded give rise to a notification obligation under the requirements of the legislation on the disclosure of major participations are set at five per cent (5%) and multiples of five per cent (5%) of the total number of existing voting rights.

Apart from the exceptions provided for by the Company Code, no one may take part in the voting at the General Shareholders' Meeting of the company for a number exceeding the number of securities in the holding that the holder declared at least twenty (20) days before the date of the General Shareholders' Meeting.

ADMINISTRATION AND SUPERVISION

Article 11 - Composition of the Board of Directors

The company is administered by a Board composed in a manner to ensure autonomous management in the exclusive interests of the shareholders of the company. This Board is composed of at least five members, appointed in principle for a term of four years by the General Shareholders' Meeting, whom that body may remove at any time. Their mandates are renewable.

The General Shareholders' Meeting must appoint at least three independent Directors from among the members of the Board of Directors. For this purpose, an independent Director is understood to be a Director who meets the criteria laid down in Article 526ter, paragraph 2 of the Company Code.

The mandate of outgoing Directors, who have not been re-elected, ends immediately following the General Shareholders' Meeting which conducted the re-election procedure.

In the event that one or more mandates are not filled, the remaining Directors, at a meeting of the Board, shall be empowered provisionally to designate a replacement for the period until the next General Shareholders' Meeting which shall hold the final election. This right becomes an obligation whenever the number of Directors effectively in office no longer reaches the statutory minimum.

Where a legal person is appointed Director of the company, this legal person is required to appoint from among its members, managers, Directors or personnel, a permanent representative responsible for performing these duties on behalf of and for account of this legal person. The Director appointed to replace another Director shall serve out the term of the Director to be replaced. The Directors have the necessary professional integrity and appropriate experience to perform their duties.

Any remuneration may not be determined in accordance with the operations carried out by the company or its subsidiaries.

Article 17 - Representation of the company and signature of documents

Except where the Board of Directors has delegated special powers of representation, the company is represented in all its acts, including those involving a public official or a ministerial officer and in legal proceedings, either as applicant or defendant, either by two Directors acting jointly, or within the limits of the powers conferred to the Executive Committee, by two members of the said Committee acting jointly or, within the limits of their powers of day-to-day management, by two persons delegated such powers, acting jointly.

The company is further validly represented by special authorised representatives of the company within the limits of the term of office granted to them for this purpose by the Executive Committee or within the limits of their powers of day-to-day management, by those persons delegated such powers.

In any act of disposal relating to a property, the company must be represented by two Directors acting jointly, except in the case of transactions relating to an asset with a value below the threshold fixed for this purpose by the Sicafi/Bevak legislation, i.e. 1% of the consolidated assets of the company or €2,5 million, whichever is the lower, in which case the company will be validly represented by one Director acting alone.

If these value limits are exceeded, use may however be made of a special delegation of powers in favour of one person: such delegations of powers must occur under the direct ex ante and ex post control of the Board of Directors, provided that the following cumulative conditions are met, i.e.:

- the Board of Directors must exercise effective control over the acts/documents signed by the special authorised representative(s) and must put in place an internal procedure relating to both the content and the frequency of the control;
- the power of attorney may cover only one clearly specified transaction or a group of definitively defined transactions (it is not sufficient for the transaction or group of transactions to be determinable). General power of attorney is not authorised;
- the relevant limits (for example as regards the price) must be indicated in the power of attorney itself, and the power of attorney must be subject to a time limit, i.e. to the period of time necessary to complete the operation.

A specific delegation is also organised by the Executive Committee by virtue of a notarial instrument dated 01.03.2013, being published in the Belgian Official Gazette (Moniteur Belge), for lease contracts, works, loans, borrowings, credits and sureties, information and communication technologies, human resources, tax management, hedging operations, fund transfer operations, and insurance operations.

Article 18 - Audits

The company appoints one or more auditors who carry out the duties incumbent upon them under the Company Code and the Sicafi/Bevak legislation. The auditor must be approved by the Financial Services and Markets Authority (FSMA).

