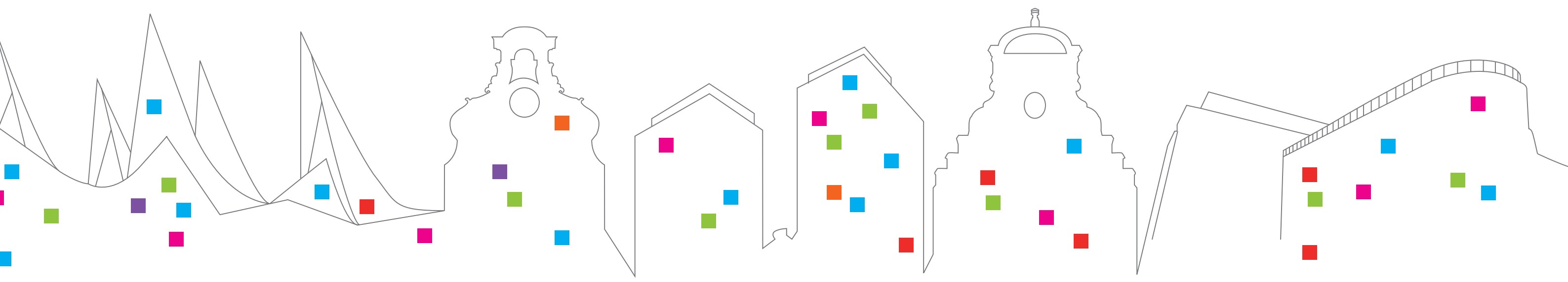
Cofinimmo
together in real estate

ANNUAL FINANCIAL REPORT 2013

30 years of innovation in listed real estate



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HISTORY

1983
Establishment.

1994
Listing on the Brussels Stock Exchange.

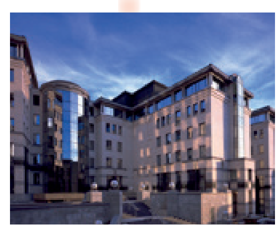
1996
Adoption of the Sicafi/Bevak regime.

1999
Internalisation of property management.

2000 › 2002
Acquisition of several large office portfolios.

2003
Inclusion in the BEL20, MSCI World and GPR15 indexes.

Acquisition of the North Galaxy towers.



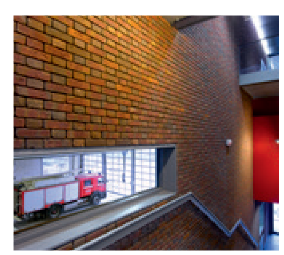
2004
Acquisition of the Egmont office complex.

Issue of preference shares.

2005
First investment in healthcare real estate in Belgium.

Award of the first Public-Private Partnership (PPP): the Antwerp Court House.

2006
Award of the PPPs relating to the Antwerp Fire Station and the HEKLA Police Station (Antwerp region).



2007
Partnership with the AB InBev Group concerning the acquisition of a large portfolio of cafés/restaurants located in Belgium and in the Netherlands (Pubstone).

2008
Establishment in France in the healthcare real estate segment.

Adoption of the SIIC regime.

2009 › 2011
Healthcare real estate is brought to one third of the portfolio.

2011
Acquisition of a large network of insurance agencies in France (Cofinimur I).

Issue of convertible bonds.

2012
Establishment in the Netherlands in the healthcare real estate segment.

Adoption of the FBI regime.

Launch of the construction of the prison of Leuze-en-Hainaut (PPP).

2013
Start of the reconversion works of office buildings into residential units (Woluwe 34 and Livingstone I).

Acquisition of two assets in the healthcare real estate segment in the Netherlands.

Cofinimmo

30 YEARS TOGETHER IN REAL ESTATE

WHO ARE WE?

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 (45.6%), healthcare real estate (36.7%) and property of distribution networks. The latter groups a portfolio of cafés/restaurants (Pubstone) and a portfolio of insurance agencies (Cofinimur I) and accounts for 16% of the global portfolio.

