



**Cofinimmo** 

**Real Estate  
vs  
Demography**

**Cofinimmo Presentation  
Finance Avenue  
20.10.2012**

*together  
in real estate*



# Cofinimmo Presentation

1. Cofinimmo Today
2. Global Portfolio performance
3. Cofinimmo in the stock market
4. Real Estate vs Demography



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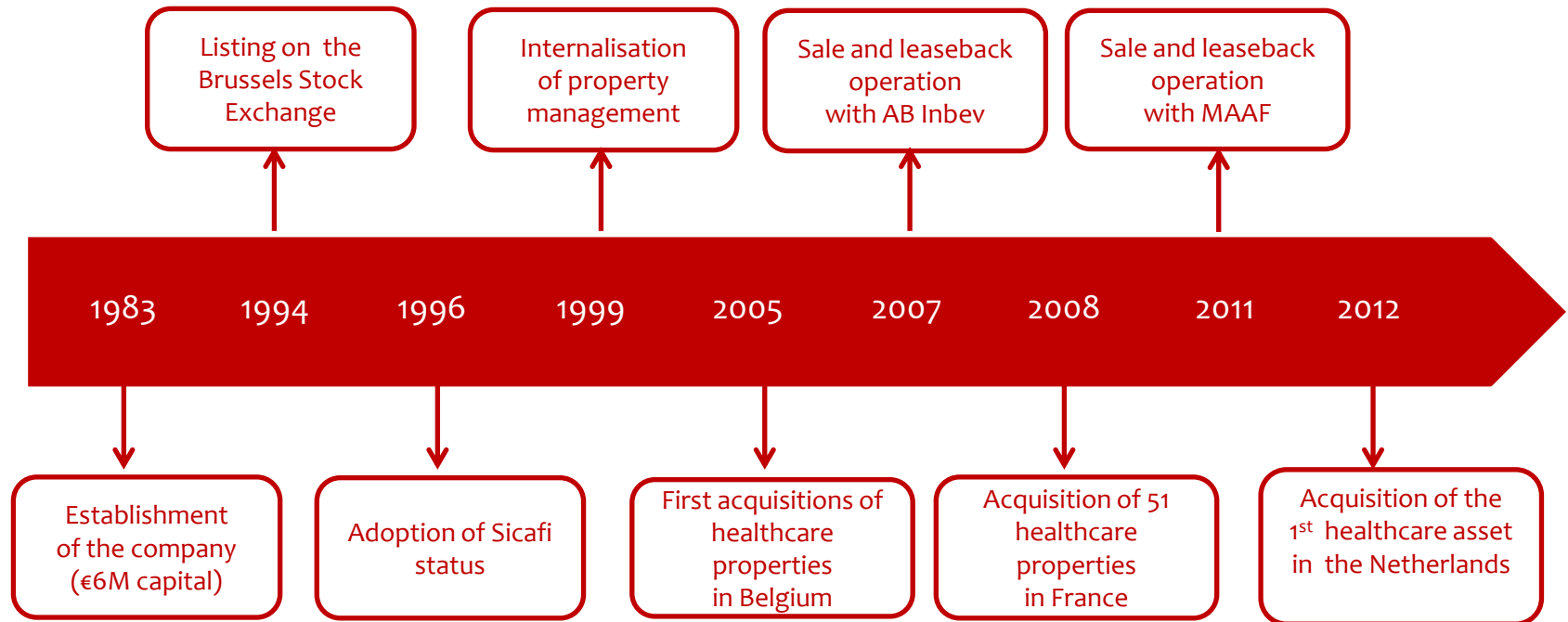


# 1. Cofinimmo in a nutshell

- **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
  - Distribution property networks in Belgium , France and the Netherlands,
  - Public-Private Partnerships in Belgium.
- **Total portfolio fair value of > €3 billion**
- **SICAFI 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 30.06.2012: €1.5 billion**
- **Included in major indices: BEL20, EPRA Europe and GPR 250**