GENERAL SHAREHOLDERS' MEETINGS

Article 19 - Meetings

The Annual General Shareholders' Meeting shall be held on the second Wednesday of the month of May at three-thirty in the afternoon. Should this day be a public holiday, the General Shareholders' Meeting shall take place on the next working day at the same time, not including Saturday or Sunday.

The Ordinary or Extraordinary General Shareholders' Meeting shall be held at the place indicated in the notice convening the General Shareholders' Meeting. The threshold above which one or more shareholders may, in accordance with Article 532 of the Company Code, require that a General Shareholders' Meeting be held in order to submit one or more proposals at that General Shareholders' Meeting, is fixed at five per cent (5%) of all the shares with voting rights.

One or more shareholders together holding at least three per cent (3%) of the capital of the company may, in accordance with the provisions of the Company Code, require the inclusion of items to be dealt with on the agenda for any General Shareholders' Meeting, and submit proposals for decisions concerning items to be dealt with included or to be included on the agenda.

Article 20 - Attendance at the General Shareholders' Meeting

The right to attend the General Shareholders' Meeting and to exercise voting rights there is subject to the registration in the accounts of the shares in the name of the shareholder on the 14th day prior to the General Shareholders' Meeting, at midnight (Belgian time) (hereafter, the registration date), either by their registration on the register of shareholders of the Company, by their registration in the accounts of an approved account holder or of a clearing house, or by the production of the bearer shares to a financial intermediary, without account being taken of the number of shares held by the shareholder on the day of the General Shareholders' Meeting.

The owners of dematerialised or bearer shares wishing to attend the Shareholders' Meeting must produce an attestation issued by their financial intermediary or approved account holder certifying, as the case may be, the number of dematerialised shares registered in the name of the shareholder in its accounts on the registration date or the number of bearer shares produced on the recording date, and for which the shareholder has declared a desire to attend the General Shareholders' Meeting. This filing must be done at the registered office or with establishments designated in the notices convening the Shareholders' Meeting, no later than the sixth day prior to the date of the Shareholders' Meeting.

Registered shareholders wishing to attend the Shareholders' Meeting must notify the company of their intention by ordinary letter, fax or e-mail, sent no later than the sixth day before the date of the Shareholders' Meeting.

Article 21 - Voting by proxy

All owners of shares entitling them to attend the Shareholders' Meeting may arrange to be represented by an authorised representative, whether or not this person is a shareholder. The shareholder may appoint only one person as authorised representative for a given General Shareholders' Meeting, save as otherwise provided by the Company Code.

The proxy must be signed by the shareholder and reach the company or the place indicated in the notice convening the Shareholders' Meeting no later than the sixth day prior to the date of the Shareholders' Meeting.

The Board of Directors may draw up a proxy form.

Joint owners, usufructuaries and bare owners, creditors and pledgors must arrange to be represented respectively by one and the same person.

Article 22 - Bureau

Every General Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in his or her absence, by the Managing Director or, should he or she also be absent, by the person designated by the Directors present. The Chairman designates the secretary. The Shareholders' Meeting shall choose two scrutineers. The Directors present complete the bureau.

Article 23 - Number of votes

Each share, Ordinary or Preference Share, confers entitlement to one vote, save in the cases in which voting rights are suspended by the Company Code.

Article 25 - Voting by correspondence

By authorisation given by the Board of Directors in its notice convening the Shareholders' Meeting, shareholders will be authorised to vote by correspondence using a form prepared by the company.
This form must include the date and venue of the Shareholders' Meeting, the shareholder's name or company name and the shareholder's address or registered office, the number of votes that the shareholder wishes to cast at the General Shareholders' Meeting, the form of the shares held, the items on the agenda for the Shareholders' Meeting (including the proposals for decisions), a space allowing a vote to be made for or against each motion, or to abstain, and the deadline by which the voting form must reach the Shareholders' Meeting. It must be expressly stipulated that the form must be signed, the signature certified and the entire document sent by registered letter no later than the sixth day prior to the date of the Shareholders' Meeting.