In total, the properties have a surface area of 1,853,467m² and a fair value of €3,347 million. The majority of the assets are located within the Belgian territory (79.2%). The foreign part represents 15.8% in France (healthcare real estate, portfolio of insurance agencies) and 5.0% in the Netherlands (portfolio of cafés/restaurants and healthcare real estate). The average weighed residual lease term of the current leases went from 6.7 years at the end of 2004 to 11.6 years at the end of 2013, an outstanding level among the European real estate companies.

Cofinimmo is an independent company, which manages its properties and tenant clients in-house. It is listed on Euronext Brussels, where it is included in the BEL20 index. The company's strategic priorities are the creation of long-term rental revenues, a sound relationship of trust with its clients and a sustainable management of its portfolio.

Its shareholders are private individuals and institutional investors from Belgium and abroad, looking for a moderate risk profile combined with a high dividend yield.

OUR MISSION

For 30 years, Cofinimmo's mission is to answer accommodation needs in specific buildings:

- corporate and public authorities' demand for flexible offices;
- demand for healthcare real estate from operators of homes for the elderly and of revalidation, psychiatric or acute care clinics;
- corporate demand for sale and leasebacks of their distribution networks;
- public authorities' need for purpose-built facilities.

The Group implements this strategy while rolling out a corporate responsibility policy in terms of energy performance of buildings under management and under construction. It also looks after its societal role vis-à-vis people and communities.

RISK FACTORS

This chapter covers the main risks faced by the company, their potential effects on its activity 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.

North Galaxy – Brussels

La Cambre/Ter Kameren – Brussels

MARKET

The markets in which the Cofinimmo Group operates are partly influenced by trends in the general economic climate. The office market, in particular, is influenced by economic trends, whereas the healthcare real estate sector, the property portfolio of distribution networks 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 of the economic climate in relation to the current situation	1. Negative impact on the demand and occupancy rate of space, as well as on the rents at which the properties can be relet. 2. Downwards review of the value of the property portfolio.	Healthcare real estate and the Public-Private Partnerships (together 37.3% of the portfolio under management) are insensitive or not very sensitive to variations of the general economic climate. (1,2) Long weighted average term of leases (11.6 years at 31.12.2013). (1,2) 35.4% of the office tenants belong to the public sector.
Deterioration of the economic climate in relation to the property portfolio of distribution networks	The property portfolio of distribution networks leased to industrial and service companies is subject to the impact that the general economic climate may have on these tenant companies.	The impact occurs at the end of the leases, which are long-term leases. The network functions as contact points for the tenant's customers and is therefore necessary for its commercial activity.
Reconversions of office properties into residential properties	Uncertainty around the price and the timing of the sales.	Sale before launch of the reconversion works.

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

PROPERTY PORTOFOLIO

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 reconverts 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 MEASURES AND FACTS
Inappropriate choice of investments or developments	1. Change in the Group's revenues 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 (independent expertise) valuations carried out for each property to be bought or sold. (1,2,3) Marketing of development projects before acquisition. (1,2,3)
Excessive development pipeline for own account	Uncertainty regarding future income.	Activity limited to maximum 10% of the fair value of the portfolio.
Poor management of major works	1. Budget and timing not respected. 2. Cost increase 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 change in the fair value of the properties	Negative impact on the net result, the net asset value and the debt ratio. At 31.12.2013, a 1% change in value would have had an impact of approximately €33.47 million on the net result and of approximately €1.90 on the intrinsic value per share (vs. respectively €33.09 million and €2.07 at 31.12.2012).It would also have had an impact of approximately 0.44% on the debt ratio (vs. 0.51% in 2012).	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. Main asset representing only 6.4% of the portfolio (see page 26).
Negative change in the fair value of property assets on the company's ability to distribute a dividend	Total or partial incapacity to pay a dividend if the cumulative changes in the 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 realised during mergers with the parent company, into distributable reserves[1].
Vacancy of the properties	1. Loss of rental income. 2. Downwards review 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. Decrease in value of the properties. At 31.12.2013, a 1% change in value would have had an impact of approximately €33.47 million on the net result and of approximately €1.90 on the intrinsic value per share (vs. respectively €33.09 and €2.07 at 31.12.2012).It would also have had an impact of approximately 0.44% on the debt ratio (vs. 0.51% in 2012).	(Pro)active commercial and property management by in-house letting and Property Management teams. (1,3) Long average term of leases (11.6 years) with maximum 9% expiring during a single year. (1,2,4) Preference given to long leases: the office properties are, when possible, let for a medium or even long term; the healthcare real estate properties for a very long term (initial length of 27 years in Belgium, 12 years in France and 15 years in the Netherlands); the cafés/restaurants for an initial term of minimum 23 years and the financial services agencies (let to MAAF) for an initial term of 9.7 years; the occupancy rate of the offices stands at 91.24%; that of the healthcare assets and the cafés/restaurants stands at 99.27%; that of the agencies at 98.94%. (1,2,4) At 31.12.2013, the occupancy rate of the total portfolio[2] stood at 95.43%, vs. 95.71% at 31.12.2012, i.e. a decrease of 0.28%.

