

“Cash is King III”- Presentation by Serge Fautré, CEO

PWC - 29 February 2012



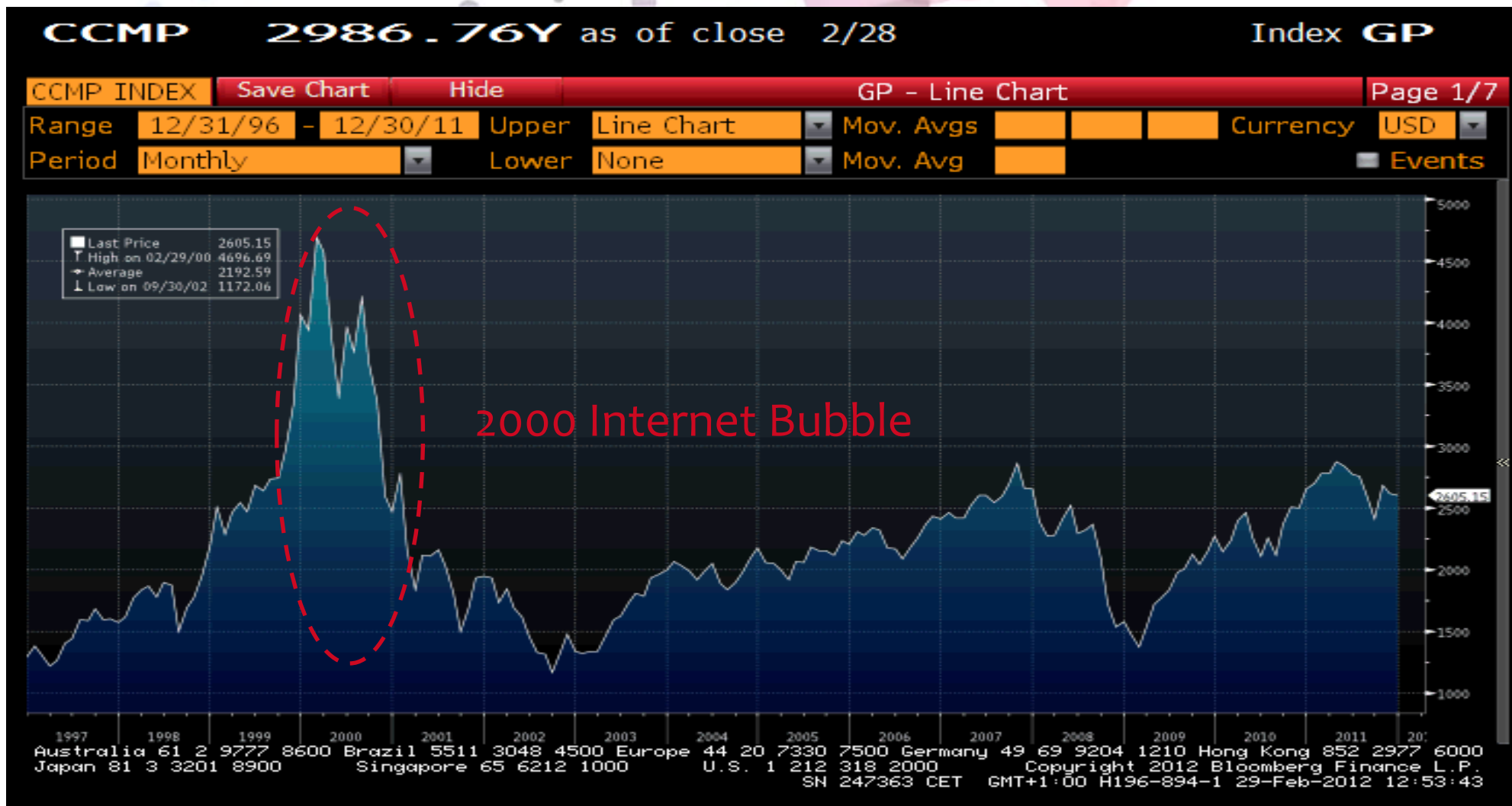
Track record in the Belgian property market for
>25 years

Cofinimmo 

Where are we coming from?

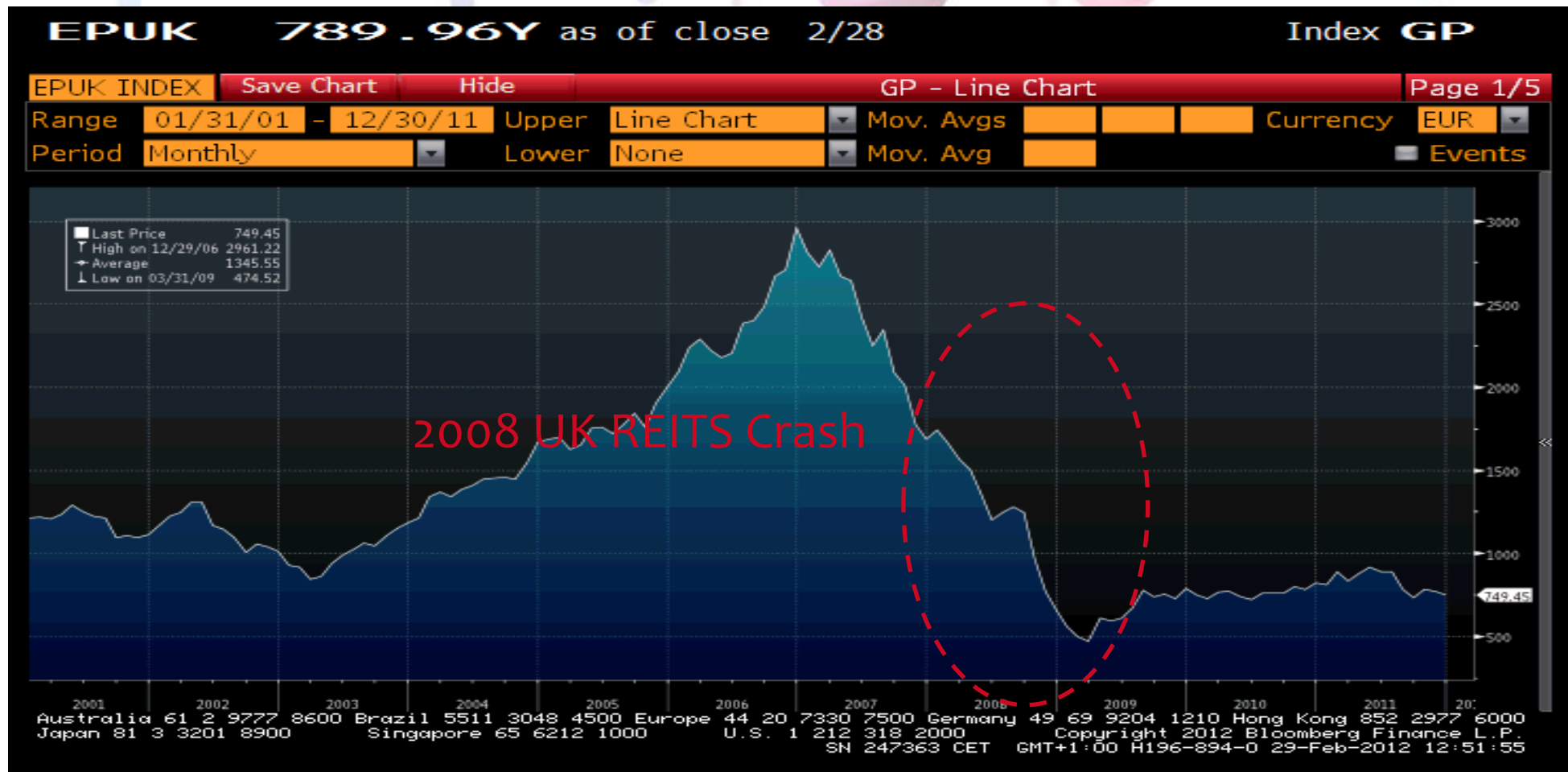
- ☞ Internet Bubble in 2000
- ☞ UK REITS crash in 2008
- ☞ Decrease of interest rates in Europe
- ☞ Risk free rates: Is the German Bund the obvious choice?
- ☞ Comparing leases values per maturity

