

Cofinimmo 1Q2014 results

Roadshow presentation



1Q2014 Results - Company profile

Office building Loi/Wet 57 – Brussels (BE)



Nursing home Damiaan – Tremelo (BE)

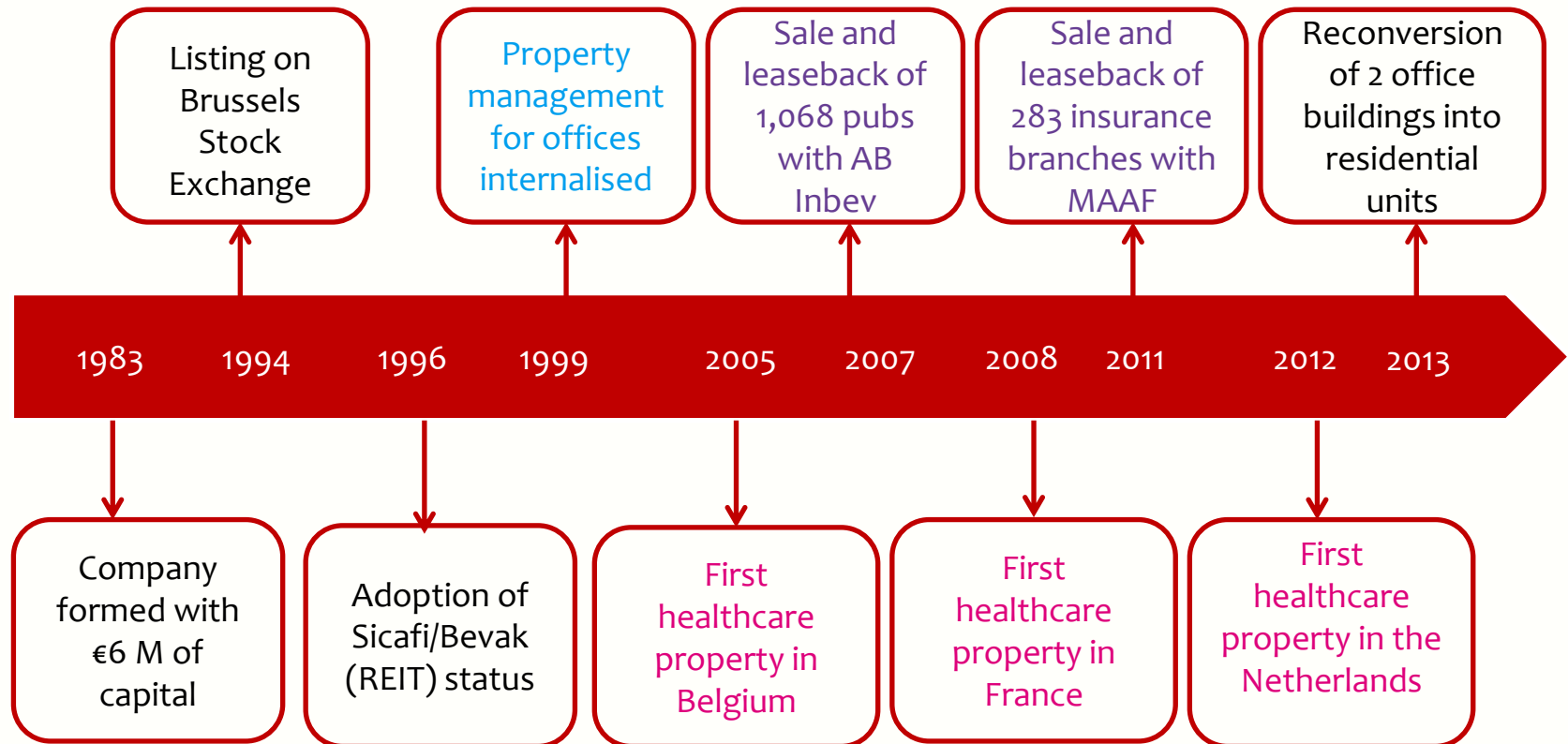




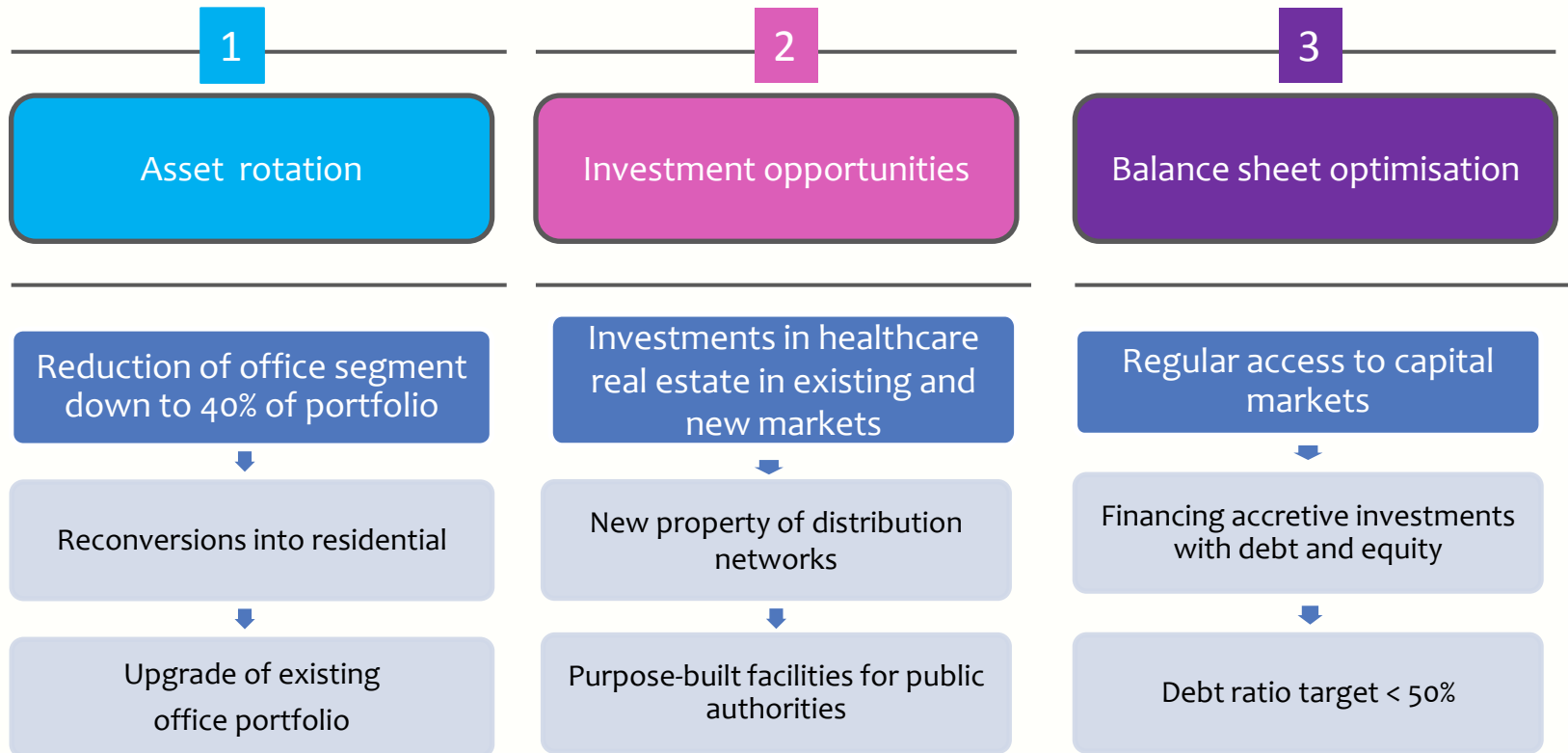
Cofinimmo in a nutshell

- **Leading Belgian listed Real Estate Investment Trust (REIT) exposed to:**
 - the office property market in Brussels
 - healthcare real estate in Belgium, France and the Netherlands
 - property of distribution networks in Belgium, France and the Netherlands
 - Public-Private Partnerships in Belgium
- **Total portfolio fair value of > €3 billion**
- **SICAFI/BEVAK status in Belgium, SIIC status in France and FBI status in the Netherlands**
- **Internal real estate management platform with 110 employees**
- **Total market capitalisation at 31.03.2014: €1.5 billion**
- **Included in major indices: BEL20, EPRA Europe and GPR 250**