[1] 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.

[2] The occupancy rate is calculated based on the contractual rents and the potential rents on unlet spaces.

Maintenance costs	Decrease in the results.	Almost all the leases for healthcare assets are triple net contracts; for the cafés/restaurants and agencies, the maintenance obligations are limited. For the offices, a strict periodic maintenance policy is applied.
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 €1.81 billion[1] (vs. a fair value, including land, of €1.50 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 the rotation of office tenants. It is in no way involved in the operational management of the healthcare assets, cafés/restaurants and insurance agencies.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	MITIGATING MEASURES AND FACTORS
Reduced solvency/ bankruptcy of clients	1. Loss of rental income. 2. Unexpected vacancy. 3. Commercial costs incurred for reletting. 4. Reletting at a lower price/granting of rent-free periods and incentives (offices).	Main clients: AB InBev 13.5%, Buildings Agency (Belgian Federal State) 12.6%, Medica/Senior Living Group 8.6%, Armonea 8.4%, Korian 7.7%. 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 of 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 are contractually invoiced to tenants. (1) The solvency risks on an individual nursing home are mutualised at the level of the operating Group. (2,3) Under the terms of the operating licences issued to healthcare operators in Belgium, France and the Netherlands, a large share of their income comes directly from the social security bodies. (1,2,3)
Predominance 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 13.5%, and the second largest belonging to the public sector. Several tenant operators of healthcare assets.
Non-renewal or early termination of leases	1. Vacancy. 2. Higher commercial costs caused by vacancy. 3. Negative reversion of rents. 4. Rent-free periods and other incentives granted.	(Pro)active Commercial and Property Management. (1,2,3) Permanent contacts of in-house letting team with real estate agencies. (1) All the leases provide for a compensation in case of early departure. (2) Rent-free periods/incentives complying with the market conditions and not endangering the solvency of the Group 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.

[1] These insurances cover 54.5% of the portfolio (100% if the insurances taken by the occupants are taken into account). This amount does not include insurances contracted during works, nor those for which the occupants are contractually responsible (i.e. for healthcare real estate in Belgium, in France and in the Netherlands, for the property of distribution networks, and for some office buildings). The corresponding insurance premium stands at €650,430.