Internet Bubble in 2000



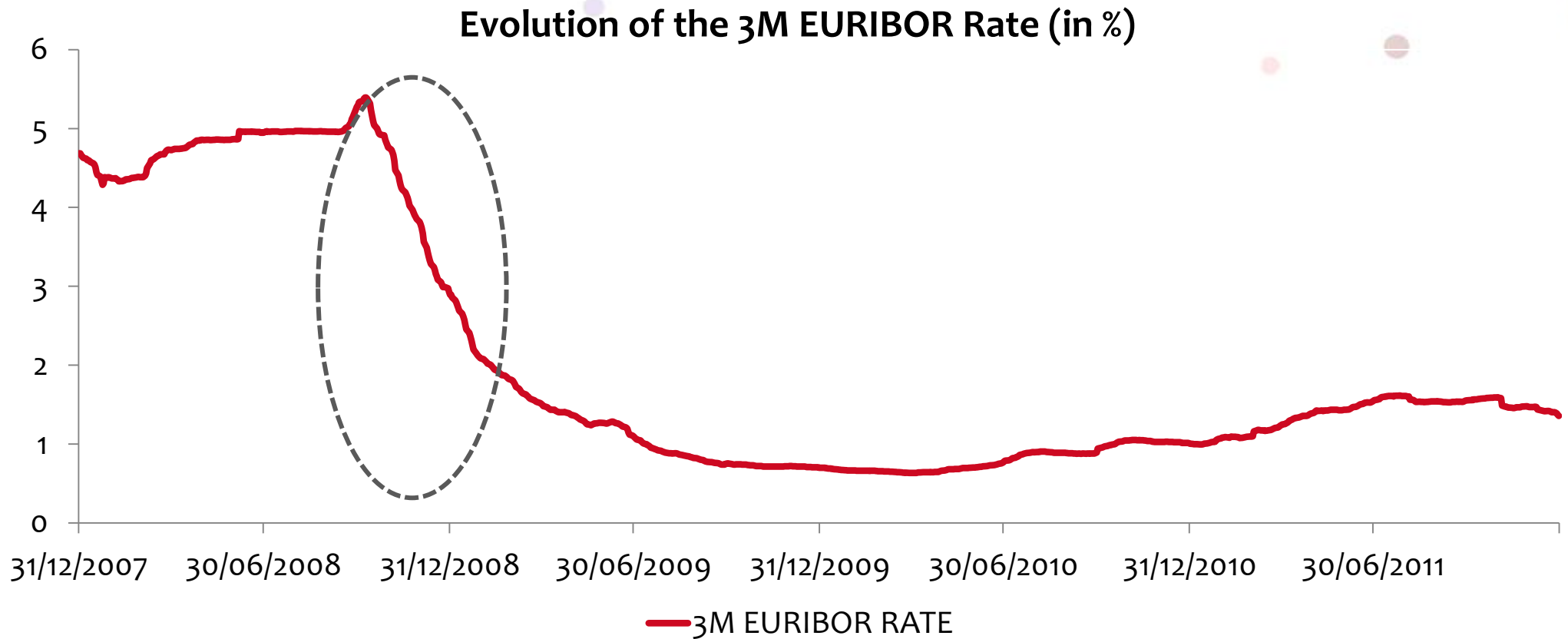
In 2000, the NASDAQ Index observed a negative performance of -39%

UK REITS Crash in 2008



- EPRA UK Index fell by more than 60% in 2008
- Turmoil in UK REITS shares prices in 2008 was accompanied by a fall in UK market rents valuation with historical discount to NAV