30 Years of experience in real estate



Balanced portfolio with moderate risk profile



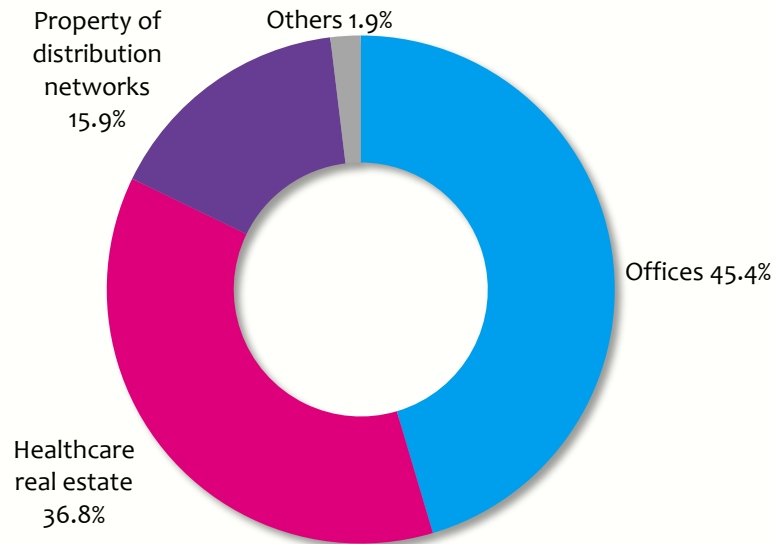
1Q2014 Results - Portfolio



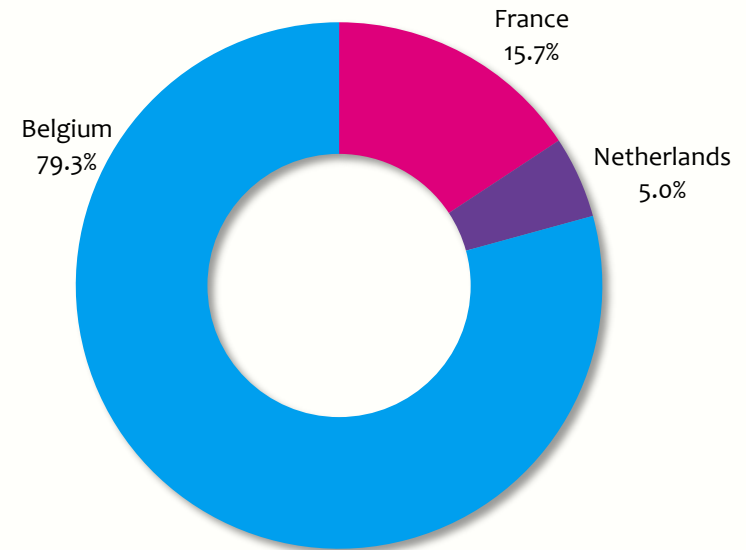
Portfolio at 31.03.2014

Fair value of total portfolio: 3,354.2 million

Portfolio breakdown by segment*:



Portfolio breakdown by location:



* Offices represent only 41.7% of the total portfolio after the disposal of the North Galaxy building on 12.05.2014.

Portfolio valuation at 31.03.2014

Gross yield: 7.09%
Net yield: 6.63%

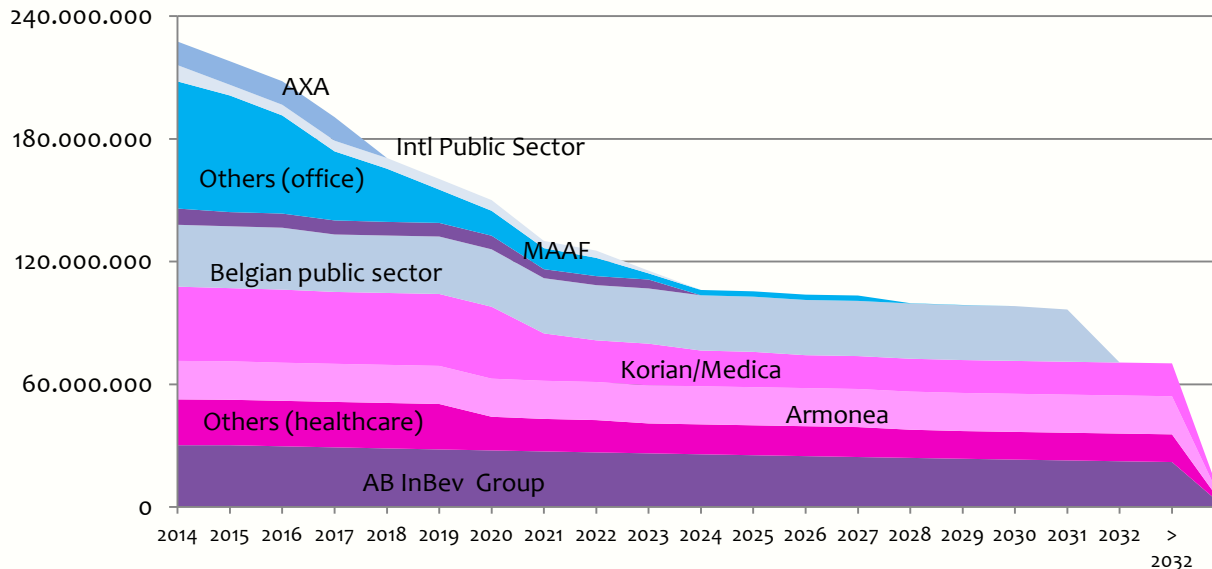
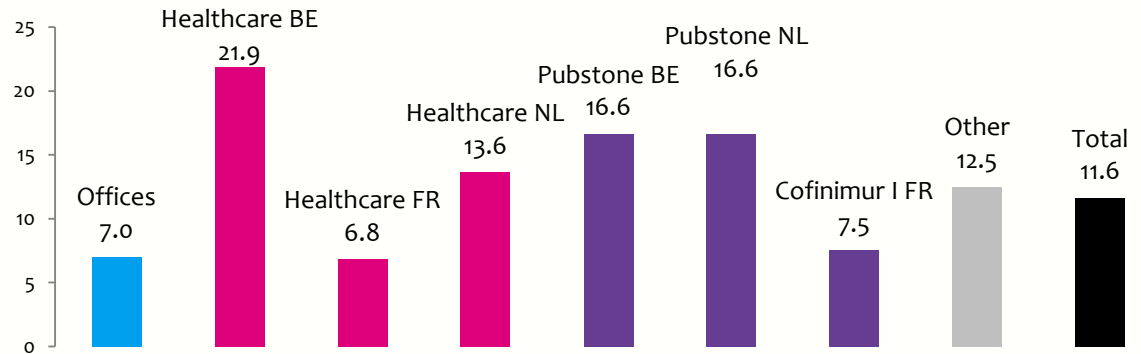
Unrealized gain/loss: -0.20%

	Gross yield	Direct Costs	Net yield
Offices	7.96%	0.92%	7.04%
Healthcare	6.30%	0.06%	6.24%
Distribution	6.61%	0.19%	6.42%
Others	6.65%	0.29%	6.36%
Total	7.09%	0.46%	6.63%

	Unrealised gain/loss 2014 (3m)
Offices	-0.84%
Healthcare	0.18%
<i>Belgium</i>	0.30%
<i>France</i>	0.06%
<i>Netherlands</i>	-2.00%
Distribution networks	0.13%
<i>Pubstone</i>	0.06%
<i>Cofinimur I</i>	0.40%
Others	5.59%
Total	-0.20%

Key operational figures at 31.03.2014 (1)

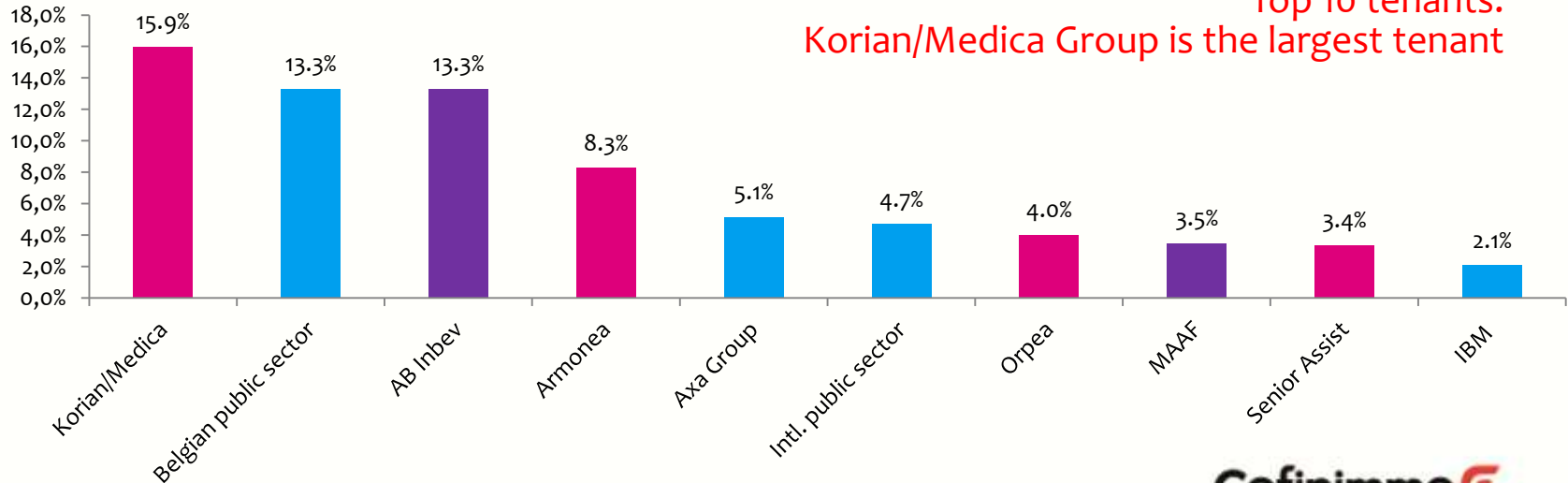
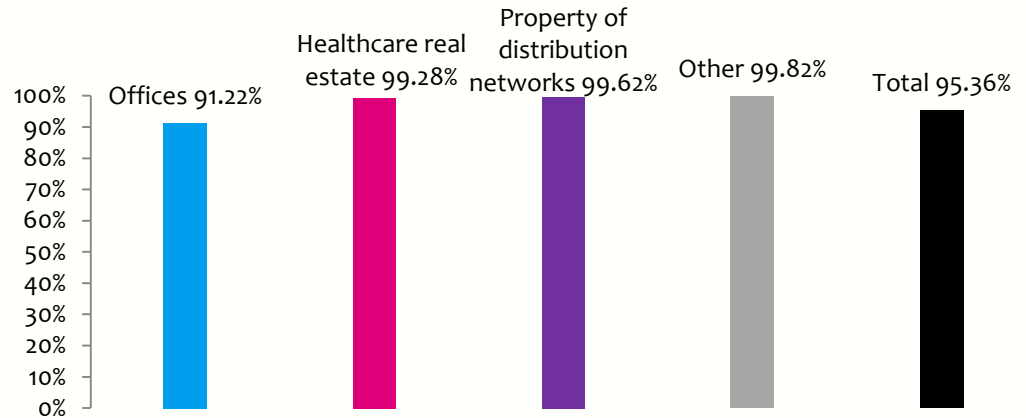
Average residual lease length: 11.6 years