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%[1] (Belgium), 95% (France)[2] or 100% (Netherlands) of its profits (see pages 202-203). 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 town-planning and environmental protection legislation.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	MITIGATINF 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 strict compliance with the obligations.
Non-compliance with the SIIC or the FBI regime	Loss of the fiscal transparency regime.	Professionalism of the teams ensuring strict compliance with the obligations.
Unfavourable changes to the Sicafi/ Bevak, SIIC or FBI regime	Decrease in the results or the net asset value.	Regular contact with the public authorities. Participation in associations and federations representing the sector.
Changes to the town-planning or environmental legislation	1. Decrease in the fair value of the property. 2. Increase in the costs to be incurred to be able to operate a property. 3. Unfavourable effect on the ability of the Group to operate a property.	Active energy and environmental performance policy for offices, anticipating the legislation where possible.
Changes to the social security system for healthcare real estate: reduction in the social security subsidies to the operators, not offset by an increase in the prices paid by the residents or by a private insurance intervention	Impact on the solvency of the healthcare real estate 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 in-house elements that could negatively influence the poor execution of a contractual obligation. Professionalism of the teams ensuring strict compliance with the obligations.
Hidden liabilities resulting from mergers, demergers and contributions	Negative impact on the net asset value. Reduced results.	Due diligence: technical, administrative, legal, accounting and taxation audits when acquiring real estate companies and assets. Declarations and guarantees required from sellers.
The exit tax is calculated by taking into account the provisions of the circular CI.RH.423/567.729 of 23.12.2004, which interpretation or pratical 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 rights or of the VAT. This "real value" varies from (and can therefore be lower than) the fair value of the property as stated in the IFRS balance sheet of the Sicafi/Bevak.	Increase of the basis upon which the exit tax is calculated.	The Group considers to be respecting in all regards 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 Sicafis/Bevaks	Non-compliance with the 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 the debt level and the financial charges. Indirect impact on the debt ratio.	Professionalism of the teams ensuring strict compliance with the obligations. Regular contact with the public authorities to measure any impact of this new legislation. Participation in associations and federations that represent the sector.

[1] Sicafis/Bevaks communicate a dividend policy corresponding to an amount per share. This amount per share can be higher than or equal to 80% of the net income as required by the Royal Decree of 07.12.2010.

[2] Obligation to distribute 95% of the gains resulting from the letting of property assets as from 2014.

FINANCIAL MANAGEMENT[1]

Cofinimmo's financial policy aims to optimise the financing cost and to limit the Group's liquidity risk and 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 market (47%) and various capital market segments (47%); • stable, well-spread banking pool; • well-balanced spread of maturities 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 expenditures 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.
Changes in (future) market interest rates	1. Revaluation of the financial instruments[2]. 2. Negative impact on the financial charges. 3. Negative impact on the net asset value and the result of the period. 4. (Negative) change of the Group's rating, with a negative impact on the financing cost and the liquidity (see "Change of 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 2014, assuming the debt structure and level remain identical to those at 31.12.2013, and taking into account the hedging instruments put in place for 2014, a 0.5% increase or decrease in interest rates would result in no significant change of the financial cost. At 31.12.2013, 27.52% of the debt is financed at a fixed rate, while 72.48% is financed at a floating rate. In the absence of hedging, an interest rate increase of ten basis points would increase charges by €1.2 million. Approximately 90% of the floating rate debt is hedged using derivatives until 2015.
Increase in credit margins	Increase in financial charges.	Diversification of the sources of borrowed capital to optimise the average credit margins. Capital raised for the medium or long term at fixed margins.
Non-renewal or termination of the financing contracts	Negative impact on liquidity.	Nine renowned banks. Various financing forms: bank debt, convertible and non-convertible bond issues, etc. Refinancing performed at least 12 months in advance in order to optimise the conditions and the liquidity.
Change in the fair value of hedging instruments	Positive or negative impact on shareholders' equity and the intrinsic value per share. If Cofinimmo had closed its positions at 31.12.2013, the settlement amount would have stood at €-105.44 million (vs. €-177.2 million at 31.12.2012). The cost of closing the positions if the interest rates had been 1% above or below the reference rates, would have stood at €-28.21 million (vs. €-157.09 million at 31.12.2012) and €-185.26 million (vs. €-198.87 million at 31.12.2012) respectively.	Cofinimmo uses hedging for its entire portfolio, not for specific credit lines.

[1] See also the chapter "Management of Financial Resources" of this Annual Financial Report.
[2] Interest rate derivatives being measured at market value.