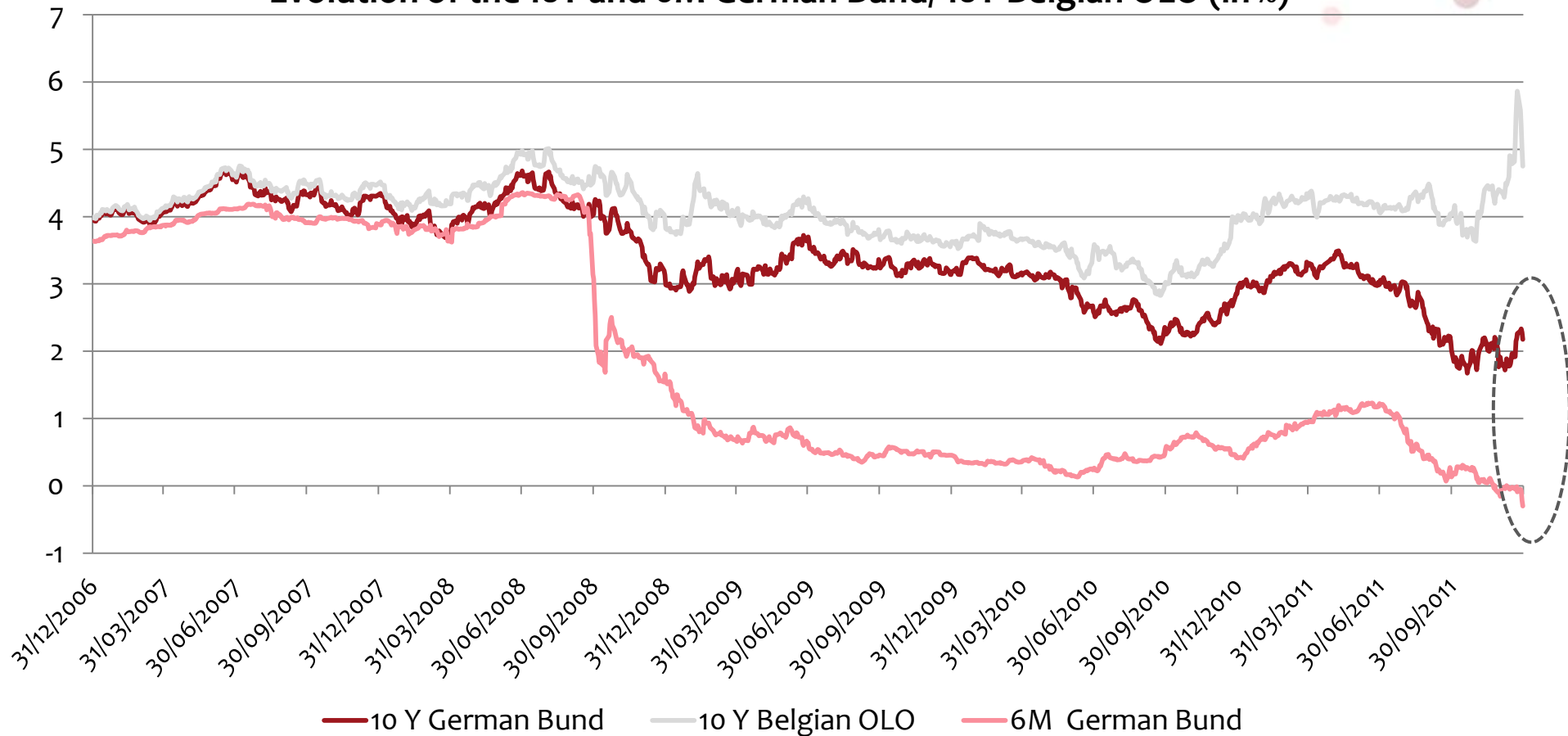
Decrease of EUR interest rates



Since mid 2008 sharp decrease of interest rates in Europe

Risk free rate: Is the German Bund the obvious choice?

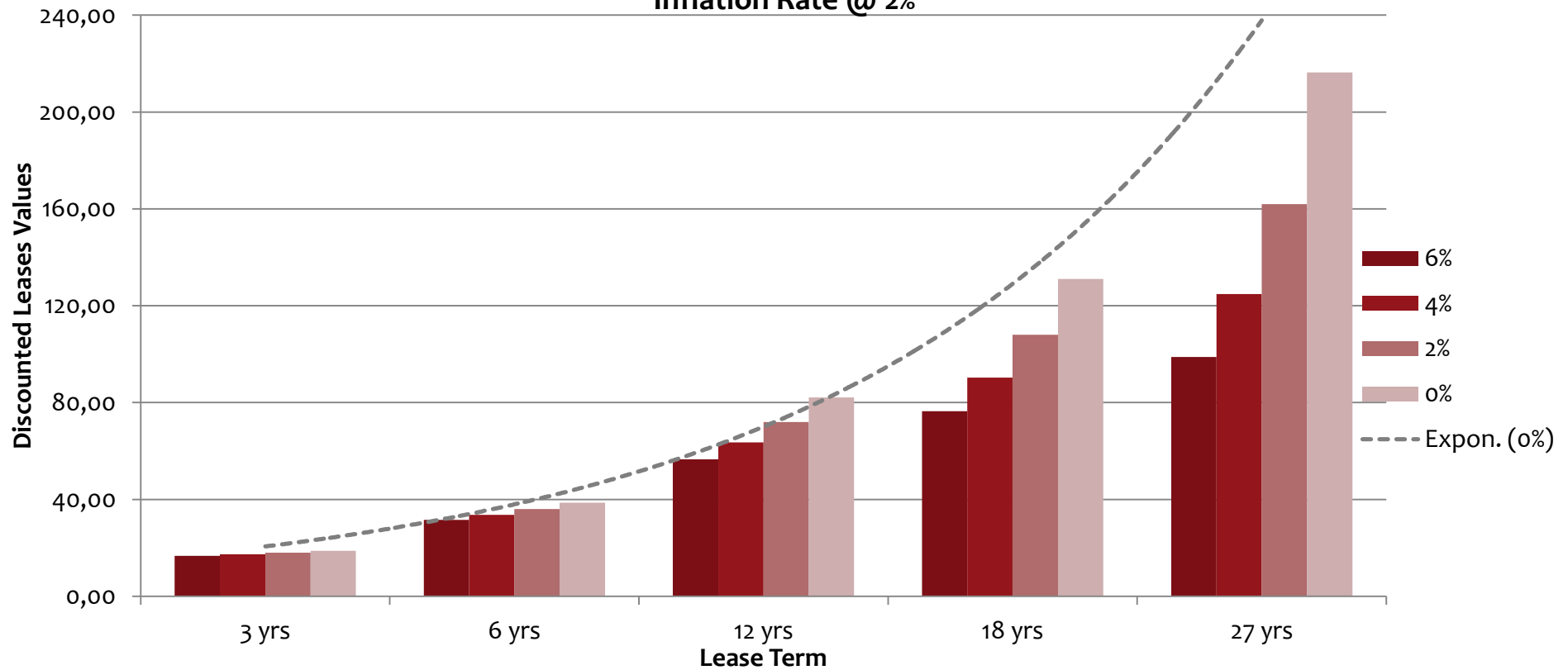
Evolution of the 10Y and 6M German Bund/ 10Y Belgian OLO (in %)



- 6M German Bund at -0.3% at 31.12.2011
- 10Y Belgian OLO spread vs. 10Y German Bund : 175 bps at 24.02.2012

Comparing Leases Values per Maturity

Lease Value per Maturity
Nominal Value = 100
Yield @ 6%
Inflation Rate @ 2%



- Positive impact of the lease term in the leases valuation
- With a risk free rate at 2%, a 18Y lease is valued > nominal value

Cofinimmo in a nutshell

- ☞ Cofinimmo today
- ☞ Track record in the property market
- ☞ Global portfolio – portfolio spread



*The traditional theory on diversification "Don't put your eggs in one basket"
(Photo courtesy of www.moneywise.co.uk)*

Cofinimmo today

- ☞ Leading Belgian listed real estate investment company exposed to the office property market in Brussels, nursing homes in Belgium and France and distribution property networks in Belgium, the Netherlands and France.
- ☞ Total portfolio fair value of >€3 billion.
- ☞ SICAFI status in Belgium and SIIC status in France.
- ☞ Internal real estate management platform with 110 employees.
- ☞ Two longest shareholders (<5%) are Dexia Insurance and Allianz Belgium.
- ☞ Included in major indices: BEL20, EPRA Europe, GPR 250.
- ☞ Total market capitalisation at 31.12.2011: €1.35 billion.