# 1. Track record

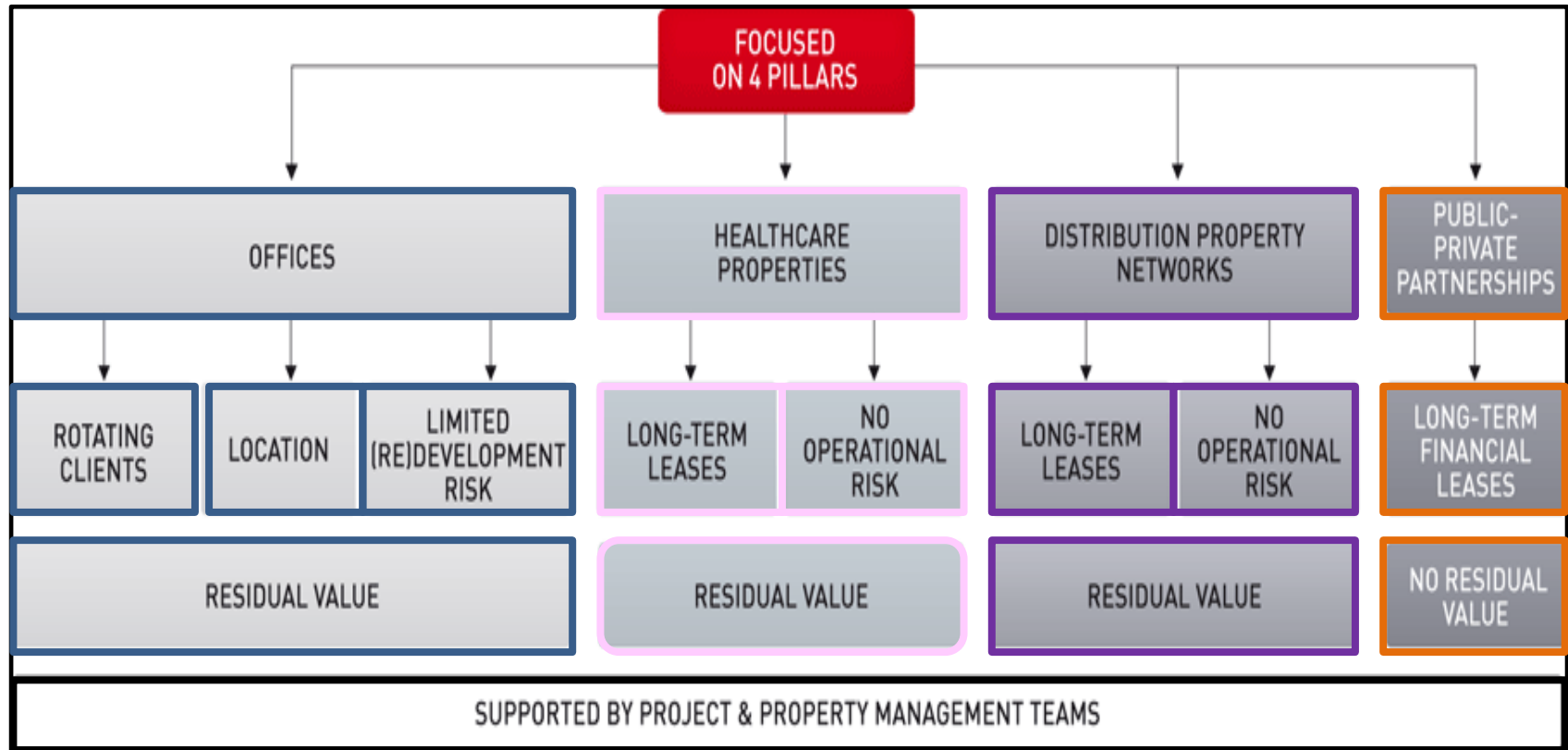




# 1. Investment strategy

Portfolio with defensive profile.

Cofinimmo strategy aiming at providing long term cash flows with capital protection





# 1. Executive Committee



Jean Edouard Carbonnelle  
Chief Executive Officer

Joined Cofinimmo in 1998



Françoise Roels  
Secretary General & Group  
Counsel

Joined Cofinimmo in 2004



Marc Hellemans  
Chief Financial Officer

Joined Cofinimmo in 2000



Xavier Denis  
Chief Operating Officer

Joined Cofinimmo in 2002



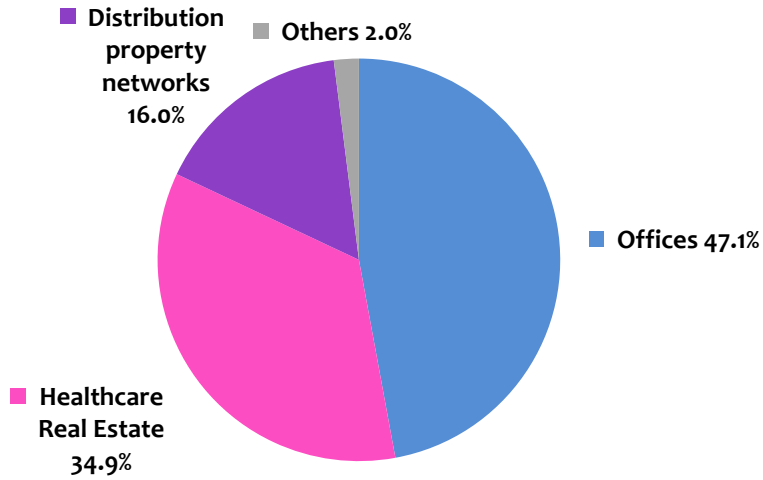
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## 2. Portfolio overview