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 a minor number of technical charges can be higher than that of the rents.
Risk of debt[1]	Cancellation/termination of credit contracts or early repayment. Non-compliance with the legislation on Sicafis/ Bevaks and resulting penalties.	Prudent financial and debt policy and ongoing monitoring. At 31.12.2013, Cofinimmo's legal debt ratio stood at 48.87%, in compliance with the legal maximum debt ratio of 65% according to the Sicafi/Bevak legislation. This ratio is used in contracts relating to borrowings and credit facilities (maximum 60%). The financial charges (excl. IAS 39) stood at €-66.67 million at 31.12.2013 (vs. €-65.09 million at 31.12.2012).
Exchange risk	Decrease in 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 in-house factor which may have a negative impact on the market price. Frequent communication with the shareholders and publication of forecasted financial information.
Change in the group's public rating	Cost of financing and liquidity.	Close relationship with the rating agency which 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 company also dialogs with another rating agency, which rating is private.

MANAGEMENT FOR THIRD PARTIES AND CO-INVESTMENTS

In 2013, Cofinimmo Investissements et Services (CIS)[2] launched its asset management activity for third parties. It constitutes an ancillary activity within the Group.

In addition, Cofinimmo also joins forces with third parties on some of its investments. It materialises in the form of a share, on their behalf, in the capital of subsidiary companies or other types of economic interests, such as the issue by these subsidiaries of mandatory convertible bonds.

DESCRIPTION OF THE RISK	POTENTIAL IMPACT	MITIGATING FACTORS AND MEASURES
Conflict of interest with Cofinimmo's investment activities	Cofinimmo loses out on the chance to invest in certain assets itself.	The investments concerned are different from those of Cofinimmo. Cofinimmo does not want to or cannot purchase these assets, either because it feels that it already holds sufficient similar assets or because it does not have the necessary financial means to acquire them. In the case of co-investments, (MAAF insurance agencies, for example) sharing the risk may also be a desirable option.
Reclassification of the Asset Management business as a non-ancillary activity in the event where the share of profits earned exceeds 10% of the profits of Cofinimmo Investissements et Services (CIS)	1. If this limit is exceeded, the regulatory authorities may impose a penalty/fine and demand the reduction/sale of the business. 2. Loss of the Sicafi/Bevak status.	The Asset Management activities will be deliberately restricted so as not to reach this limit.
Liability proceedings in relation to losses incurred on the portfolio managed for third parties	Deterioration of the business relationship with the investor who may accuse Cofinimmo of not having sufficiently analysed the investment products offered. Potential payment of damages.	Cofinimmo Investissements et Services (CIS) only does business with institutional investors who are aware of the risks related to the investment products offered. The investment policy is clearly defined with and approved by the investor. This policy is part of a contract between Cofinimmo Investissements et Services (CIS) and the client. The client's decision to invest is based on the products offered by Cofinimmo Investissements et Services (CIS), which criteria are defined in the contract.

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] In accordance with Article 54 of the Royal Decree of 07.12.2010, if 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 from exceeding 65% of the consolidated assets. See Note 23, section D.

[2] Formerly Cofinimmo France.

MESSAGE TO THE SHAREHOLDERS

INTERVIEW WITH THE CHIEF EXECUTIVE OFFICER AND THE CHAIRMAN OF THE BOARD OF DIRECTORS

In the 2012 Annual Financial Report, you mentioned in your letter to the shareholders the need to spread economic market risks. Were you able to make concrete progress in this regard in 2013 ?

Jean-Edouard Carbonnelle: Our portfolio currently consists of 46% offices, 37% facilities for healthcare and accomodation of elderly people, 16% small properties in distribution networks and five buildings in Public-Private Partnerships. In recent years, healthcare real estate and distribution networks have been our main areas of growth in Belgium, France and the Netherlands. In 2013 we acquired, built or rebuilt 19 new healthcare facilities in Belgium, France and the Netherlands, for a total amount of €41 million. All of these properties are let under long-term leases. Our expansion in this sector is dependent on the development programmes of the tenants that operate these establishments, accommodating residents and patients. The long-term leases provide us with a stable cash flow that is indexed to inflation, but the functionally- and energy-efficient buildings are yet to be built, which requires time.