Guaranteed revenues
2014 – 2032+:
70% of rental income is
guaranteed until 2018

Key operational figures at 31.03.2014 (2)

Occupancy rate: 95.36%



1Q2014 Results - Operational events

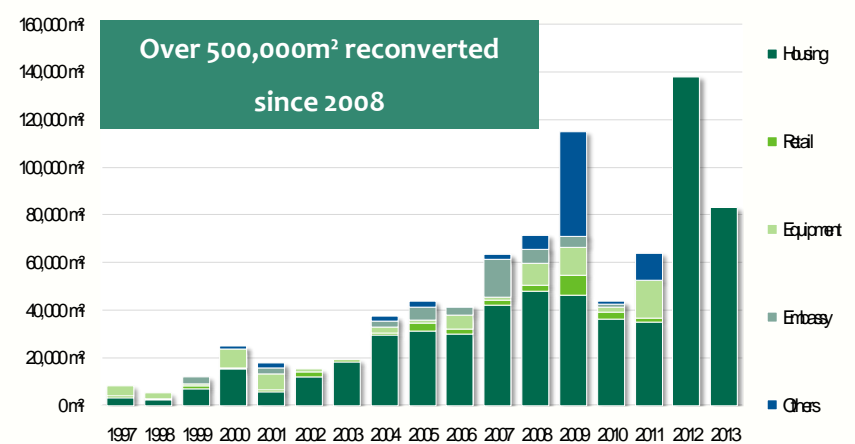
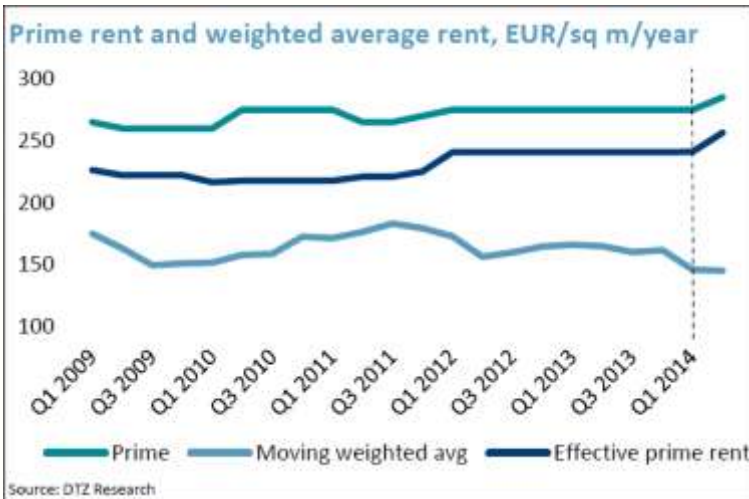
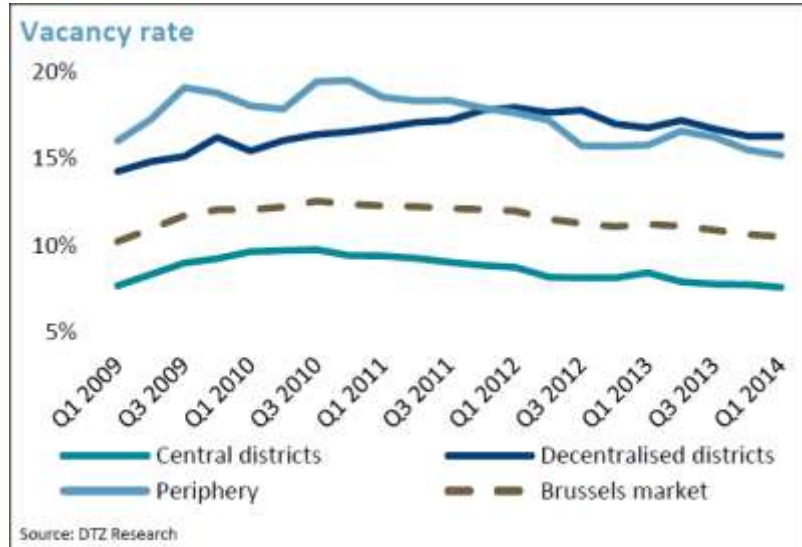
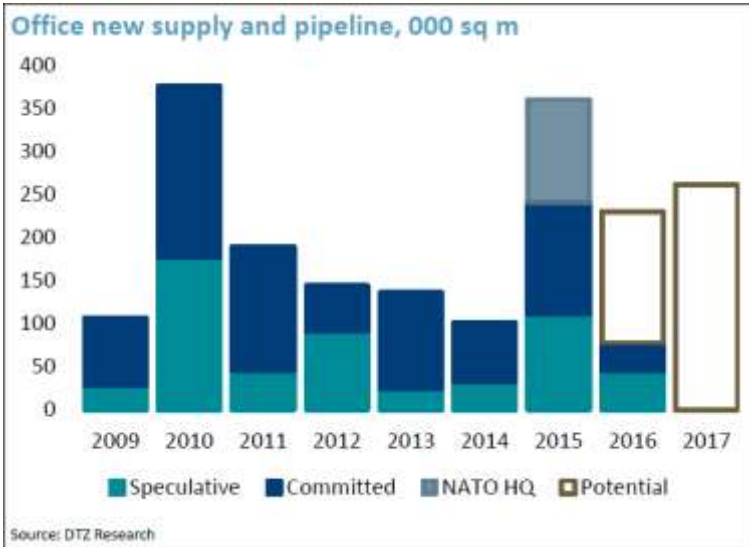
Park Lane office park – Brussels (BE)



Nursing home 7 Voyes – Vedrin (BE)



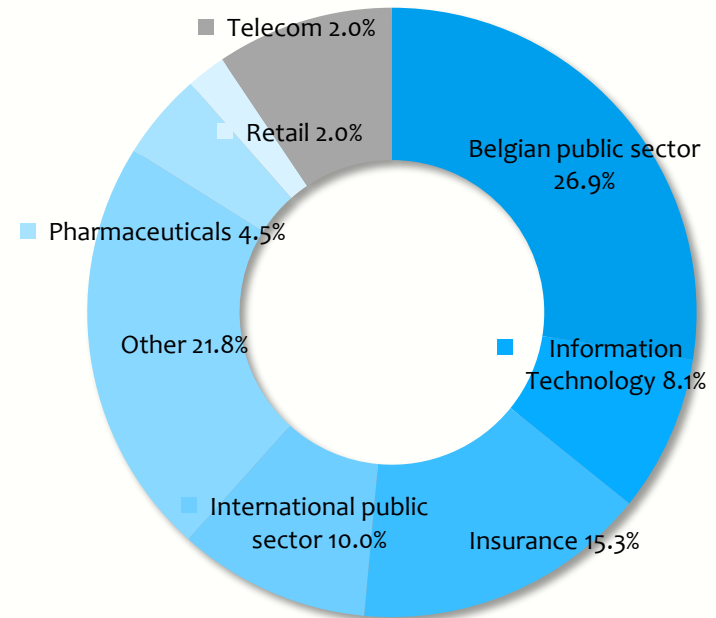
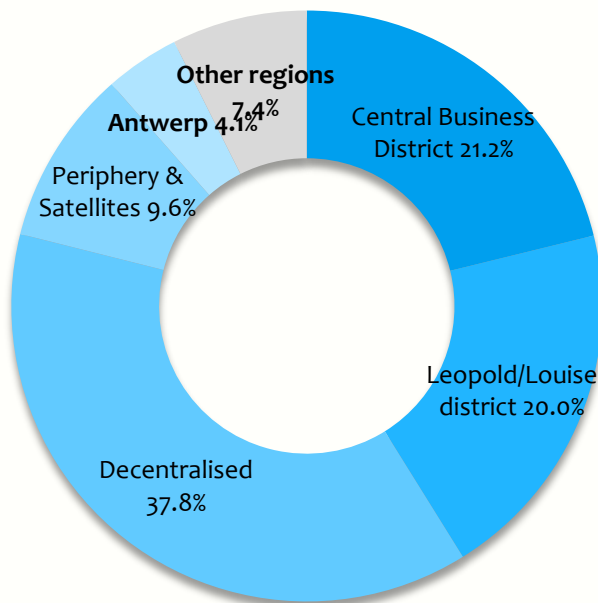
Brussels office market update





Office portfolio at 31.03.2014

- 41.2% of the office portfolio located in Central Business/Leopold/Louise districts
- Public tenants represent 36.9% of the office portfolio, making rental incomes very stable
- Office portfolio occupation rate at 91.22%, above Brussels office market (89.5%, source: DTZ Research)





1Q2014 Activities in the office segment (1)

- Sale of the North Galaxy building*
 - Sale of all shares in Galaxy Properties SA/NV, owner of the North Galaxy building, for €7 million
 - Price agreed for building of €475 million, 22% above acquisition value (€390 million in 2005)
 - Realized book loss of €25 million, due to:
 - Excess of transfer duties paid (€27 million) vs. expected (€5 million)
 - Transaction costs (€3 million)
 - IRR of 15% when including the financing mode of the acquisition (sale of lease receivables) or 7% on an unleveraged basis

Location: North District of Brussels

Surface area: 105,000m²

Year of construction: 2005

Tenant: Buildings Agency (Belgian Federal State)

End of lease: 30.11.2031

North Galaxy – Brussels (BE)



* This event took place after 31.03.2014 (12.05.2014).