Article 27 - General Bondholders' Meetings

The Board of Directors and the auditor(s) of the company can convene the bondholders for a General Bondholders' Meeting. They have to convene also a General Bondholders' Meeting when asked by bondholders representing one-fifth of the total amount of the bonds in circulation. The notice convening the Bondholders' Meeting must contain an agenda and must be established in accordance with the Company Code. To be admitted to the General Bondholders' Meeting, the bondholders must conform to the formalities provided in Article 571 of the Company Code and to possible formalities provided by the conditions relating to the issue of bonds or in the notice convening the Bondholders' Meeting.

ACCOUNTING PROCEDURES - DISTRIBUTION

Article 29 - Distribution

The company has the obligation to distribute to its shareholders, within the limits allowed by the Company Code and the Sicafi/Bevak legislation, a dividend of which the minimum amount is laid down by the Sicafi/Bevak legislation.

By decision of the Extraordinary General Shareholders' Meeting held on 29.03.2011, the Board of Directors is authorised to decide to distribute to the employees of this company and its subsidiaries a share in the profits for a maximum amount of one per cent (1%) of the profit for the financial year, for a period of five years, the first distributable profit being that of the financial year two thousand and eleven.

The provisions of this Article may be amended only where the resolutions are supported by a majority of at least seventy-five per cent (75%) of the votes for each class of shares, on the understanding that such a modification may not in any circumstances take place if it does not comply with the regulations applying to the company.

DISSOLUTION - WINDING UP

Article 33 - Loss of capital

In the event that half or three quarters of the capital is lost, the Directors must place the question of the company's liquidation before the General Shareholders' Meeting, in accordance with the formal requirements set out in Article 633 of the Company Code.

Glossary

ADJUSTED VELOCITY
Velocity multiplied by the free float zone.

BREAK
First option to terminate a lease.

BREEAM (BUILDING RESEARCH ESTABLISHMENT ENVIRONMENTAL ASSESSMENT METHOD)
Method assessing a building's environmental efficiency (www.breeam.org).

CALL OPTION
A right to purchase a specific financial instrument at a preset price and during a determined period.

CAP
CAPs are interest-rate options. The buyer of a CAP is paying for the right to borrow at an interest rate fixed for a specific period. The buyer only exercises this right if the short-term rate exceeds the CAP's interest rate level. In order to buy a CAP, the buyer pays a premium to the counterparty. By buying a CAP, Cofinimmo obtains a guaranteed maximum rate at which it can borrow. The CAP therefore hedges against unfavourable rate increases.

CASH-POOLING
Management and transfer of cash resources between subsidiaries.

CONTRACTUAL RENTS
Rents as defined contractually in leases in force on the closing date, before deducting rental gratuities or other incentives granted to the tenants.

CORPORATE GOVERNANCE CODE 2009
Belgian corporate governance code drawn up by the Corporate Governance Commission including the governance practices and provisions to be adhered to by companies subject to Belgian Law whose shares are listed on a regulated market (the "2009" code).

DBFM (DESIGN BUILD FINANCE MAINTAIN)
Complete real estate project assignment including the design, construction, financing and maintenance of a property.

DEALING CODE
Code of Conduct stipulating the rules to be followed by the Directors and Designated Persons who wish to trade the financial instruments issued by the company.

DEBT RATIO
Legal ratio calculated according to the regulation on Sicafis/Bevaks as financial and other debts divided by the total assets.

DERIVATIVES
As a borrower, Cofinimmo seeks to hedge against any short-term rise in interest rates. It is possible to hedge this interest rate risk to a limited extent by using derivatives (the purchase of a CAP, possibly accompanied by selling a FLOOR; IRS contracts).

DISPOSAL VALUE
Book value of the buildings as used in the IAS/IFRS balance sheet, calculated by deducting from the investment value a portion of transfer taxes set by the real estate valuers at 2.5% for assets located in Belgium. However, for properties with an overall value of less than €2.5 million, the taxes to deduct are the registration taxes of 10% and 12.5%, depending on the region in which the property is located. For assets located in France or in the Netherlands, the deducted transfer taxes amount to respectively 5.40% and 6.00%. This disposal value is used as fair value in Cofinimmo's IAS/IFRS financial accounts.