André Bergen: I would add that while we were forerunners among professional investors in Belgium, investing in nursing homes as early as 2005, we are now seeing a real interest in this sector, which is leading us to expand our market research efforts to acquire additional properties in other countries and in other healthcare real estate segments. Hence our recent acquisitions of two[1] independent medical treatment centres in the Netherlands.

The office sector, for which you are active only in Belgium, remains your main area of investment. How is this sector performing now, five years after the start of the global financial crisis ?

Jean-Edouard Carbonnelle: Demand for office space is negatively impacted by the almost non-existent economic growth. To varying degrees, the effect of new working methods and money-saving efforts undertaken by the occupant companies and administrations is also being felt. The number of square metres per workstation is decreasing and organisations no longer systematically provide a fixed workstation for each employee. In this context, it is imperative for owners of office buildings to significantly adapt their offer, both quantitatively and qualitatively.

André Bergen: The Belgian market entered a stabilisation phase in 2013, with rental vacancy still high (11%) but slightly decreasing since several months. This improvement is mainly due to the withdrawal of properties from the rental market in view of their renovation or reconversion.

What are the initiatives then being taken by Cofinimmo in this sector ?

Jean-Edouard Carbonnelle: The commercial and technical management of the operational office portfolio mobilises our teams in order to retain our tenants by responding quickly to their demands and to acquire new clients. Between now and 2020, 15% of our office buildings (just 6% of the overall portfolio) will undergo large-scale renovations or will be rebuilt, thus boosting their performance to a level well above the market average and competing buildings in terms of functionality, flexibility, sustainability and connectivity.

André Bergen: More than half of our planned investment expenditures during that period will be allocated to the office sector. In addition, we are currently helping stabilise the market by transforming, when the location and configuration of a building are suitable, office space into apartments that we then put up for sale. We carried out two such projects in 2013 and they are already 74% and 50% reserved respectively, although their delivery is scheduled for the beginning of 2015.

You appear to be one of the only listed real estate companies in Europe to enter into Public-Private Partnerships in real estate. Why ?

Jean-Edouard Carbonnelle: We currently have five operational buildings in this category: a courthouse, a fire station, two police stations, a student housing residence, and we are having a prison built that is expected to be delivered in the first half of 2014. These buildings are the result of public contracts that we have been awarded. They are leased for very long periods, up to 36 years, which provides us with cash flows that are fully predictable. At the end of the contracts, the properties are transferred free of charge to the public authority. Alternately, the public authority has the option to purchase the properties at a price corresponding to the amortised value of the building.

André Bergen: We can therefore calculate the internal rate of return of these investments from the outset, without having to make an assumption as to the residual value at the end of the lease, and this considerably decreases the level of uncertainty and the risk of assessment error. Finally, the experience gained through these partnerships and specific buildings improves the expertise of our teams for other real estate projects.

[1] An agreement for the acquisition of a third property located in Eindhoven has been signed. For more details, see page 39.


Jean-Edouard Carbonnelle
Chief Executive Officer

> *In 2013, we raised €44 million in shareholders' equity following the reinvestment of 53% of the 2012 dividend in new shares. We sincerely thank our shareholders for the confidence they have shown us.*


André Bergen
Chairman of the Board of Directors

Is the financial crisis still impacting your ability to raise funds for financing?

Jean-Edouard Carbonnelle: No. In 2013, we raised new financial resources, including both shareholders' equity and borrowed capital. First of all, the optional dividend in shares was a growing success among our shareholders. A total of 53% of the coupons for the 2012 financial year (2012: 41% of the coupon for the financial year 2011) was reinvested in new shares, representing a €44 million capital increase.