1Q2014 Activities in the office segment (2)

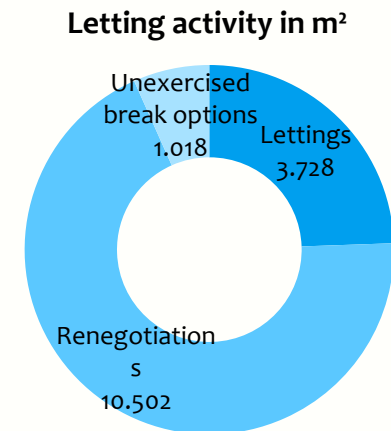
- €57 million restructuring of interest rate hedges over 2014-2017*
 - €400 million notional lowered from 3.0% to 0.51%
 - €200 million notional @ 3.0% cancelled
- Consequences of the sale of the North Galaxy building and the restructuring of the interest rate hedges
 - Cofinimmo closer to objective to bring office segment down to 40% of total portfolio: the office segment is now at 41.7% (vs. 45.6% at 31.12.2013)
 - Reduction of leverage: debt ratio forecasted at end 2014 is now at 47.1% (vs. 49.05% previously)
 - Forecasted 2014 net current result (excluding IAS 39 impact) unchanged at €6.61 per share

* This event took place after 31.03.2014 (12.05.2014).



1Q2014 Activities in the office segment (3)

- Letting of the Livingstone II building in Brussels to the European Commission as from 14.08.2014:
 - 15-year lease
 - Annual rent: €2.72 million
- Delivery of the permits required for the redevelopment of the Science/Wetenschap 15-17 office building in Brussels
- Disposal of the Montoyer 14 office building in Brussels for €13 million
- Progress in marketing of Woluwe 34 and Livingstone I apartments in Brussels: respectively 80% and 55% of units either reserved or sold
- Resilient leasing activity of 15,245m² in 1Q2014, representing €7.1 million guaranteed net revenues



* This event took place after 31.03.2014 (06.05.2014).



Office renovation projects (1)

Livingstone II (17,000m²)

- Renovation
- Town-planning and environmental permits delivered in May 2012
- Timing of works: March 2013 – August 2014
- Budget: € 21 million, VAT incl.
- Letting to European Commission for 15 years as from 14.08.2014





Office renovation projects (2)

Science 15-17 (20,000m²)

- Construction of new building with 17,700m² offices, 17 residential units and 200m² of retail space
- Permits delivered in March 2014
- Expected duration of works: 2 years
- Budget: €42 million, VAT incl.



Goals in terms of sustainability:

Passive building
Thermal insulation level K35
(legal requirement \leq K45)
Energy consumption level E45
(legal requirement \leq E90)
“Very good” BREEAM certification



Office renovation projects (3)

Guimard 10-12 (15,400m²)

- To be vacated by the European Commission by 30.09.2014
- Renovation
- Timing of works: Q4 2014 – Q3 2015
- Budget: €14 million, VAT incl.
- Marketing well underway



Goals in terms of sustainability:

Thermal insulation level K27
(legal requirement \leq K45)

Energy consumption level E70
(legal requirement \leq E75)

“Very good” BREEAM certification



Office renovation projects (4)

Sovereign project: Axa to vacate site in August 2017

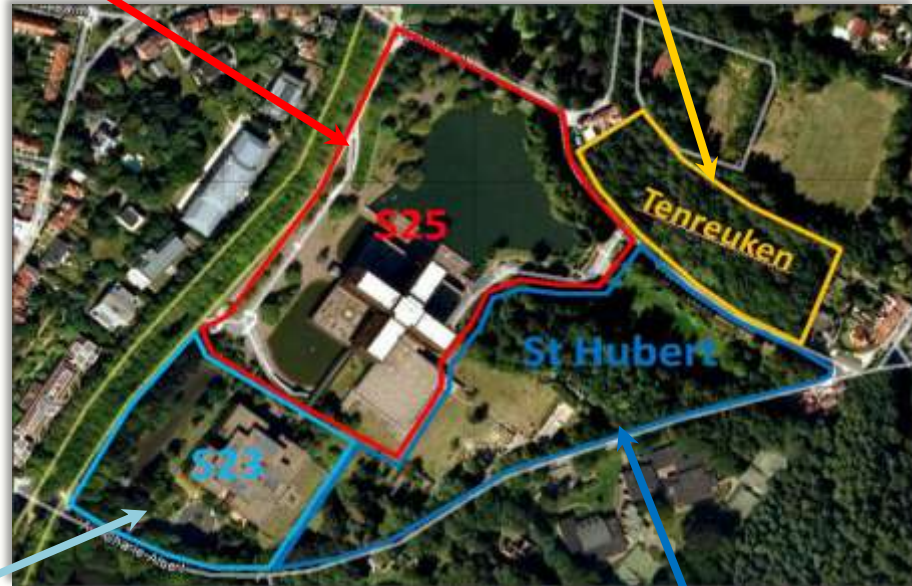


Souverain /Vorst 25 (1970) - 38,500m²



Souverain/Vorst 23 (1985) - 18,300m²

Plot of land Ten Reuken immediately available for residential development
Approx. 10,000m² / 100 units - Construction to be launched in 2015
Price target: €1,500/m² gross before construction costs



Plot of land St. Hubert



Office reconversion projects into residential (1)

Woluwe 34 (6,700 m²)

- Reconversion of offices to 69 residential units for sale
- Budget of reconversion works: €13 million (VAT excl)
- Timing of works: July 2013 - January 2015
- Target price: €1,300/m² before conversion costs
- Sale agreements and reservations for 80% of the units
- Brussels Region prize: 'Reconversion en logement d'immeubles de bureaux inoccupés'



Goals in terms of sustainability:

Thermal insulation level K40
(legal requirements \leq K40)
Energy consumption level E70
(legal requirement \leq E70)



Office reconversion projects into residential (2)

Livingstone I (17,000 m²)

- Reconversion of offices to 122 residential units for sale
- Co-developer Cordeel guarantees fixed price for sale of units
- Price obtained: €24 million (€1,400/m²) before conversion costs
- Timing of works: February 2013 - January 2015
- Sales agreements and reservations for 55% of the units

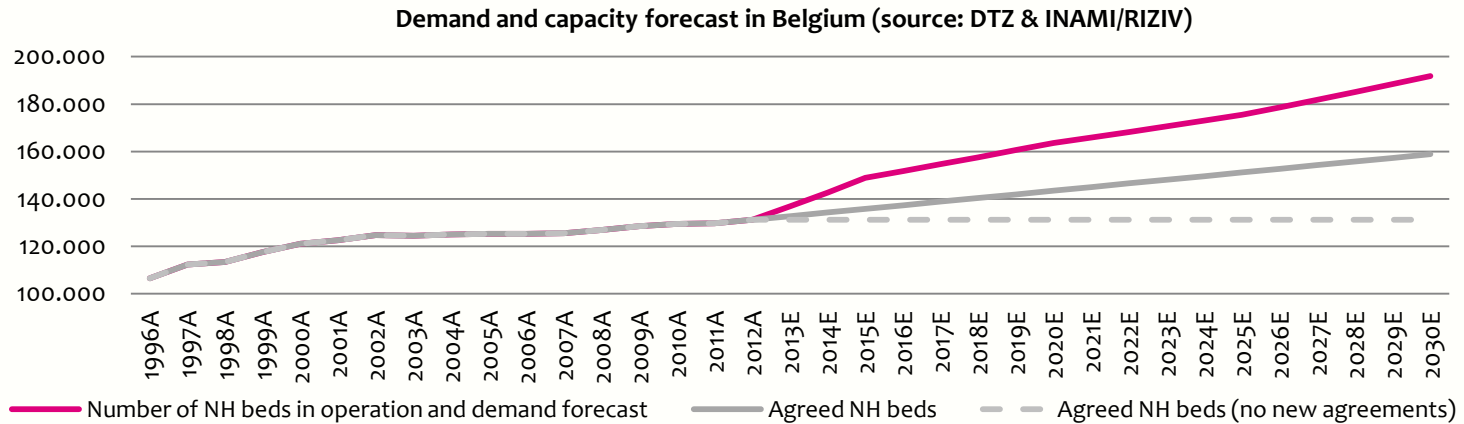


Goals in terms of sustainability:

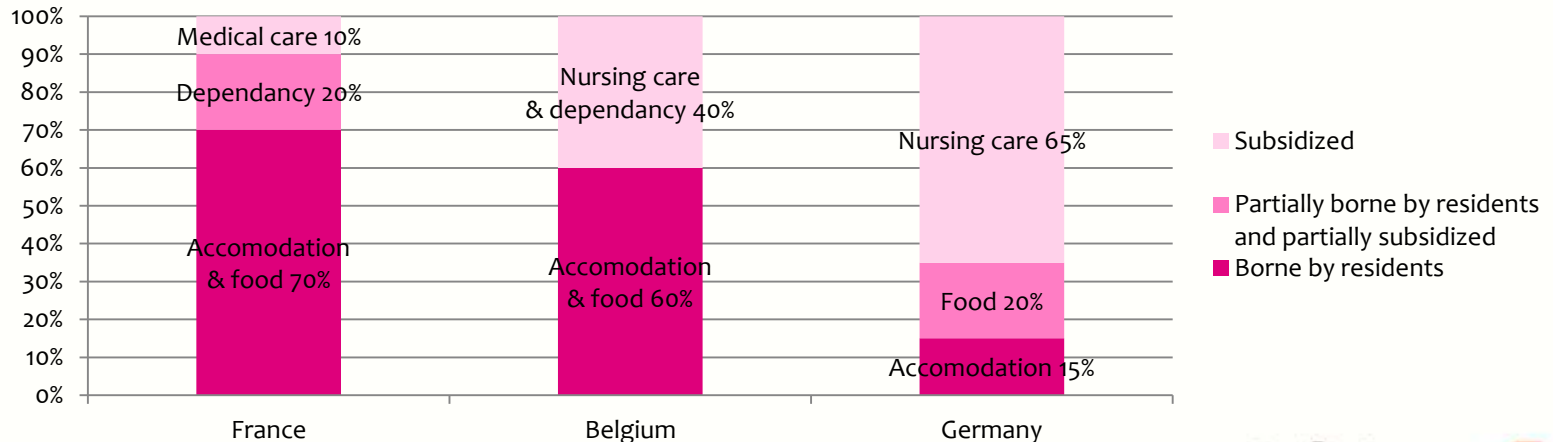
Thermal insulation level K30
(legal requirement \leq K40)
Energy consumption level E60
(legal requirement \leq E70)

Healthcare market fundamentals

Deficit of 36,000 beds in Belgium by 2030:



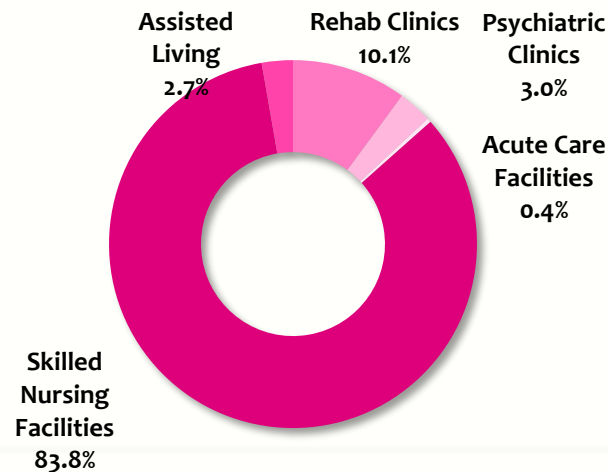
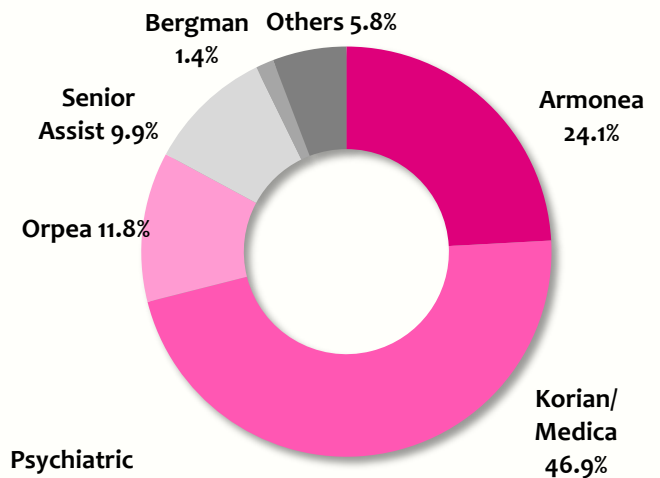
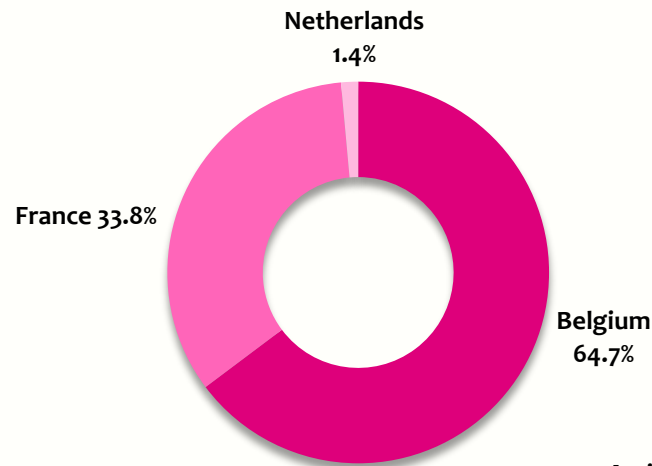
Breakdown of operators' costs:



Healthcare real estate portfolio at 31.03.2014

Key strengths:

- Strategic diversification by operator, country and medical specialty
- A portfolio 100% rented to first-rate operators with long-term cash flows



1Q2014 Activities in the healthcare segment

- €4.1 million invested in constructions/extensions/renovations - Completion of 3 projects:

Building	Operator	Type of works	Number of beds	Surface area	Budget of works
Damiaan – Tremelo (BE)	Senior Living Group	Renovation and extension	/	+ 556m ²	€4.9 millions
Lakendal – Aalst (BE)	Armonea	New construction	80 beds + 29 service flats	7,894m ²	€11.4 millions
Bergman clinic – Rijswijk (NL)	Bergman Clinics	Conversion offices into acute care clinic	/	2,133m ²	€2.5 millions



- Disposal of a psychiatric clinic in France for €1.6 million



Property of distribution networks

Pubstone

2007 - Sale & leaseback of cafés/restaurants portfolio with AB InBev

- 808 pubs in BE and 245 pubs in NL for a total of €422.8 million
- 1 tenant : AB InBev – no direct relationship with pub operators
- Fixed rents, indexed to CPI
- Initial net yield: 6.15% - Initial lease length: 23 years
- At 31.03.2014:
 - Gross yield: 6.57%
 - Occupancy rate: 99.7%
 - 23 pubs sold since acquisition, with average realized gain of 32.7%

Cofinimur I

2011 - Sale & leaseback of insurance branches portfolio with MAAF

- 273 insurance branches in FR for a total of €110.5 million
- 1 tenant : MAAF – no direct relationship with agency operators
- Fixed rents, indexed to ILC index
- Initial net yield: 6.18% - Initial lease length: 9.7 years
- At 31.03.2014:
 - Gross yield: 6.77%
 - Occupancy rate: 99.3%
 - 7 agencies sold since acquisition, with average realized gain of 4.6%

Public-Private Partnerships

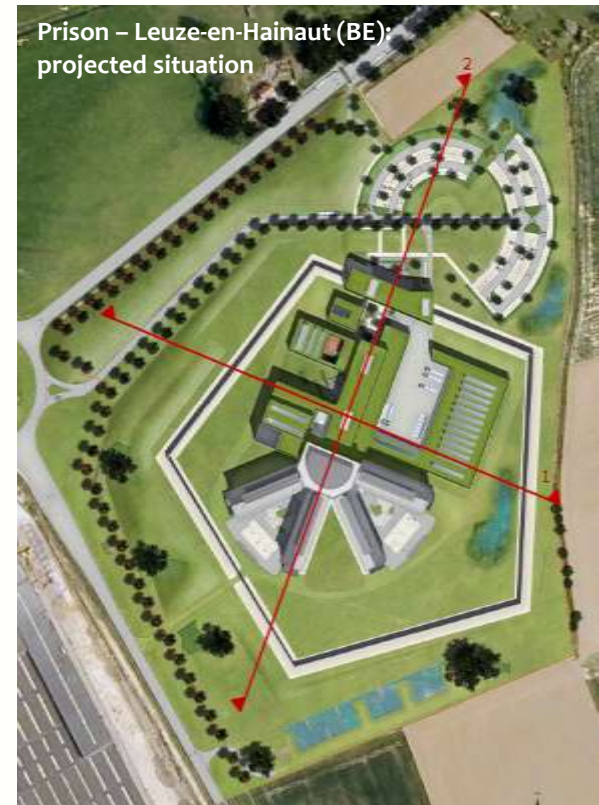
5 up and running

- Courthouse - Antwerp
- Fire station - Antwerp
- Police station - HEKLA
- Police station - Dendermonde
- Student housing residence - Brussels

1 under construction

Prison – Leuze-en-Hainaut

- Design-Build-Finance-Maintain model
- Delivery scheduled for June-July 2014
- Budget of works: €113.7 million
- BREEAM “Excellent” certification aimed
- 25-year lease with Buildings Agency
- Cofinimmo responsible for maintenance
- Annual maintenance fee: €4.5 million
- Annual investment fee: €7.6 million (90% sold to bank)
- At end of lease: transfer of the building to the Buildings Agency
- Expected IRR: 10%



1Q2014 Results – Financial results

Office building Auderghem 22-28 – Brussels (BE)



Office building Meeus 23 – Brussels (BE)



Like-for-like rental growth

0.89% like-for-like rental increase, driven by indexation and new lettings

	Gross rental revenues 1Q2014 (x € 1,000,000)	Gross rental revenues 1Q2013 (x € 1,000,000)	Growth (%)	Like-for-like growth (%)
Offices	19.2	20.0	-3.84%	0.04%
Healthcare RE BE	12.0	11.3	5.79%	1.41%
Healthcare RE FR	7.0	7.2	-2.06%	0.17%
Healthcare RE NL	0.3	0.2	31.80%	2.88%
Property of distribution networks	9.6	9.4	1.94%	2.50%
Others	1.1	1.2	-5.60%	1.55%
Total	49.2	49.3	-0.16%	0.89%