DIVIDEND YIELD
Gross dividend divided by the average stock market price of the share during the year.

DOUBLE NET
So-called "double net" rental contracts (leases) or yields imply that the maintenance costs are, to a greater or lesser extent, payable by the owner (leaser). These costs include those for the maintenance of roofs, walls and façades, technical and electrical installations, surroundings, water supply and drainage systems. This mainly concerns office properties. Part or all of these maintenance costs can be charged to the lessee in the special provisions of the lease. Where all costs are thus paid, these are called ˝triple net˝ contracts.

DUE DILIGENCE
Procedure that provides a full, certified inventory of a company (accounting, economic, legal and fiscal aspects, ...) before a financing or acquisition operation.

EBIT (CURRENT EARNINGS BEFORE INTEREST AND TAXES)
Operating result. Net current result before interests and taxes.

EBITDA (EARNINGS BEFORE INTERESTS, TAXES, DEPRECIATION AND AMORTISATION)
Under the Sicafi/Bevak status, Cofinimmo must not amortise its properties. EBIT + the changes in fair value of investment properties is therefore equal to EBITDA.

EHPAD (ÉTABLISSEMENT D'HÉBERGEMENT POUR PERSONNES ÂGÉES DÉPENDANTES)
In France, this is the most widespread form of institution for the elderly.

E-LEVEL
Maximum primary energy consumption level of a building, according to the European legislation.

EPB (ENERGY PERFORMANCE OF A BUILDING)
This index, issuing from European Directive 2002/91/EC, expresses the quantity of energy required to meet the various needs for a normal use of a building. The latter results from a calculation that takes into account the various factors that influence energy demand (insulation, ventilation, solar and internal contributions, heating system, ...).

EPRA (EUROPEAN PUBLIC REAL ESTATE ASSOCIATION)
Organisation grouping together the listed European real estate companies with the aim of promoting this sector and making it more attractive compared with direct real estate investment by offering greater liquidity, accessibility and transparency of the companies (www.epra.com).

EPRA EUROPE
European stock exchange index (excluding Great Britain) of the FTSE EPRA/NAREIT Global Real Estate. Index composed of representative European commercial property stocks created by EPRA.

EX DATE
Date as of which stock exchange trading takes place without the right to the payment of the dividend to come (due to "detachment of the coupon" that formerly represented the dividend), i.e. three working days after the Ordinary General Meeting of Shareholders.

EXIT TAX
Corporate tax at a reduced rate of 16.995% due by a company when applying for the Sicafi/Bevak status on their unrealised gains and their tax-exempt reserves, or due by a company merging or demerging with a Sicafi/Bevak. The unrealised gains are equal to the difference between the value of property assets – after deduction of costs, i.e. after deduction of registration rights of 10% or 12.5% or, if applicable, VAT - and the tax value.

FAIR VALUE
Disposal value (see this term) of investment properties according to the IAS/IFRS accounting principles, i.e. after deduction of transaction costs, as determined by real estate experts.

FBI (FISCALE BELEGGINGSINSTELLING)
Dutch fiscal status, comparable to the Sicafi/Bevak status.

FLOOR
A FLOOR is an interest rate option. The buyer of a FLOOR buys the right to benefit from a minimum interest rate for a specific period. He only exercises this right if the short-term rate falls below the FLOORs interest rate level. The seller of a FLOOR sells the right to benefit from a minimum interest rate for a specific period and will thus have to pay this rate to the buyer, even if it is higher than the market rate. By selling a FLOOR, Cofinimmo receives a premium paid directly by the buyer which partially or entirely finances the premium paid for buying a CAP.

FREE FLOAT
Percentage of shares held by the public. According to the Euronext and EPRA definitions, this concerns all shareholders who own less than 5% of the total number of shares.

FREE FLOAT ZONE
The tranche in which the free float is situated according to the Euronext calculation method.

FSMA (FINANCIAL SERVICES AND MARKETS AUTHORITY)
The autonomous authority governing financial and insurance markets in Belgium.