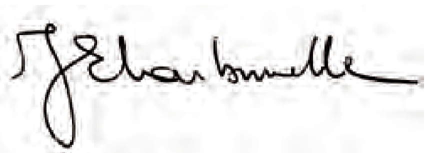
André Bergen: We sincerely thank our shareholders for the confidence they continue to show us. We also sold almost all of our own shares on the stock market for €93 million. Altogether, €137 million in additional shareholders' equity was gathered. In addition, we issued a five-year convertible bond of €191 million, a four-year non-convertible bond of €50 million, and we contracted new bank credit lines for a total of €270 million, which allows us to cover all of our planned refinancing and investment needs until mid 2015.

The gross dividend for the 2013 financial year (payable in 2014) was reduced by €0.50 per ordinary share (-7.7%). What will happen to the gross dividend in the coming financial year?

Jean-Edouard Carbonnelle: The evolution of our current results is still affected by the low rental levels in the office market. Moreover, some office buildings have been vacated and require a large-scale renovation or a reconstruction. It is important therefore to adapt, according to our recurring income, the level of dividend distribution and to provide for the appropriation of a significant share of the result to the reserves[1]. However, in accordance with what was proposed in the past, we wish to remunerate our shareholders on a regular basis and propose a gross dividend of €6.00 for the financial year 2013, i.e. 6.5% of the net asset value of the Cofinimmo share at 31.12.2013 (and 6.8% of the average share price over the year).

André Bergen: For the 2014 financial year (dividend payable in 2015), our objective is to have a net current result per share of €6.61 and a gross dividend per ordinary share of €5.50, i.e. a pay-out ratio of 83.2%[2], barring, of course, any unforeseen events that may arise throughout the year.

Jean-Edouard Carbonnelle
Chief Executive Officer



André Bergen
Chairman of the Board of Directors

[1] Because resources were used to reduce the debt, the company has no legal obligation to distribute a dividend according to the Sicafi/bevak legislation. See also the chapters "Appropriation of Company Results" and "Company Accounts" of this Annual Financial Report.

[2] Vs. 88.5% at 31.12.2013.

MANAGEMENT REPORT

KEY FIGURES

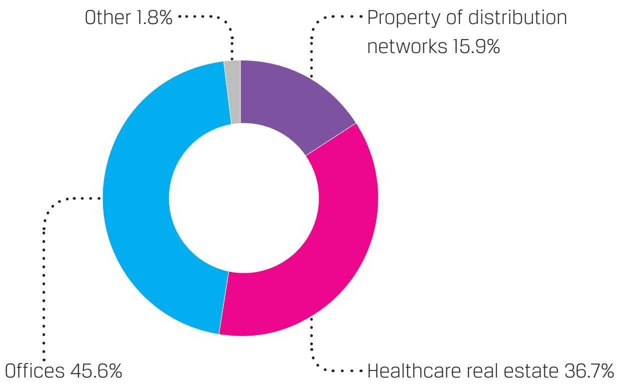
Global information

(x €1,000,000)	31.12.2013	31.12.2012
Portfolio of investment properties (in fair value)	3,347.0	3,308.6

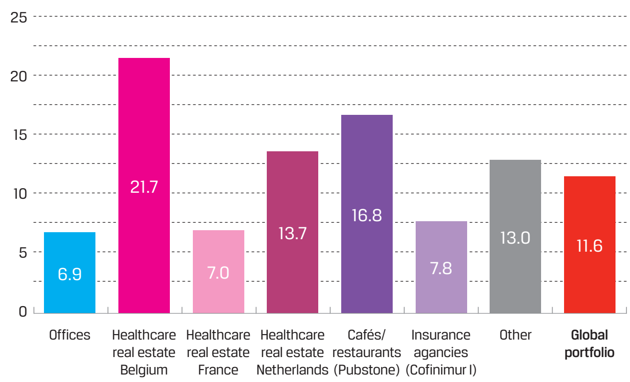
(x €1,000)	31.12.2013	31.12.2012
Property result	216,909	222,373
Operating result before result on the portfolio	185,619	188,839
Financial result	-74,935	-83,877
Net current result (Group share)	104,924	97,486
Result on the portfolio (Group share)	-46,187	586
Net result (Group share)	58,737	98,072