Target to decrease the office portfolio % by dilution or divestment

Target to increase Healthcare segment up to 40% in a 2-3 years horizon

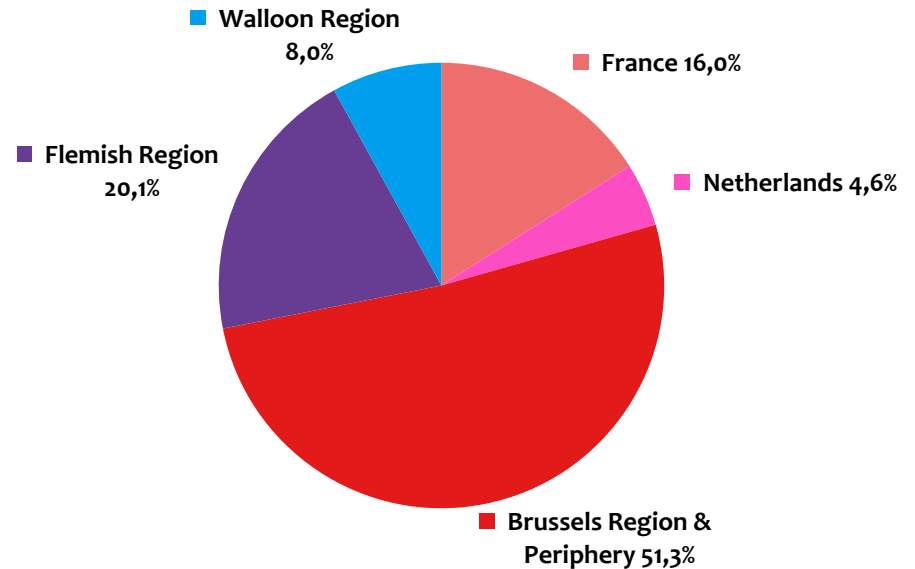
Sales & lease back opportunities in distribution networks

Key player in the Brussels office market

1st elderly/healthcare property owner in Continental Europe

2 distribution property networks in sale & lease back: pubs (AB Inbev) & insurance agencies (MAAF)

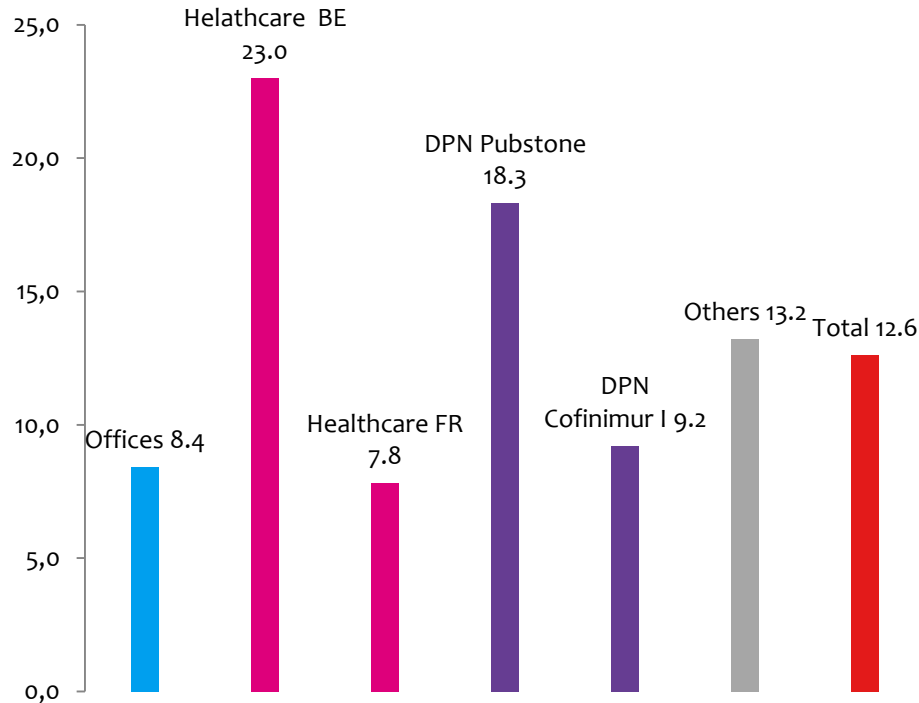
Growing international presence





## 2. Portfolio leasing activity

Average residual length until 1<sup>st</sup> break option of 12.6 years



### Solid and high quality tenants

Master tenant	Share in rent
AB InBev	13.4%
Belgian State	12.3%
Korian	9.0%
Armonea	7.1%
Senior Living Group	6.9%
<b>TOP 5 tenants</b>	<b>48.7%</b>
International public sector	6.4%
AXA Belgium	5.1%
MAAF	3.5%
Senior Assist	3.1%
ORPEA France	2.6%
<b>TOP 10 tenants</b>	<b>69.3%</b>
<b>TOP 20 tenants</b>	<b>80.3%</b>
Others	19.7%
<b>Total</b>	<b>100.0%</b>



## 2. Key operational indicators

**Residual lease term of the total portfolio at 12.6 years, well above continental European peers.**

	01.08.2012	30.06.2012	31.12.2011
Portfolio of investment properties - fair value (x € 1,000,000)	3.257,4	3.257,4	3.189,4
Residual lease term - Total portfolio (in years)	<b>12.6</b>	11.5	11.3
Residual lease term - Office portfolio (in years)	<b>8.4</b>	6.0	5.6
Occupancy rate - Total portfolio	95.59%	95.59%	95.34%
Occupancy rate - Office portfolio	91.52%	91.52%	91.35%



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### 3. Evolution of the stock price

The ordinary shares are included in the following major stock indices:  
BEL20, Euronext 150, MSCI Small caps, MSCI World, EPRA Europe (Top 20)