Track record in the property market

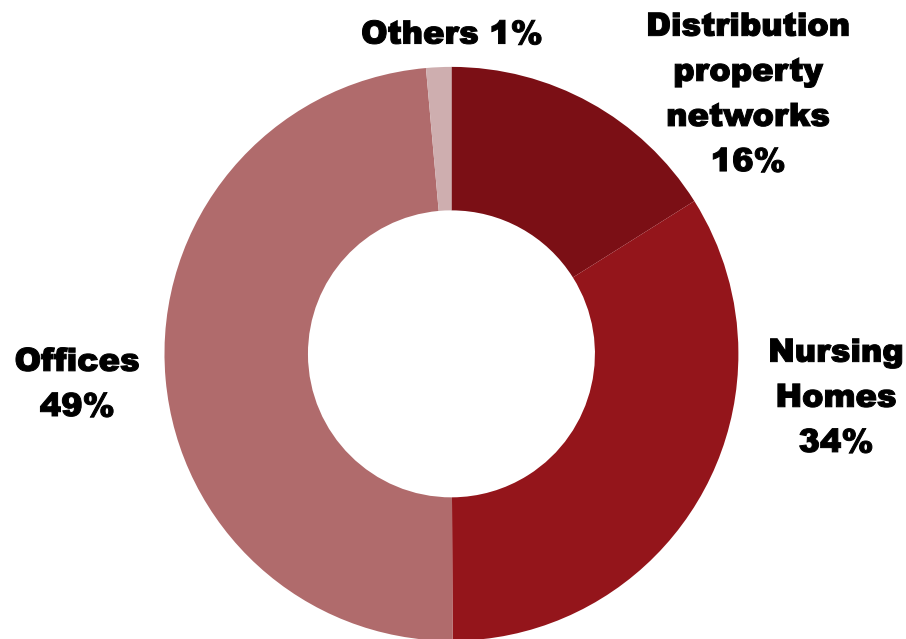
- ☞ Diversification strategy started by Cofinimmo in 2005, from 100% in Belgian offices, allowed Cofinimmo to enlarge its portfolio to the nursing homes/clinics segment
- ☞ In 2007, first distribution property networks contract with the acquisition of AbInBev pubs portfolio in Belgium and Netherlands (AbInBev retains 10% interest)
- ☞ During 2010-2011: Cofinimmo reinforces its position in healthcare real estate assets and becomes a European leader in the nursing homes segment
- ☞ In December 2011, with the acquisition of the MAAF branches, Cofinimmo improves the overall composition of its portfolio and reinforces its distribution property networks segment which now accounts for 16.5% of Cofinimmo's portfolio
- ☞ End 2011, the percentage of the office buildings segment is below the 50% mark



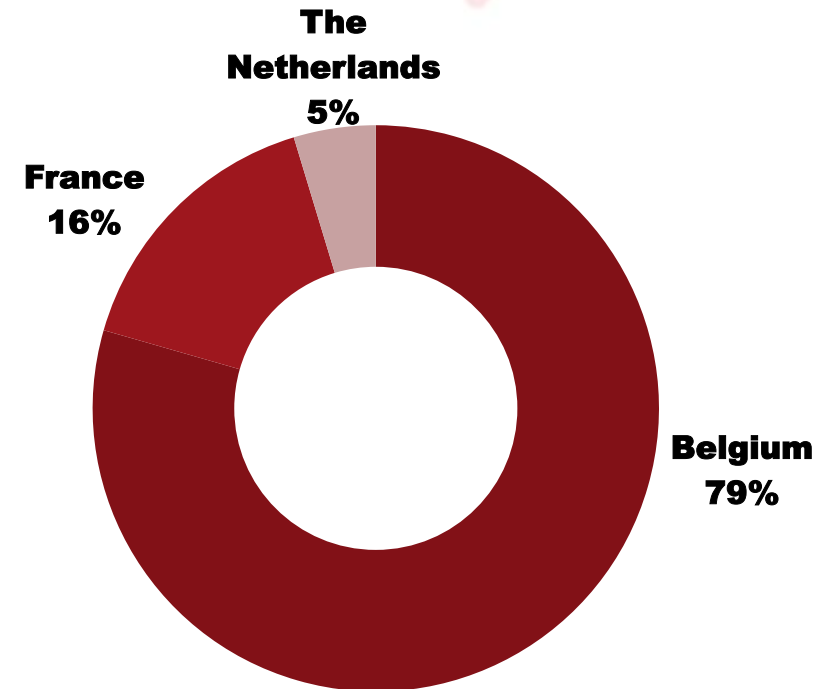
Cofinimmo 

Global Portfolio – Portfolio Spread

Portfolio mix by segment (in fair value)



Portfolio mix by country (in fair value)



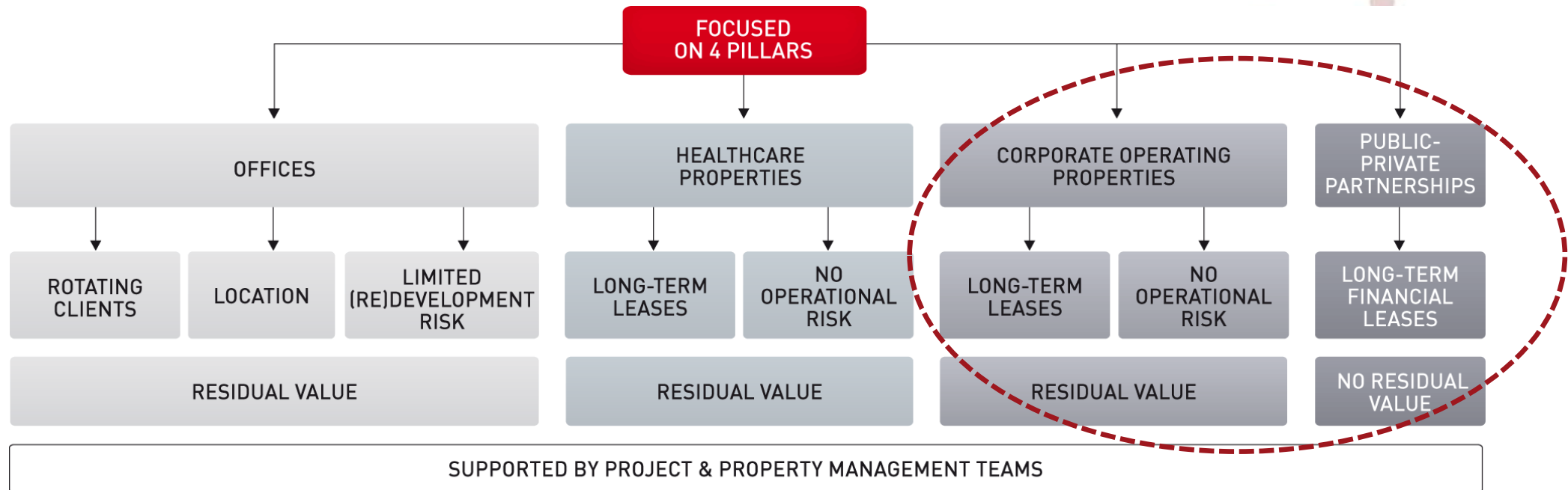
- Diversified portfolio in line with European peers (32.9% of RE companies with diversified portfolio, only 13% pure player office buildings)
- Offices segment: from 56% at 31.12.2010 to 49% at 31.12.2011 (<45% in m2)
- Internationalisation of the portfolio with investments outside Belgium > 20%

Investment Strategy

- ☞ Long term leases driving investment
- ☞ Long term leases maturity offering cash flows protection
- ☞ Transforming stable cash flows into dividends