- Positive contribution of indexation (+1.32%) and new lettings (+1.34%)
- Negative reversion due to renegotiations (-0.50%) and departures (-1.27%)



Data per share

Net current result (excl. IAS 39 impact) – Group share: €1.74 per share

Results per share (in €)	31.03.2014	31.03.2013
Net current result (excl. IAS 39) - Group share	1.74	1.70
IAS 39 impact	-1.39	0.00
Net current result - Group share	0.35	1.70
Realised result on portfolio	0.02	0.03
Unrealised result on portfolio	-0.33	-0.41
Net result - Group share	0.04	1.32

NAV in fair value: €91.60 per share

Net asset value per share (in €)	31.03.2014	31.12.2013
Revalued net asset value in fair value after distribution of dividend for the year 2012	91.60	91.79
Revalued net asset value in investment value after distribution of dividend for the year 2012	96.17	96.26

1Q2014 Results - Financial resources

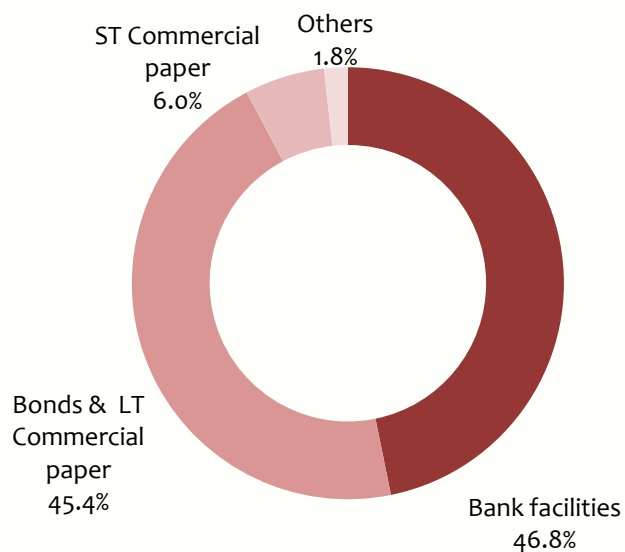
Prison – Leuze-en-Hainaut (BE): projected situation



Financial debt

	31.03.2014	31.12.2013
Debt ratio	47.89%	48.87%
Loan-to-value ratio	48.29%	49.61%
Average debt	M€1,678	M€1,686
Average cost of debt	3.92%	3.92%
Average debt maturity	3.7 years	3.8 years

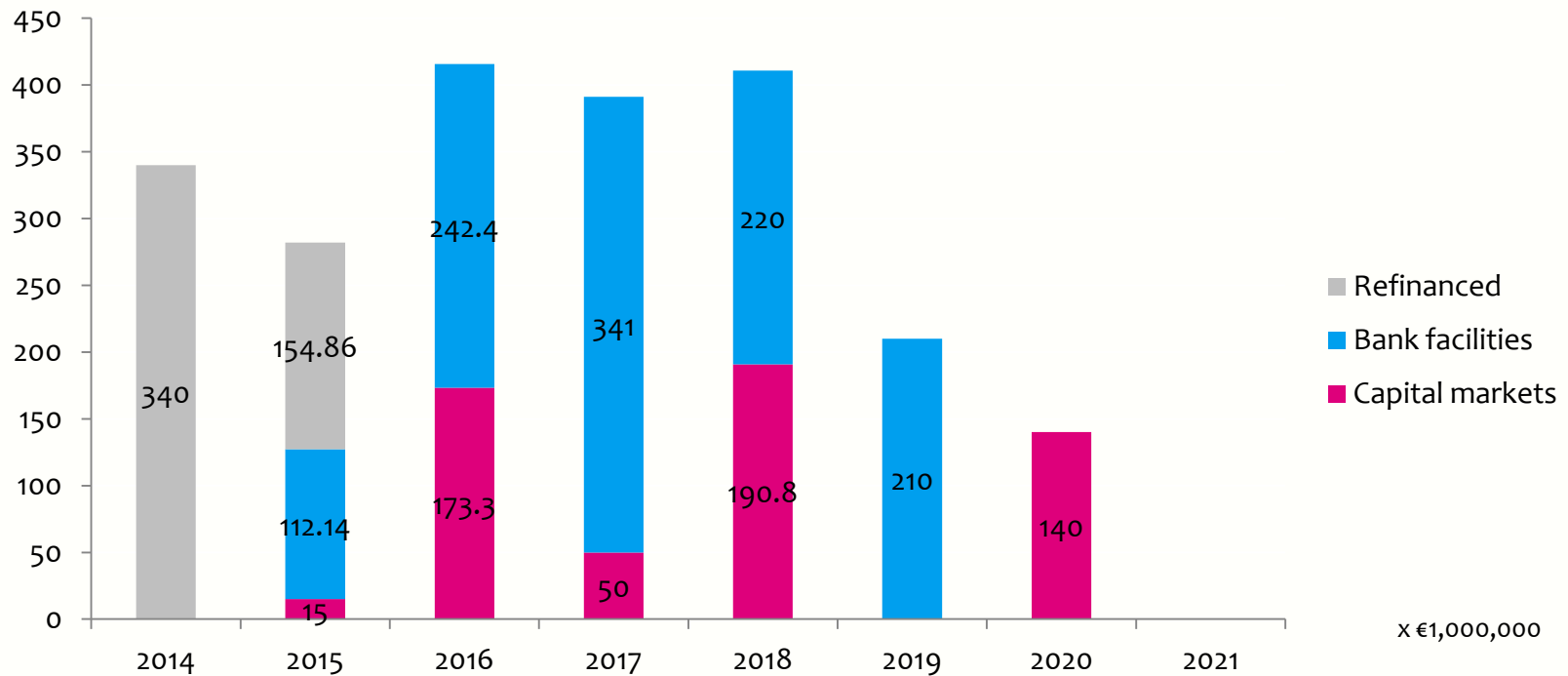
Debt breakdown:



x € 1,000,000	Financial debt	Total LT commitments
Capital market facilities		
Bond	392.7 (1)	390.0 (2)
Convertible bond	376.8 (1)	364.1 (2)
Long term CP	15.0	15.0
Short term CP	154.4	
Others	4.4	4.4
Bank facilities		
Roll over loans	626.7	1,319.4 (3)
Term loans	111.5	111.5
Others	7.3	6.9
Total	1,688.8	2,211.3