Over the past 10 years Cofinimmo achieved an annual average return of 5.76%



## 3. Dividend and Outlook

Cofinimmo aims to offer attractive dividends to its shareholders

- **Dividend distribution:**

- **Dividend stable since 2009:**

- Despite turndown in the Belgian office rental market
- Thanks to the resilience of the other segments

- **Dividend distribution in 2011:**

- 2011 gross dividend per ordinary share at €6.50 (€6.37 per preference share)
- Pay out ratio of 87% of the net current EPS (excluding IAS 39 impact)
- Optional dividend: success ratio of 40.8% (subscription price: €82.16)

- **Dividend yield of 7.3% at 30.06.2012 (gross yield)**

- **Outlook for 2012:**

- Target for the net current result per share – Group share of €7.47 per share is confirmed
- 2012 Dividend forecast : €6.50 gross per ordinary share - €6.37 gross per preference share



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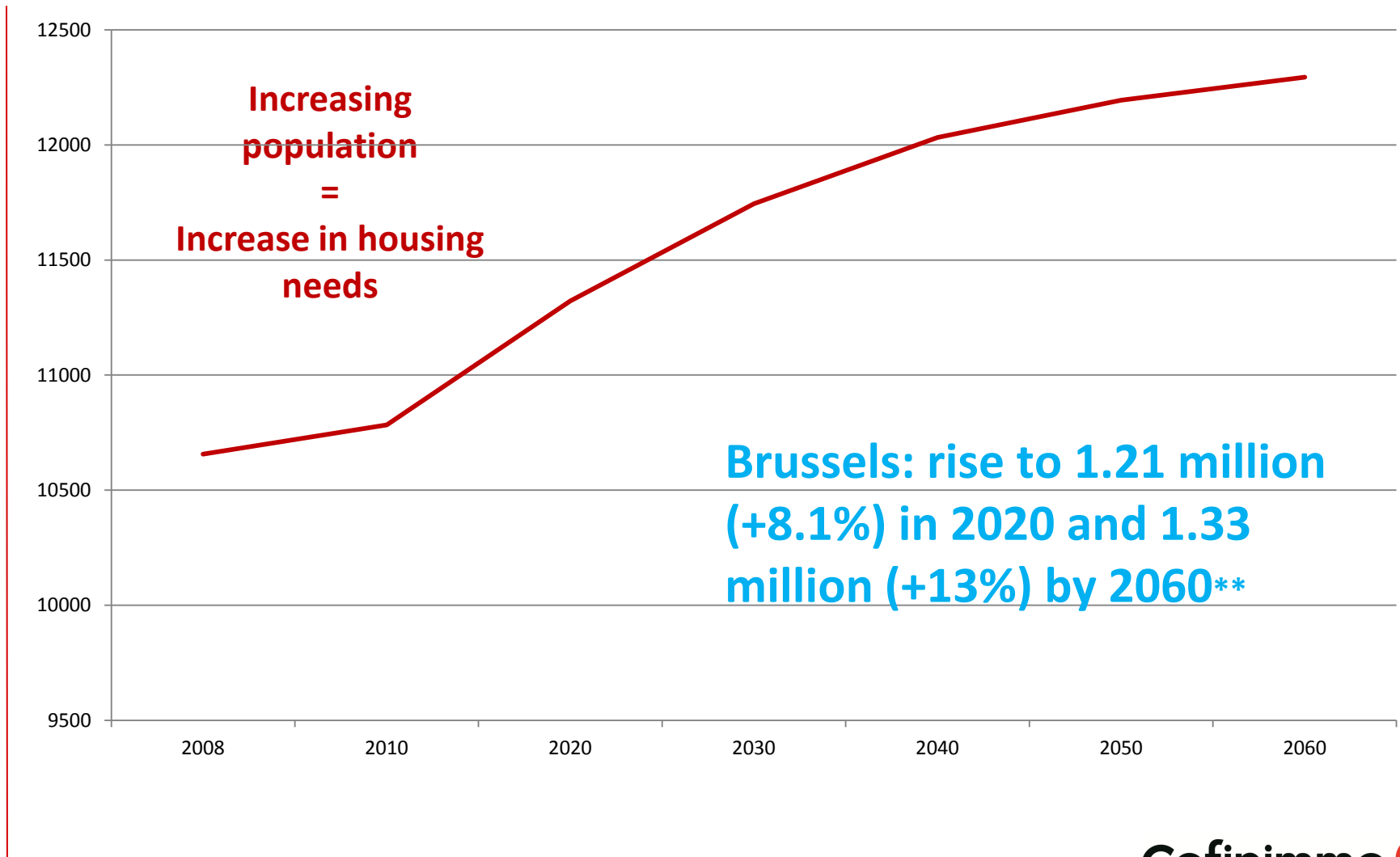
## 4. Real estate vs Demography







## 4. Total population in Belgium 2008 – 2060



\*Source: Eurostat, EUROPOP2008 convergence ratio

\*\* Source: Knight Frank, 2012 Brussels. Residential Market Report – New Builds



## 4. Offices conversions into residential

Cofinimmo is currently transforming 2 office buildings into apartment buildings  
Apartments are for sale



### Livingstone 1 & 2 (33.000m<sup>2</sup>)

- Redevelopment of the Livingstone 1 property into a residential building. The works are scheduled to start as soon as a presales threshold of 40% for the 122 apartments has been reached. Permit granted in H1 2012. Budget: €27 million. VAT incl.
- Complete renovation of the Livingstone 2 which remains an office building. Permit granted in H1 2012. The works are scheduled to start in Q1 2013 and to last 12 months. Budget: € 12 million. VAT incl.