GPR250 (GLOBAL PROPERTY RESEARCH 250)
Stock exchange index of the 250 largest listed property companies worldwide.

IAS/IFRS (INTERNATIONAL ACCOUNTING STANDARDS/ INTERNATIONAL FINANCIAL REPORTING STANDARDS)
The international accounting standards drawn up by the International Accounting Standards Board (IASB), for the preparation of financial statements.

IAS 39
IAS 39 is an IAS/IFRS standard that sets out the way in which a company has to classify and evaluate its financial instruments in its balance sheet. It requires that all derivatives be booked in the balance sheet at their fair value, i.e. their market value at closing date.

IBGE (INSTITUT BRUXELLOIS POUR LA GESTION DE L'ENVIRONNEMENT)
Brusselss-Capital Region environmental protection authority (www.ibgebim.be).

(INITIAL) GROSS RENTAL YIELD
The ratio between the (initial) rent of an acquired asset and its acquisition value, transaction costs not deducted.

INSIDER TRADING
This term refers to the infringement committed by an individual who takes advantage from information obtained through his professional occupancy in order to speculate on stock-market developments (see Article 25 of the Law of 02.08.2002).

INVESTMENT GRADE
Investment grades are ratings from AAA to BBB- given by rating agencies based on the Standard & Poor's scale, indicating the company's risk level.

INVESTMENT VALUE
Value of the portfolio as established by the independent real estate expert, of which transaction costs are not deducted.

IRS (INTEREST RATE SWAP)
An IRS is a forward agreement on interest rates, unlike a CAP or a FLOOR, which are options on an interest rate. In an IRS, Cofinimmo swaps a floating interest rate for a fixed interest rate, or the other way round.

K-LEVEL
Total thermal insulation level of a building, which characterises the thermal quality of the building's shell.

LOAN-TO-VALUE RATIO
Conventional debt ratio defined in agreements with bankers as net financial debts divided by the fair value of the property portfolio and financial lease receivables.

LONG LEASE
A temporary real right which consists in having full use of a property belonging to another party, in return for making an annual payment to the owner in recognition of his right of ownership. Under Belgian law, a long lease may be concluded for a period of not less than 27 years and not more than 99 years.

MARKET CAPITALISATION
Closing stock market price multiplied by the total number of outstanding shares on that date.

MCB (MANDATORY CONVERTIBLE BONDS)
Mandatory Convertible Bonds (MCB) are debt instruments for which the debtor has the possibility to reimburse his loan at term with shares.

MSCI (MORGAN STANLEY CAPITAL INTERNATIONAL)
European stock market index launched by Morgan Stanley Capital International gathering listed companies worldwide.

NET CURRENT CASH FLOW
Net current result (Group share) before the result on the portfolio plus (+) contributions to depreciations, value reductions on commercial loans receivable and constitutions and write-backs of provisions less (-) other non-cash items such as write-backs of lease payments sold and discounted, positive and negative changes in the fair value of financial instruments and the spreading of benefits and concessions granted to tenants.

NET CURRENT RESULT
Operating result plus financial result (financial income - financial charges) minus income taxes.

NET RESULT
Net current result + result on the portfolio (gains/losses realised + changes in the portfolio's fair value).

OCCUPANCY RATE
The occupancy rate is calculated by dividing the (indexed) contractual rents of leases in progress by the sum of these contractual rents and of the estimated rental values of vacant areas, the latter being calculated on the basis of the level of current rents on the market.

OPERATING MARGIN
Operating result in relation to net rents.

PAY-OUT RATIO
Percentage of the net current result distributed in the form of a dividend.

PPP (PUBLIC-PRIVATE PARTNERSHIP)
Partnership between the public and private sector regarding projects with a public destination: urban renovation, infrastructure works, public buildings, etc.

PRIVATE PLACEMENT
Fund-raising from a limited number of (institutional) investors without approaching public sources.

RATING
Ratings are awarded by specialised agencies (Standard & Poor's for Cofinimmo) as an estimate of the short or long term financial soundness of a company. These ratings influence the interest rate at which a company can raise financing.