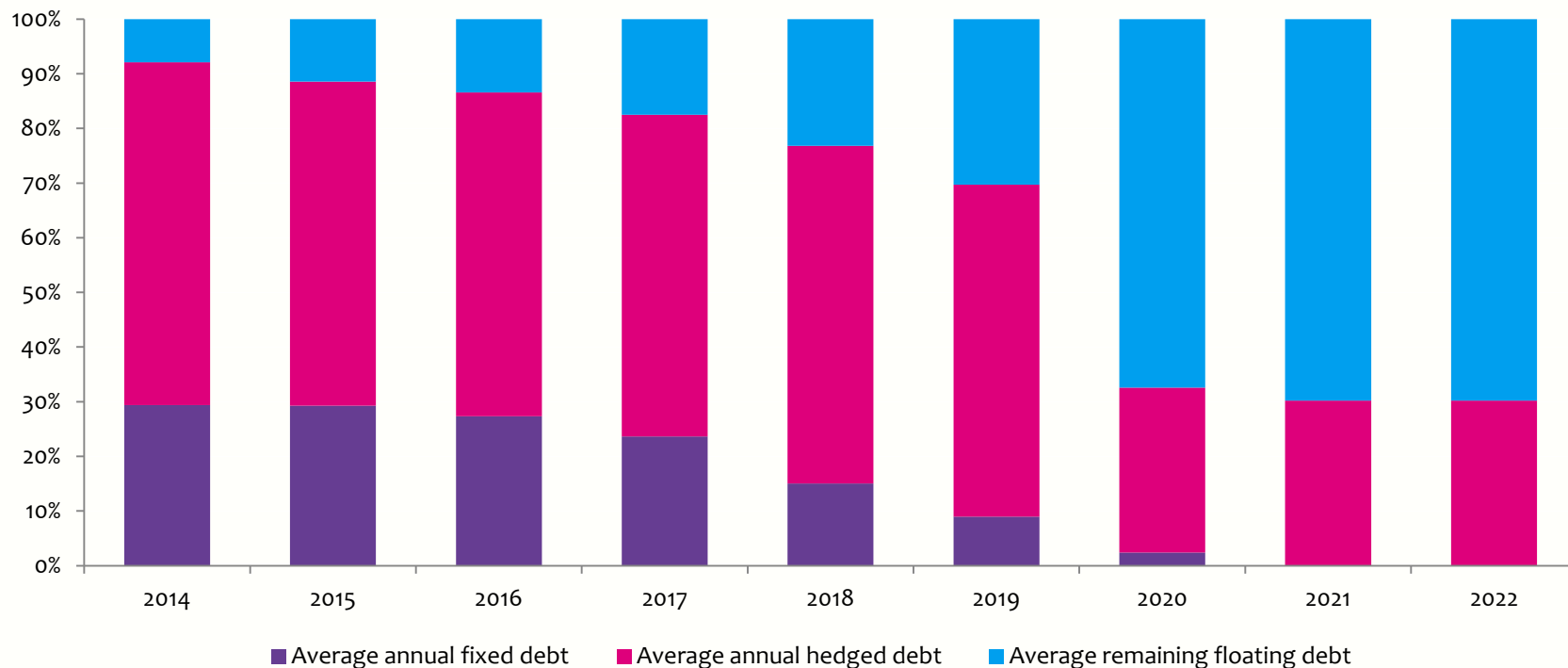
Debt maturities

Debt refinanced until June 2015

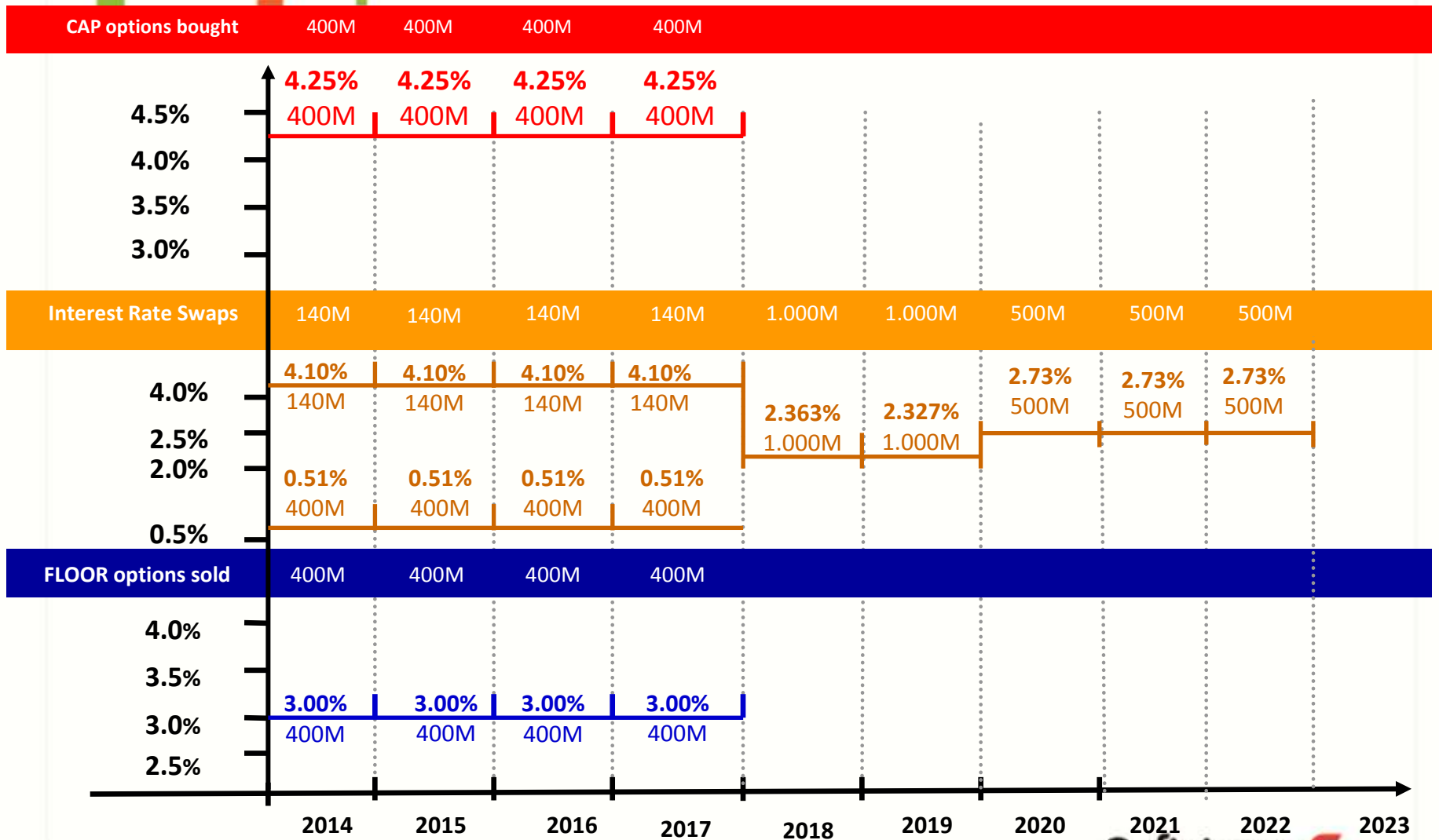


Interest rate hedging: projected situation after restructuring of 12.05.2014

Limited interest rate risk exposure:



Hedging positions after restructuring of 12.05.2014



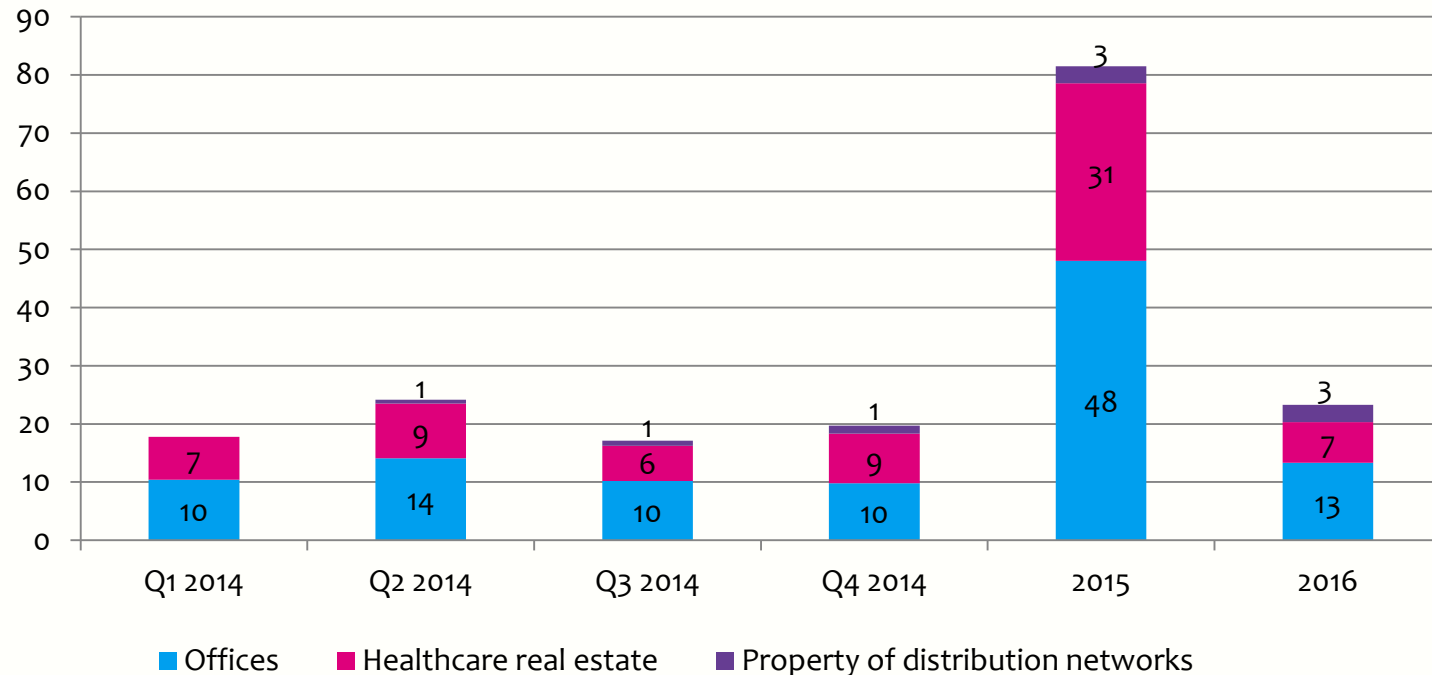
1Q2014 Results - Forecast

Courthouse – Antwerp (BE)



Investment pipeline

€184 million investment pipeline for 2014-2016



- €106 million office refurbishment/renovation/reconversion
- €69 million in construction/extension/renovation of healthcare properties, which are 100% prelet



2014 Result and dividend per share

2014 Forecasted net current result (excluding IAS 39) – Group share: €6.61 per share

- As published in the Annual Financial Report 2013
- Unchanged after the disposal of the North Galaxy building and the restructuration of the hedging scheme in May 2014:
 - Reduction in the writebacks of lease payments sold (non cash item): €-0.65 per share
 - Reduction of the net financial charges (cash): €+0.64 per share
 - Pro forma full year impacts: €-1.02 (non cash) and €+1.00 (cash) per share respectively