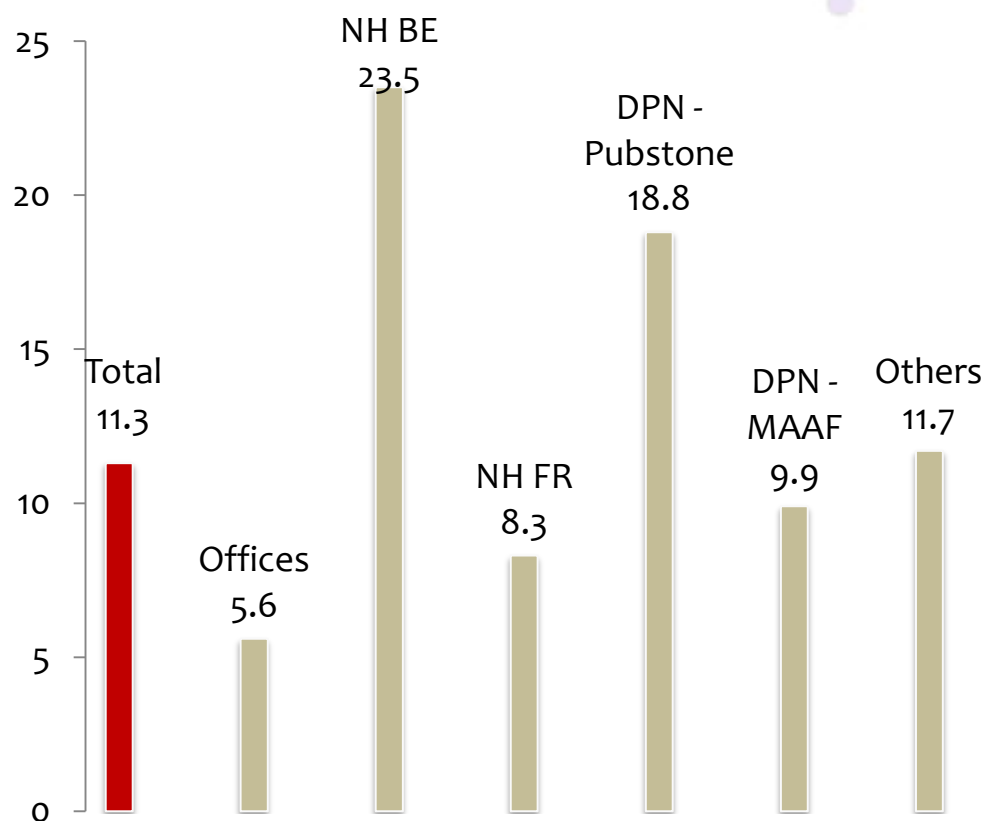


Long term leases driving investment strategy



- Since 2005, Cofinimmo transformed its portfolio, shifting away from 100% in offices to a diversified portfolio offering secure and long term income stream
- In addition to nursing homes, increasing partnerships with public and private sector providing longer term lease contracts

Long term lease maturity offering cash flows protection

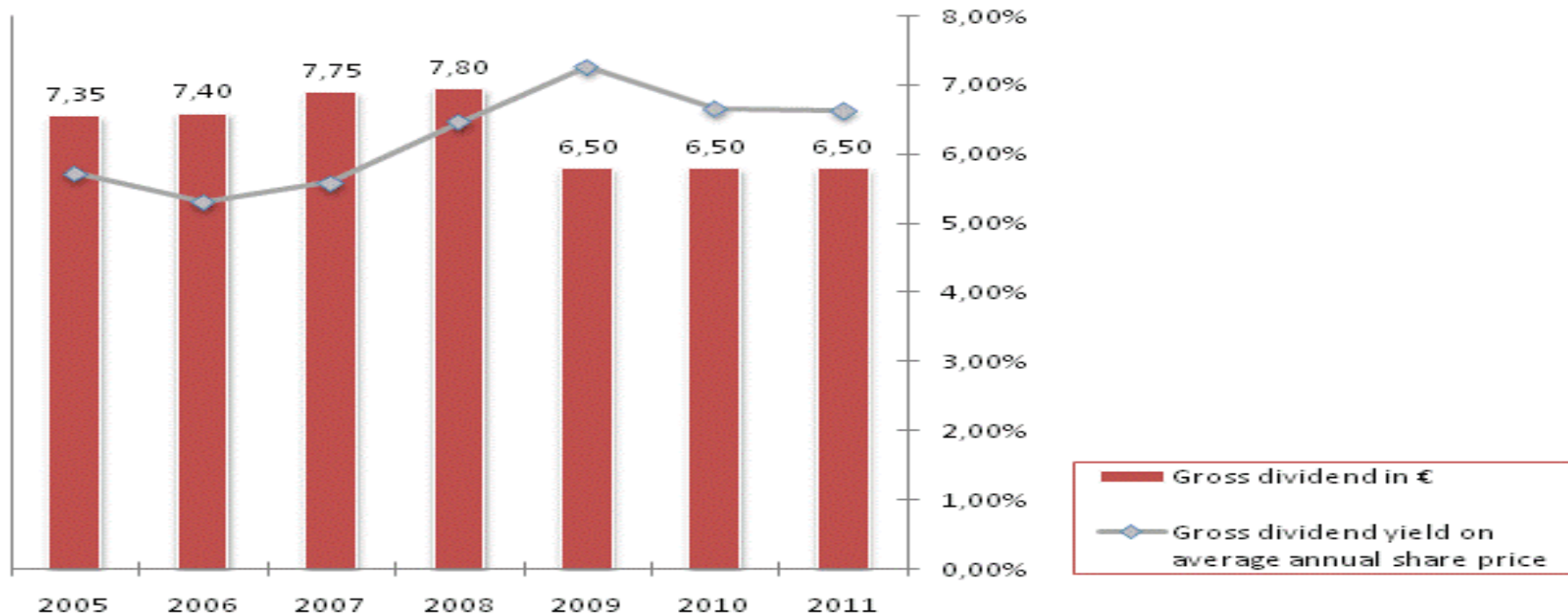


Lease maturity by property type –before first break (years)

Cash flow protection through the different pillars

- **Offices:** > 35% of public institutions offering high stability in the rental income
- **Nursing Homes:** lease terms of 27 years in Belgium and 12 years in France
- **Distribution Property Networks:** Pubstone and MAAF portfolio offering long term leases
- **Private Public Partnerships:** long term financial leases – no residual value

Transforming stable cash flows into dividend



- Cofinimmo mission: maximize long term value for the shareholders
- Stable dividend since 2009
- 2011 gross dividend per ordinary share at € 6.50 to be proposed to the Annual General Meeting of shareholders on 27.04.2012