### Woluwe 34 (7.000m<sup>2</sup>)

Reconversion of the building from offices to housing into 69 apartments. Permit application submitted.  
Total budget: between €10 million to €12 million. VAT excl.



# Livingstone



# Livingstone



- 122 residential units with large terraces
- Internal garden
- 500 m from the Schuman roundabout



<http://www.livingstone-brussels.com/>

# Woluwe 34



# Woluwe 34



- 69 residential apartments
- Shopping facilities and schools nearby

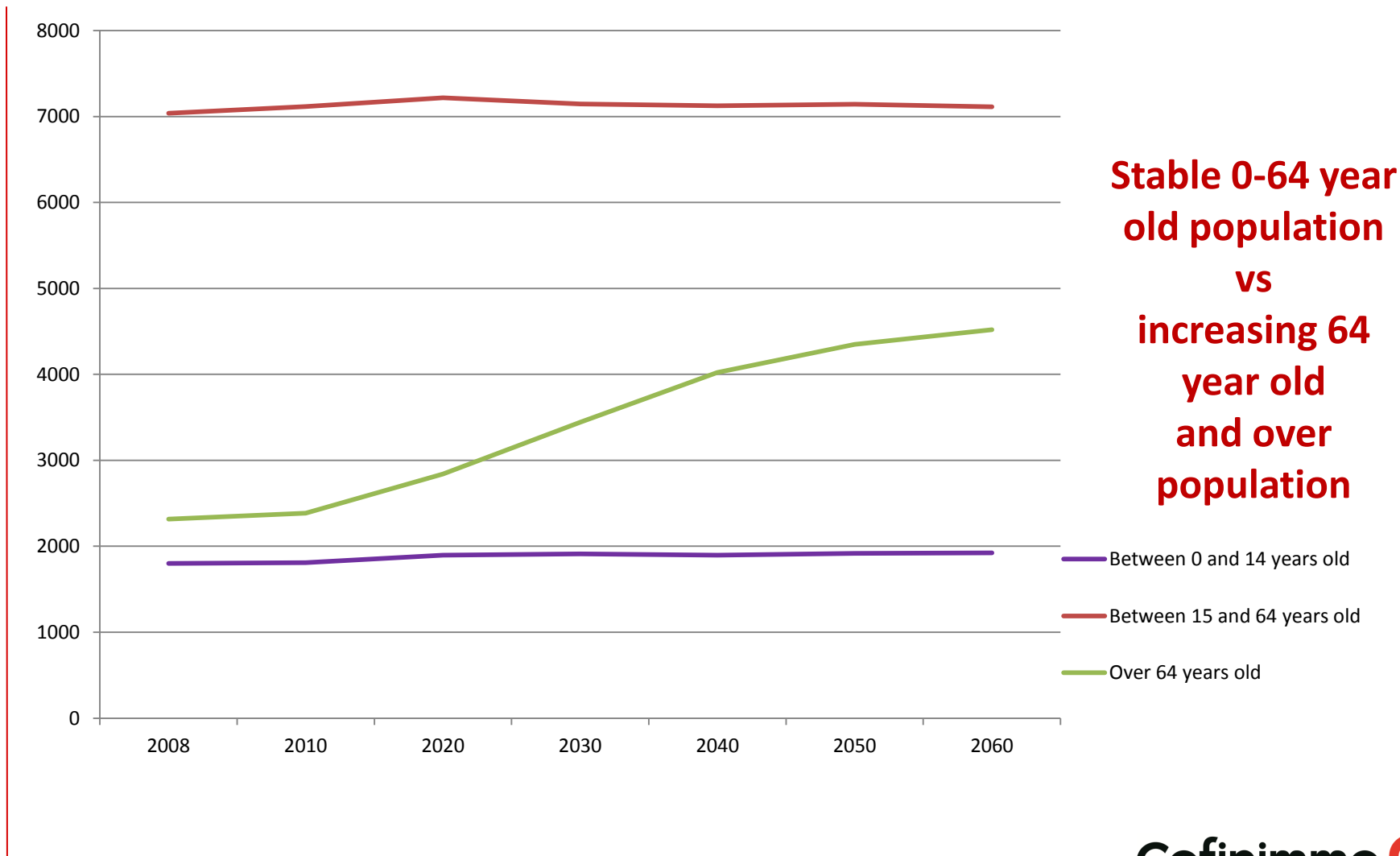
[www.w34.be](http://www.w34.be)