RECORD DATE
Date on which the positions are closed in order to identify the shareholders who qualify to receive a dividend. i.e. two working days after the ex date.

REIT (REAL ESTATE INVESTMENT TRUST)
Listed property investment trust as existing in the United States.

RESULT ON THE PORTFOLIO
Gains and losses realised and unrealised compared to the last valuation by the real estate expert, including the amounts of exit tax due following the entry into the Sicafi/Bevak, SIIC or FBI regimes of any asset.

REVALUED NET ASSETS
Net Asset Value (NAV). Equity estimated at its market value, which is obtained by the difference between the company's assets and liabilities (these both being presented directly in market value on the Cofinimmo balance sheet). This value is calculated at the company on the basis of information relating to property valuations provided by the independent real estate experts.

ROYAL DECREE OF 07.12.2010
Royal Decree concerning Sicafis/Bevaks.

SERVICE FLATS
Small apartments providing accommodation to (semi)-autonomous elderly people combined with domestic and meal services.

SIIC (SOCIÉTÉ D'INVESTISSEMENT IMMOBILIÈRE CÔTÉE)
French fiscal status comparable to the Sicafi/Bevak status.

SSR (SOINS DE SUITE ET DE RÉADAPTATION)
Aftercare and rehabilitation clinics providing rehabilitation care to a patient following a stay in hospital for a health complaint or surgery.

SWAP RATE
Interbank interest rate.

TAKE-UP
Letting of rented area.

TRIPLE NET
So-called "triple net" rental contracts or yields imply that the upkeep costs (see "Double net") are, to a greater or lesser extent, payable by the tenant (lessee). This mainly concerns the leases of healthcare establishments.

VELOCITY
This parameter indicates the speed of circulation of the share and is obtained by dividing the total volume of shares exchanged over the year by the total number of shares.

WITHHOLDING TAX
Tax withheld by a bank or by another financial intermediary on payment of a dividend. For Cofinimmo, the percentage withheld is 25%.

ZBC (ZELFSTANDIG BEHANDEL CENTRUM)
Private clinic in The Netherlands.

Cofinimmo

Boulevard de la Woluwedal 58
B - 1200 Brussels
Tel. +32 2 373 00 00
Fax +32 2 373 00 10
R.L.P. of Brussels
VAT: BE 0426 184 049
www.cofinimmo.com

SEND US YOUR FEEDBACK
info@cofinimmo.be

FOR MORE INFORMATION
Valérie Kibieta
Investor Relations Manager

Chloé Dungelhoeff
Corporate Communication Manager

EDITORS
Chloé Dungelhoeff
Stéphanie Lempereur

DESIGN AND REALISATION
www.the-manifest.be

PICTURES
Buildings: Yvan Glavie, Assar Architects, Art&Build, Archi2000
Portraits: David Plas

PRINT
Imprimerie Hayez

FSC www.fsc.org FSC® C015523 The mark of responsible forestry
ELEMENTAL CHLORINE FREE GUARANTEED
ACID FREE
LONG-LIFE ISO 9706
HEAVY METAL ABSENCE CE 94/62
SELECTED SECONDARY FIBERS

This document is printed on Stucco Tintoretto Gesso, on Oikoz White 11 and on Oikos, recycled paper.

Ce Rapport Financier Annuel est également disponible en français
Dit Jaarlijks Financieel Verslag is eveneens beschikbaar in het Nederlands

This English Annual Financial Report is a translation of the French Annual Financial Report. Only the French Annual Financial Report forms legal evidence. The Annual Financial Report was translated under the responsibility of Cofinimmo. The French Annual Financial Report is available upon request at the company's registered office.

This document contains regulated information within the meaning of the Royal Decree of 14.11.2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

This Annual Financial Report is a registration document in the sense of Article 28 of the Law of 16.06.2006 on public offering of investment instruments and the admission of investment instruments authorised to trading on a regulated market. It has been approved by the FSMA in accordance with Article 23 of the aforementioned Law, on 18.03.2013.

together in sustainability.