Cofinimmo in the stock market

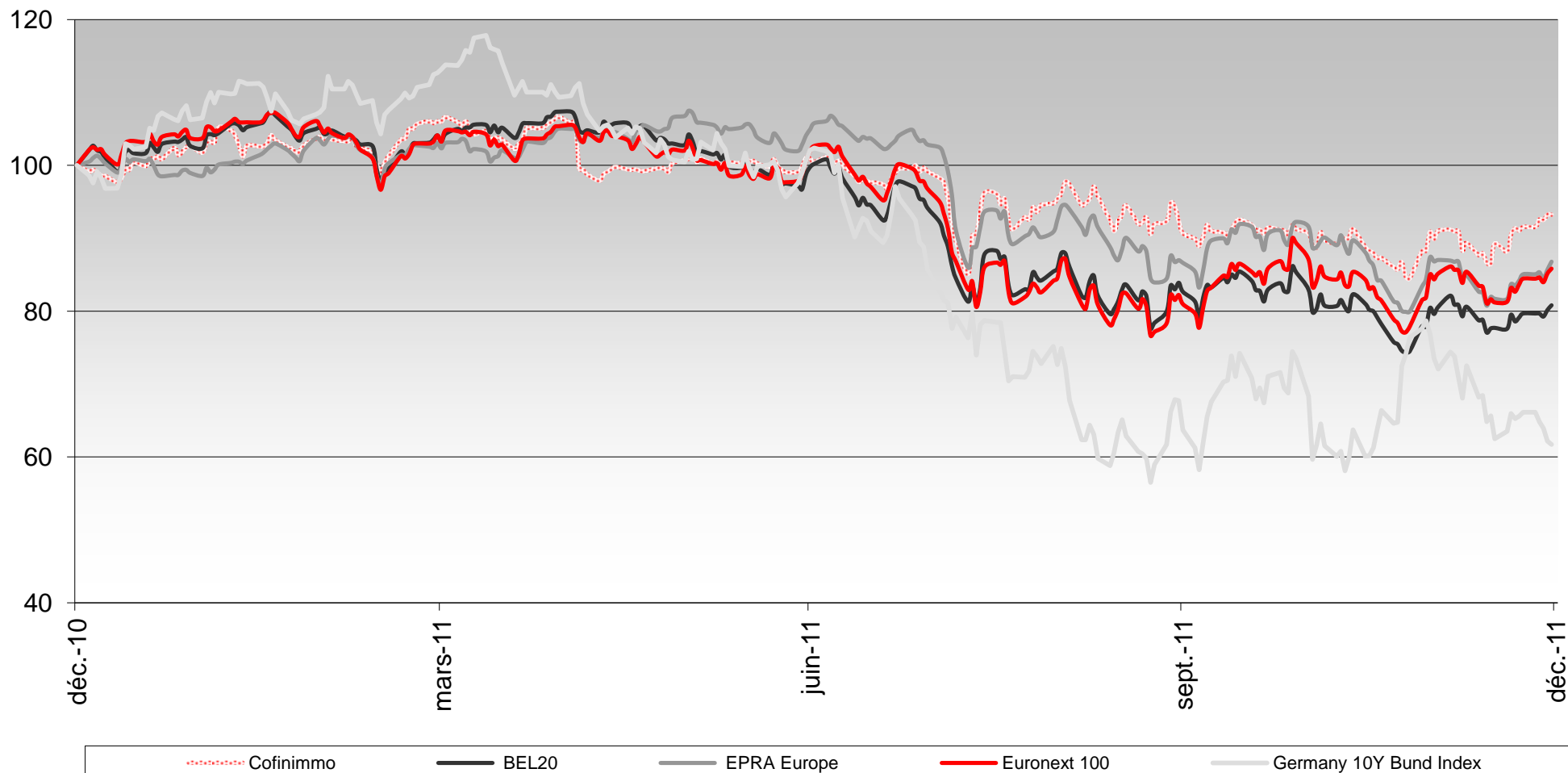
- ☞ Stock performance in 2011
- ☞ Comparative Total Return



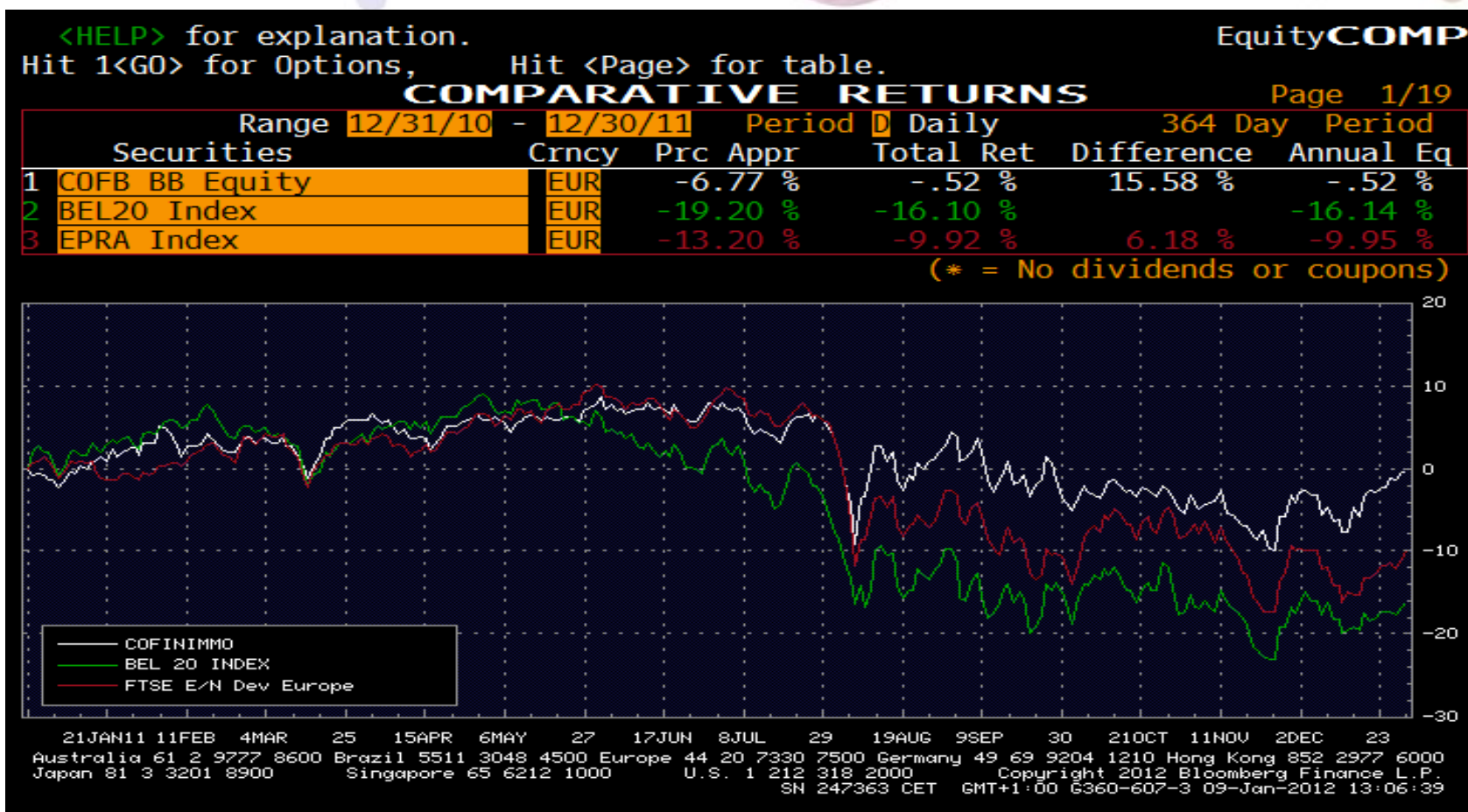
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Stock performance in 2011

Stock performance in 2011 (in %)



Comparative total return



Annual total return for 2011 (excluded the reinvestment of the dividend) of -0.52% above the BEL 20 and EPRA indices with respectively -16.14% and -9.95%

Strategy put in practice: Examples of long term real estate partnerships

- ☞ Distribution property networks segment
- ☞ Pubstone transaction
- ☞ MAAF branches acquisition
- ☞ Cofinimmo 's experience in the distribution property networks segment



Distribution property networks segment

Key characteristics:

- ☞ Sale & lease back
- ☞ Strategic distribution network for the tenant activities
- ☞ Long term operating leases
- ☞ Low rental levels and attractive acquisition price per sqm
- ☞ City center or high visibility street location
- ☞ Large possibilities of alternative uses – local retail
- ☞ If vacated these assets attract interest from local investors
- ☞ Granularity - small unit values – residual value risk widely spread
- ☞ End 2011, Pubstone and MAAF branches portfolio regrouped under the segment



Pubstone transaction: sale & lease back operation with AB InBev

At the end of 2007, Cofinimmo invested €429 million to acquire AB InBev's pub portfolio in Belgium and in the Netherlands.