Source: Hoox



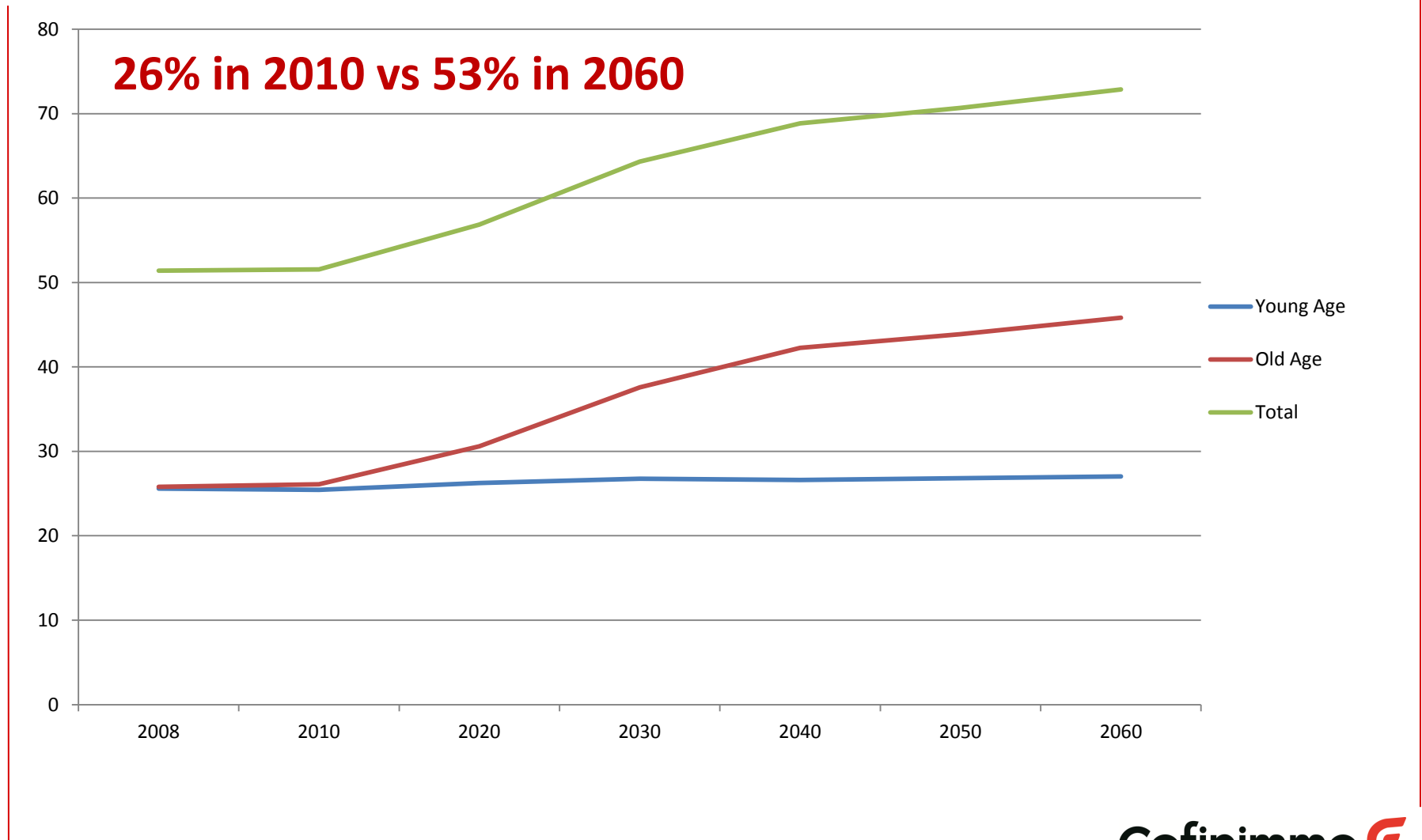
# 4. Age population evolution in Belgium 2008-2060 (in 000)



Source: Eurostat, EUROPOP2008 convergence ratio



## 4. Dependency age ratio 2008-2060 (in %)



Source: Eurostat, EUROPOP2008 convergence ratio





## 4. Healthcare properties market capacity

Beds in Residential Care Units (source: Riziv, Aug 2010)



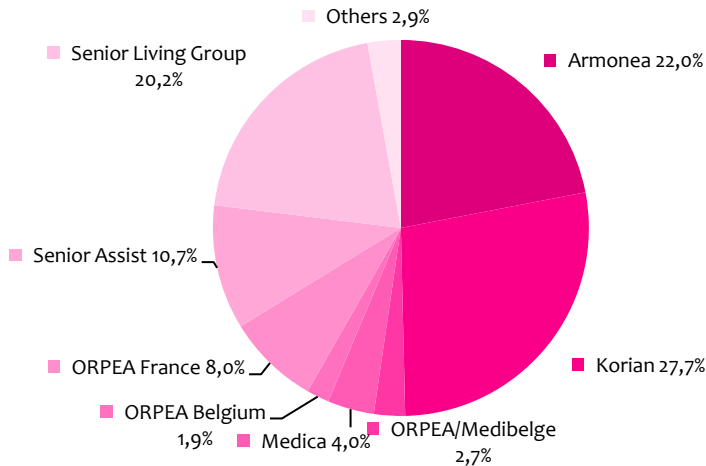
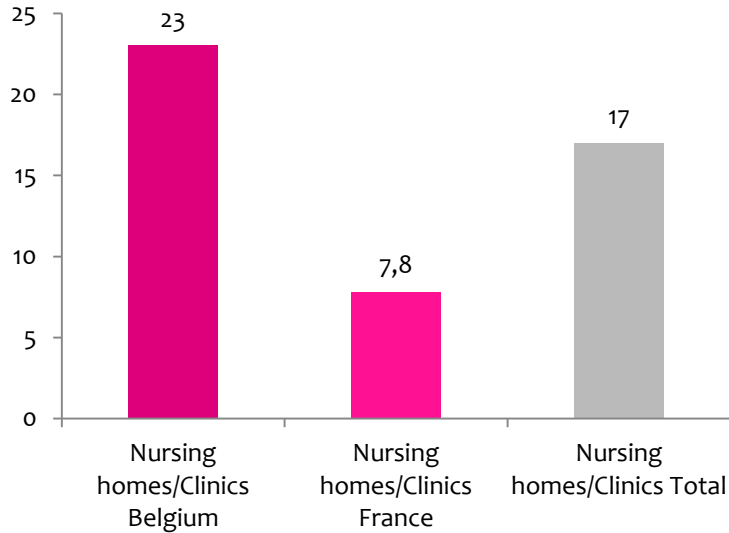
Current capacity : 131.000 beds in Belgium