2014 Forecasted gross dividend (payable in June 2015): €5.50 per ordinary share

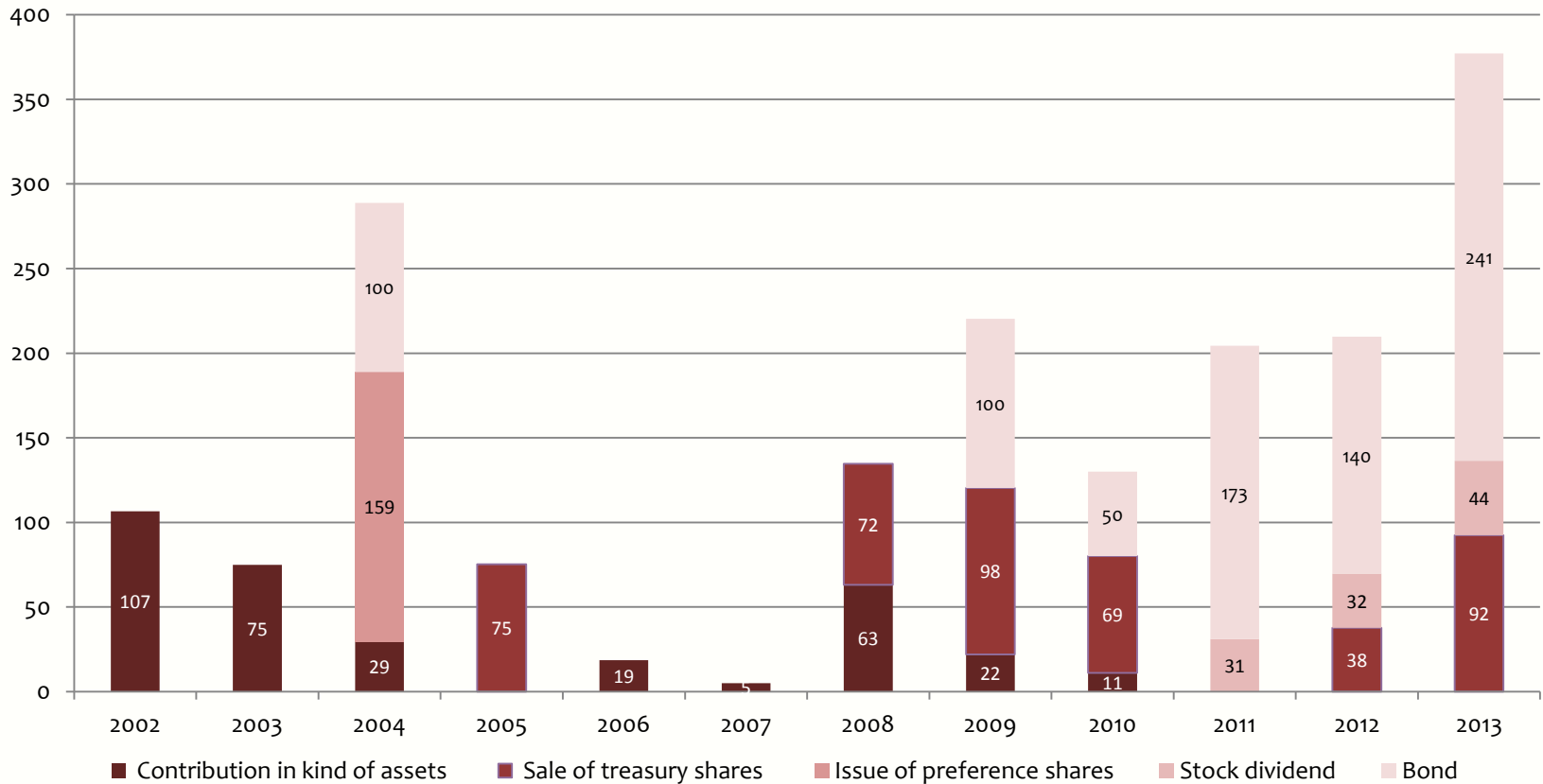
- Better aligned with 2014 forecasted cash flow per share
- Represents a gross dividend yield of 6.23% relative to the share price at 31.12.2013

1Q2014 Results - Appendices

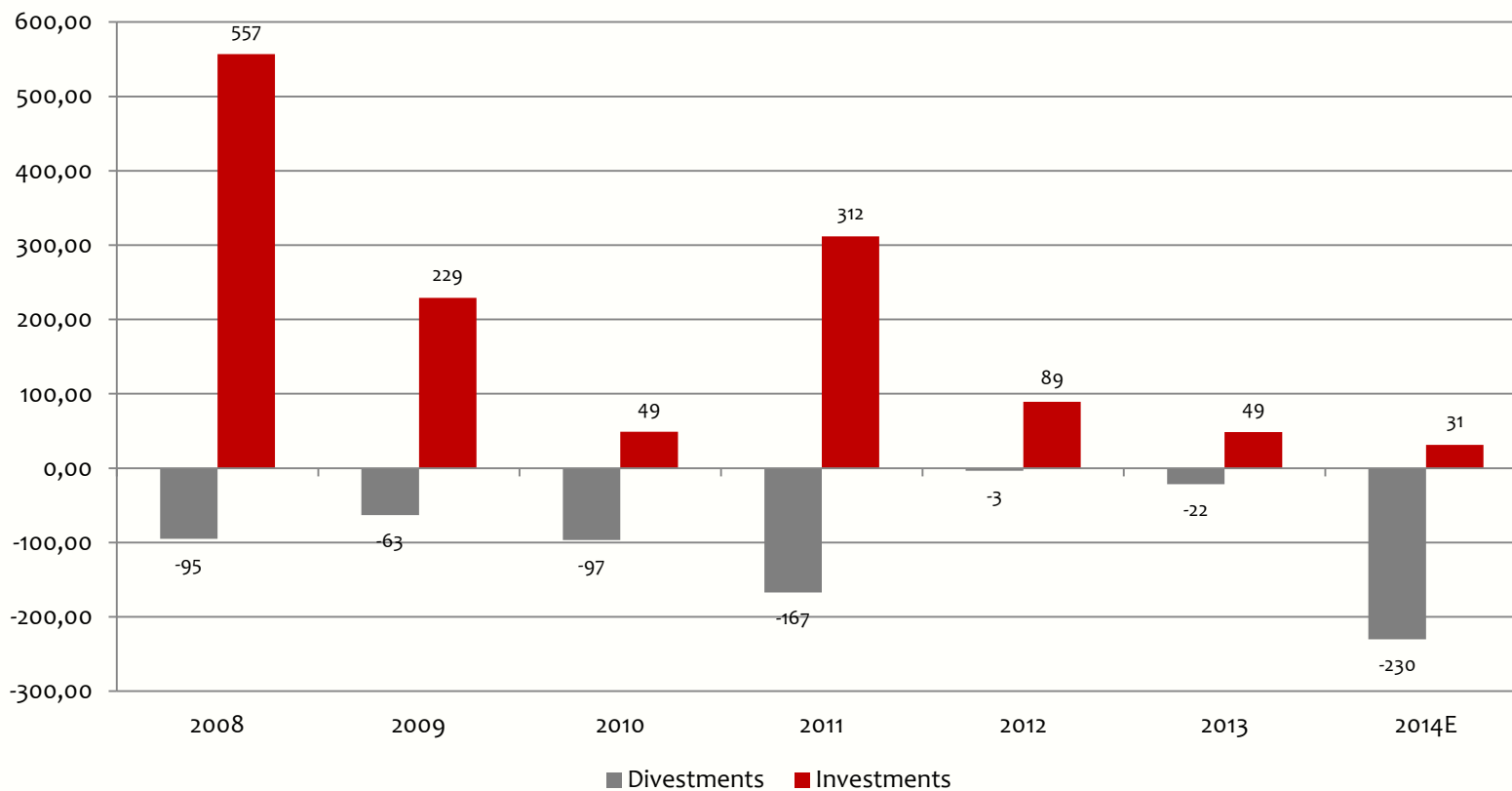


Office building Omega Court – Brussels (BE)

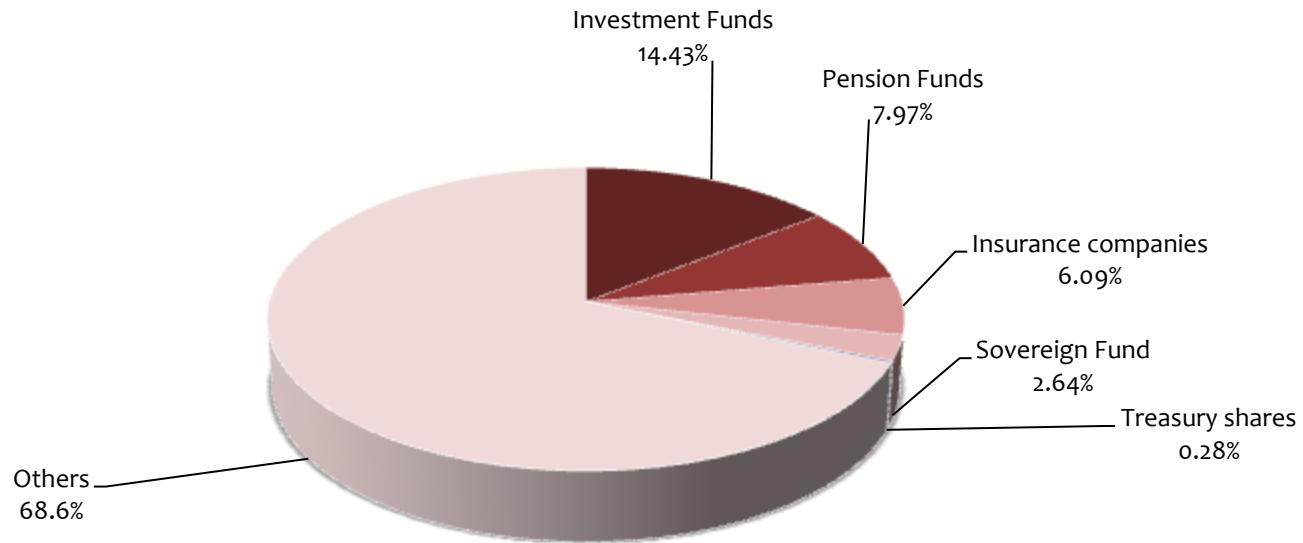
Access to capital markets



Investments/divestments



Capital structure



- Retail shareholders represent between 50% and 60% of the capital (estimate).

Disclaimer

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