- ☞ Cofinimmo signed a global contract with AB InBev for a firm initial duration of minimum 23 years covering all pubs.
- ☞ AB InBev remains a 10% shareholder (“beer tie”).
- ☞ The lease contracts are strategic for AB InBev as they guarantee beer distribution.
- ☞ AB InBev remains responsible for its long-standing relationships with the pub operators.
- ☞ Cofinimmo is responsible for the structural maintenance costs (walls, roofs and facades).
- ☞ At AB InBev's discretion, Cofinimmo can accompany its lessee:
 - in its growth, through the acquisition of new pubs;
 - in the disposal of pubs considered by AB InBev as being less strategic.



Pubstone portfolio composition & lease term

☞ **Portfolio composition: 1,064 properties (floor area of 343,127m²)**

- 819 properties are located in Belgium
- 245 properties are located in the Netherlands

☞ **Fair value at 31.12.2011: €407,31 million**

☞ **Lease terms:**

- Initial rent: €27.02 million
- Initial gross rental yield: 6.30%
- **Very long lease contract: 54 years**
 - Initial lease term of 27 years, renewable at AB InBev's discretion for another period of 27 years
 - Cancellation option of 1.75% per annum from year 7 onward (~ no cancellation during an initial period of 6 years)
- Vacant terminated properties can either be relet to other operators, redeveloped or sold.
- AB InBev must return the premises fully vacant or otherwise continue to pay the contractual rent until the asset is vacant.
- No pub is leased directly to an individual operator.
- Call option at market price for AB InBev at the end of the initial lease term



About AB InBev

- ☞ AB InBev is a publicly traded company listed on Euronext, based in Leuven, Belgium
- ☞ The company's origins date back to 1366 and today is the leading global brewer
- ☞ AB InBev has a portfolio of more than 200 beer brands- Top 5 consumer products company
- ☞ AB InBev employs some 114 000 people, running operations in over countries across the Americas, Europe and Asia Pacific
- ☞ In 2010, AB InBev realized 36.3 billion US dollars of revenues.

MAAF branches acquisition: sales & lease back operation with Covéa Group

- ☞ Sales & leases back of all 285 owned by MAAF.
- ☞ Total surface of 60 411 m² -All sites located in France .
- ☞ Total investment of € 107.6 million (price of € 1 781/m²).
- ☞ MAAF Assurances SA is sole tenant of the properties.
- ☞ Indexed leases with an average weighted duration of 9.7 years
- ☞ Annual indexation based on the commercial leases index (“ ILC”).
- ☞ Rental income: € 7.86 million per annum (rent of € 130/m²).
- ☞ Gross yield of 7.31%.
- ☞ Renovation and compliance works on 219 sites to be undertaken by MAAF, at their own cost, before 2017, for €79.3 million.



Presentation of the MAAF branches acquisition

☞ Portfolio acquired by a newly formed subsidiary of Cofinimmo, Cofinimur I SA (“Cofinimur”):

- Cofinimur**
- Capital and voting rights:
 - Cofinimmo SA: 97,65%
 - Foncière Atland: 2,35%
 - SIIC status

☞ Foncière Atland REIM responsible for

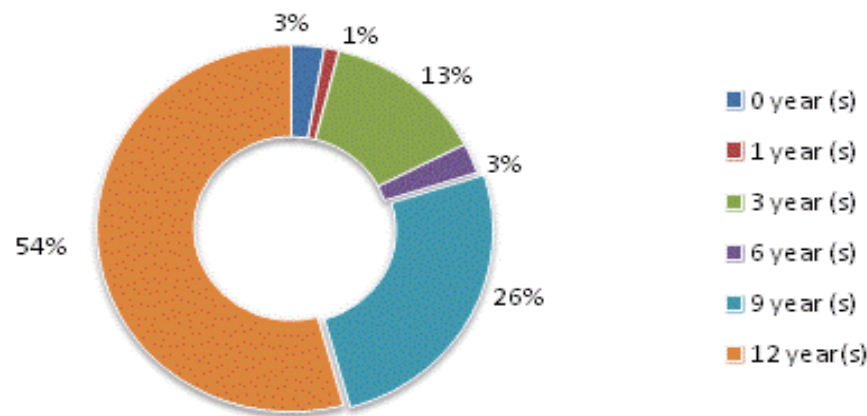
☞ asset management

☞ property management

Description of the MAAF portfolio (1)

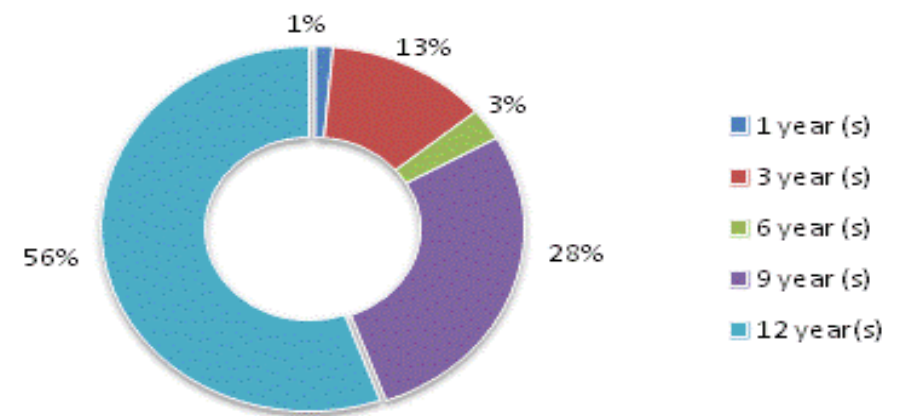
- ☞ Portfolio of 270 branches and 15 properties used mainly as offices
- ☞ Weighted average lease term of 9.7 years
- ☞ 83% of rental income comes from fixed leases for 9/12 year, 3% from 6/9 year leases and 13% from 3/6/9 year leases. The remaining is vacant or 1 year leases.