Needed capacity in 2050: +180.000 beds (source: Bureau du Plan)

Strict capacity planning by Belgian Authorities



# 4. Cofinimmo healthcare segment overview



## Market:

Significant potential due to demographic trends

Strict authorisation and accreditation system, constituting a high barrier to entry

Revenues from operators guaranteed by social security: 50% in Belgium and up to 30% in France

Attractive residual value and redevelopment potential at end of lease

## Cofinimmo:

Long-term contractual relationships: 27 years in Belgium and 12 years in France

Fixed rents from operators, indexed annually

Credit risk on operator groups, not on individual units

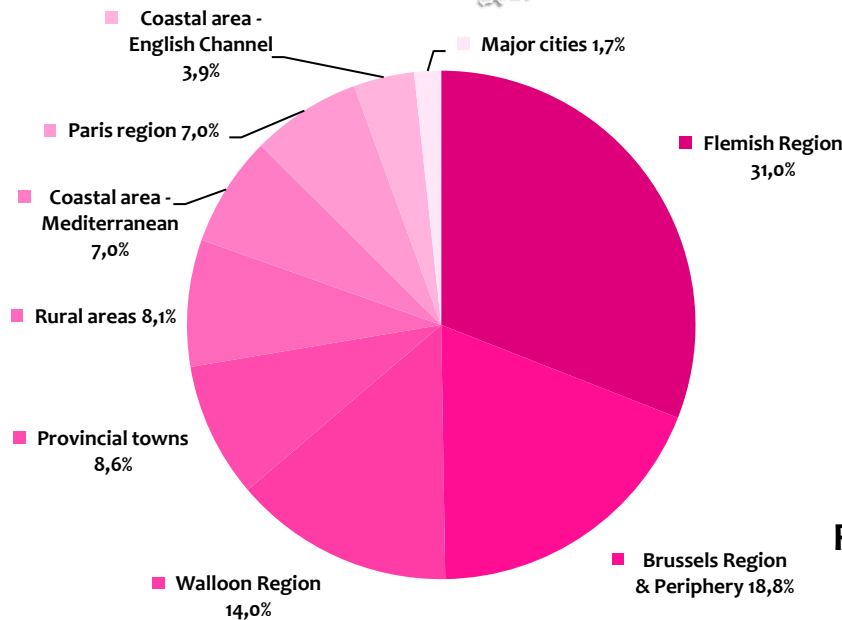
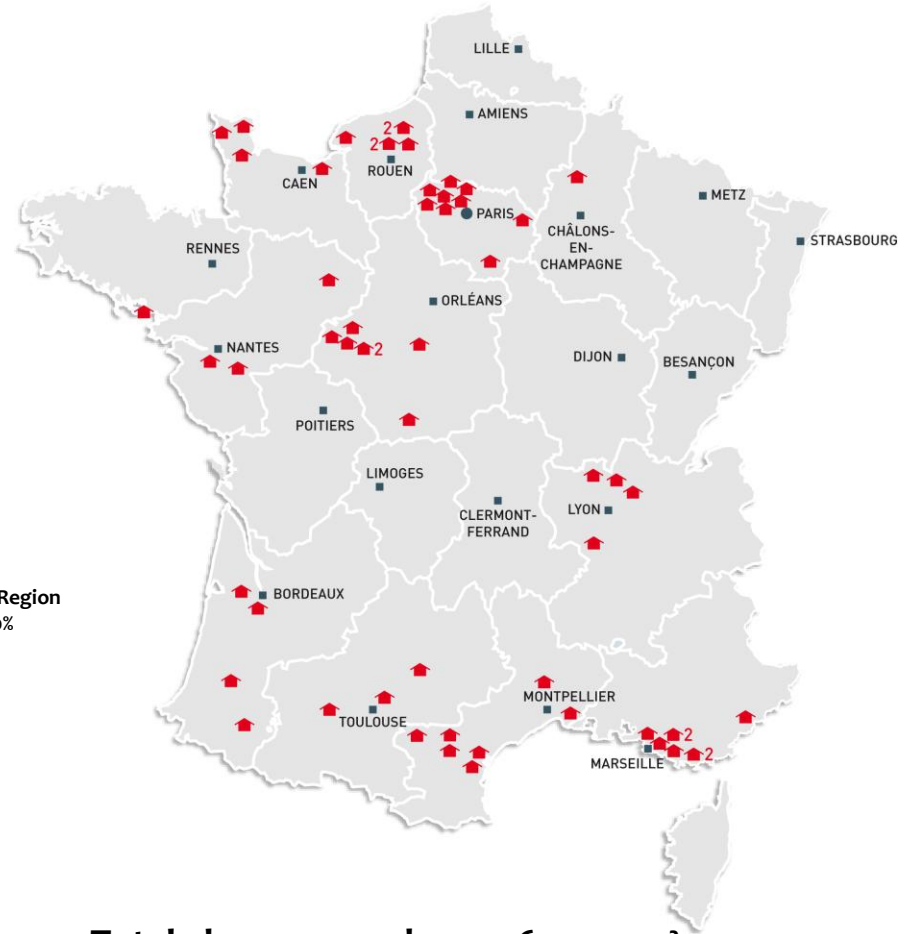
Mostly triple net leases or limited maintenance obligation

In-house Project Management department specialised in this segment



# 4. Cofinimmo healthcare properties portfolio

126 properties, accounting for 13.100 beds: 8.300 in Belgium & 4.800 in France



Total aboveground area: 611,947m<sup>2</sup>  
 Fair value at 30.06.2012: €1,137.5 million.



# Healthcare properties



La Goélette – Equeurdreville Haïneville (FR)



Hélio Marin – Hyères (FR)



La Cambre – Brussels (B)



Prinsenpark – Genk (B)



## 4. Public Private Partnerships

**With a growing population:**

- **Increasing need for :**
  - **Schools**
  - **Student housings**
  - **Social housings**
  - **Public nursing homes**
  - **Police stations**
  - **Prisons, ...**
  
- **These projects are costly and often lead to private-public partnerships**



## 4. Public-Private Partnerships

### Police Station – Dendermonde

- Construction works delivered at the end of March 2012.
- 18-year lease to the Buildings Agency (Belgian Federal State) as from 01.04.2012, indexed annually.
- At the end of the lease, option for the Buildings Agency to:
  1. renew the lease for a minimum period of three years.
  2. vacate the building, or
  3. buy the building at a price equal to the conventional value depreciated at a 3% rate per year.
- € 15.57 million land included
- Initial gross yield: 7%
- Excellent energy performance: E12/K20 (legal requirements: E100/K45)





# 4. Public-Private Partnerships

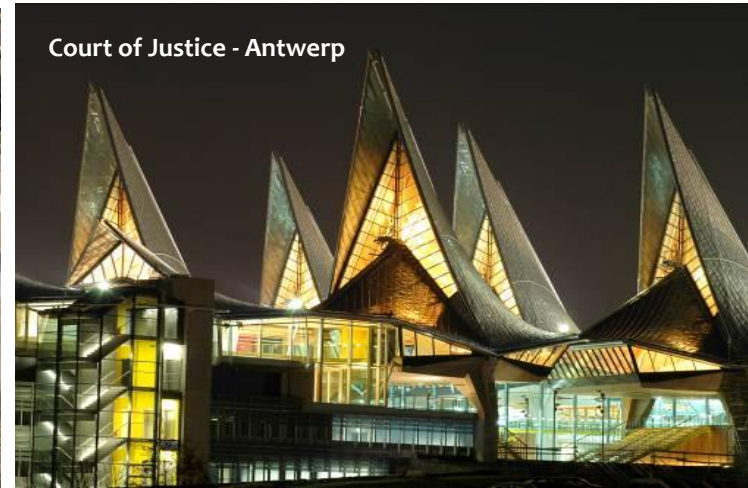
## Student housing - Brussels

- Cofinimmo won the ULB (“Université Libre de Bruxelles”) tender for a Public-Private Partnership for “works and services relating to student residence buildings”.
- 2 buildings:
  - “Courses”: 242 rooms, in need of complete renovation;
  - “Depage”: 104 rooms, in good condition.
- Owner ULB grants long lease right (“emphytéose”) of 27 years to Cofinimmo.
- Cofinimmo signs lease with ULB who will rent both buildings for 27 years. Cofinimmo is responsible for the technical maintenance of the buildings. At the end of the lease, the full ownership of the buildings reverts to the ULB.
- Annual rent: €1.21 million, indexed annually.
- Estimated total investment: €14.2 million
- Net internal rate of return: 6.60%
- Renovation works started in H1 2012 and to end in Q3 2013





# Public-Private Partnerships









# Disclaimer

This presentation is directed to financial analysts and institutional investors and is not to be considered as an incentive to invest or as an offer to acquire Cofinimmo shares. The information herein is extracted from Cofinimmo annual and half-yearly reports and press releases but does not reproduce the whole content of these documents. Only the French annual and half-yearly reports and press releases form legal evidence.

# together in real estate

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