Breakdown by leases term - in weighted surface (in%)



Total weighted surface : 60.411 m²

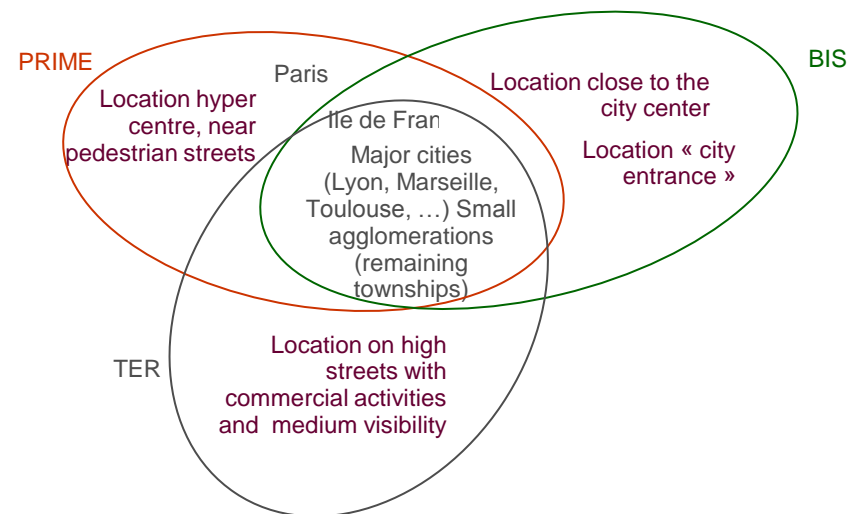
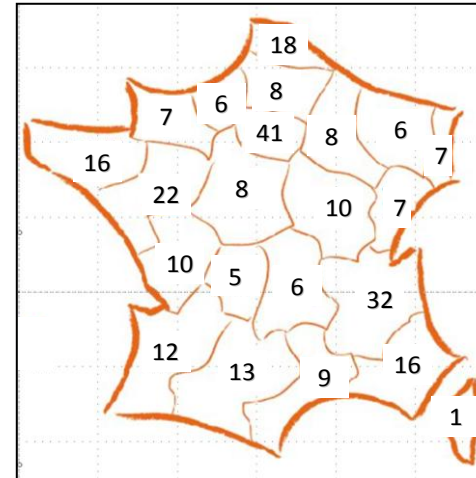
Breakdown by leases term - in rental income (in %)



Rental income p.a. : € 7.86 million

Description of the MAAF portfolio (2)

- ☞ Out of a total of 587 branches constituting the total MAAF network in France (the other 317 already rented)
- ☞ 15 sites rented by GIE Europac (guarantee of MAAF)
- ☞ Total surface of 60 411 m²
- ☞ 2/3 of the portfolio is located in geographical areas with high population growth (“Ile- de- France”, PACA region and Western France)
- ☞ 55% of the sites are located in cities with more than 50.000 inhabitants
- ☞ Prime, Bis and Ter locations



About MAAF Assurances SA

- ☞ MAAF is part of the Covéa Group, a mutual insurance company
- ☞ Multi-line insurer aimed at the general public, private individuals and businesses
- ☞ 587 branches in France –sales network operated by employees (--> no subletting)
- ☞ MAAF with 2 others brands of the Covéa Group (MMA and GMF) account for 20% of the French insurance market.
- ☞ Renovation and compliance works of branches and offices before 2017 financed by MAAF for € 79.3 million (from € 1300/m2 to € 1800/m2).
- ☞ Key MAAF figures on 31.12.2010:
 - Income € 3 915 million
 - Net Result –Group Share € 134 million
 - Equity € 2 502 million
 - Members and clients 4.1 million

About Foncière Atland

- ☞ Foncière Atland is a real estate investment trust (SIIC), listed on Euronext Paris. It operates in the “Ile-de-France” region and in the French regions
- ☞ Key player in the sector through 3 business lines :
 - Outsourcing of property assets
 - Construction on own account and development of turnkey properties for rent
 - Opportunistic investments
- ☞ Portfolio of € 100 million own assets and € 170 million assets under management mainly within corporate partnerships
- ☞ Foncière Atland REIM is responsible for the asset management and the property management of the MAAF 285 sites portfolio

Cofinimmo 's experience in the distribution property networks segment

☞ Decision to invest in this segment motivated by:

☞ Increased diversification of assets

☞ Attractive yield

☞ Recurrent cash flows

☞ Attractive values/m²

☞ Acquisition of MAAF properties portfolio was a further step in the Cofinimmo portfolio diversification strategy and cash flows protection

The Business of Public-Private Partnerships

- ☞ Public Private partnerships (PPP)
- ☞ Previous Developments in PPP
- ☞ Examples of recent developments in PPP



PUBLIC-PRIVATE PARTNERSHIPS (PPP)

Key characteristics:

- ☞ Long-term lease with public authority
- ☞ Usually financial leases with option to buy “for free” at the end of the lease
- ☞ Receivables sold or partly sold in some cases
- ☞ Public authorities have a growing requirement to optimise their accommodation standards and to be relieved of the construction responsibility
- ☞ Construction risk remains with the contractor; Cofinimmo supervises the quality of the work
- ☞ Cofinimmo takes charge of the upkeep and maintenance obligations
- ☞ **“Fees” business for Cofinimmo**



Previous Developments in PPP

€ Fire Station of Antwerp - €30M (delivered in 2008)

- 37 years finance lease with the City of Antwerp, at the end transferred for free.
- €1.7M annual rent - Cofinimmo responsible for maintenance.
- receivables sold.

€ Police Station HEKLA zone (Antwerp) - €7M (delivered in 2008)

- 27 years rented to Police - at the end call option for €0.2M
- €0.5M annual rent - Cofinimmo responsible for maintenance.

€ Court of Justice in Antwerp (delivered in 2005)

- 36 years rented to Buildings Agency, at the end option to buy the asset for €101M, extend the lease or leave the property.
- Cofinimmo responsible for maintenance and insurance,
- Receivables partly sold (91.5%).



Examples of Recent Developments in PPP

☞ In 2011, Cofinimmo reinforced its Public-Private partnership activities.

☞ **Police Station in Dendermonde (delivery in 2012) - €15M**

- 18 years rented to Buildings Agency
- DBFM model
- property with excellent energy performance (<E35).

☞ **Prison of Leuze-en-Hainaut (delivery end 2013) - €104 M**

- 25 years rented to Buildings Agency, at the end transferred for free
- €7.4M annual rent (+ maintenance and other fees)
- DBFM model
- IRR: 10%
- BREEAM 'Excellent' certification aimed.
- Receivables partly sold (90%).



CONCLUSION

☞ Cofinimmo Mission

☞ Cash Flow is King

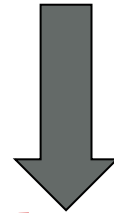
☞ Q&A



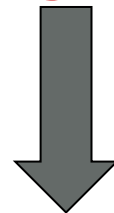
**KEYS TO
SUCCESS**

Cofinimmo Mission

☞ Cofinimmo diversification strategy aiming at lengthening the portfolio average lease maturity



☞ Long term leases provide recurring cash flows with better protection against market 'shocks'



☞ Cash flows are transformed into dividend maximizing value for Cofinimmo shareholders



CASH FLOW IS



KING

COMPLIMENTS OF LEASING NEWS, INC.

‘Profit is an estimate, Cash Flow is a fact’ (Source: J. Victor, 2011)



Q&A



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