(in %)	31.12.2013	31.12.2012
Operating costs/average value of the portfolio under management[1]	0.83%	0.87%
Operating margin	85.57%	84.92%
Weighted residual lease term[2] (in years)	11.6	11.7
Occupancy rate[3]	95.43%	95.71%
Gross rental yield at 100% occupancy	7.03%	7.01%
Net rental yield at 100% occupancy	6.55%	6.55%
Average interest rate on borrowings[4]	3.92%	4.11%[5]
Debt ratio[6]	48.87%	49.90%
Loan-to-value ratio[7]	49.61%	51.21%

Breakdown of the portfolio in fair value (in %)



Weighed residual lease length per segment (in years)[2]



[1] Average value of the portfolio plus the value of sold receivables relating to buildings which maintenance costs payable by the owner are still met by the Group through total cover insurance premiums.

[2] Up until the date of the tenant's first break option.

[3] Calculated according to actual rents and the estimated rental value for unoccupied buildings.

[4] Including bank margins.

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

[6] Legal ratio calculated in accordance with the legislation regarding Sicafis/Bevaks as financial and other debts divided by total assets. In accordance with Article 54 of the Royal Decree of 07.12.2010, 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 23, section D.

[7] Ratio calculated as the net financial debt divided by the sum of the fair value of the portfolio and the finance lease receivables.

Figures per share[1] (in €)

Results per share	31.12.2013	31.12.2012[2]
Net current result – Group share – excluding IAS 39 impact	6.78	7.61
IAS 39 impact	-0.82	-1.52
Net current result – Group share	5.96	6.09
Realised result on the portfolio	-0.02	0.02
Unrealised result on the portfolio[3]	-2.60	0.01
Net result – Group share	3.34	6.12

Net Asset Value per share	31.12.2013	31.12.2012[2]
Revalued Net Asset Value in fair value[4] after distribution of the dividend for the year 2012	91.79	85.66
Revalued Net Asset Value in investment value[5] after distribution of the dividend for the year 2012	96.26	90.31

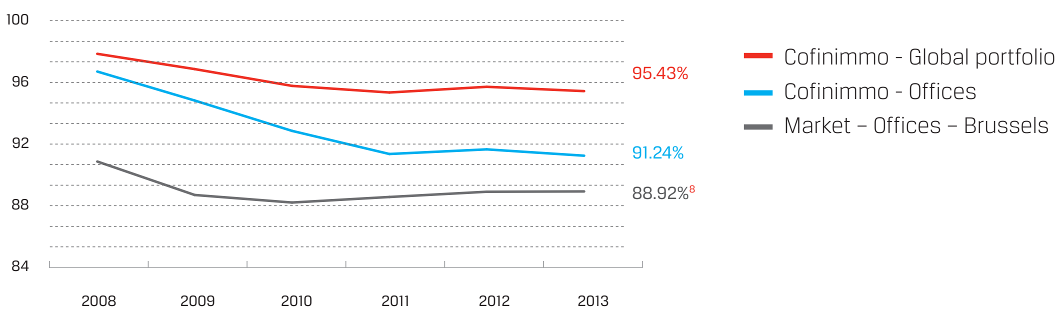
Diluted Net Asset Value per share[6]	31.12.2013	31.12.2012[2]
Diluted revalued Net Asset Value in fair value[4] after distribution of dividend for the year 2012	95.74	88.23
Diluted revalued Net Asset Value in investment value[5] after distribution of dividend for the year 2012	99.55	92.35

EPRA performance indicators[7]

(in € per share)	31.12.2013	31.12.2012[2]
EPRA Earnings	6.78	7.61[2]
EPRA Net Asset Value (NAV)	98.85	102.04[2]
EPRA Adjusted Net Asset Value (NNNAV)	95.74	94.38[2]

(in %)	31.12.2013	31.12.2012
EPRA Net Initial Yield (NIY)	6.20%	6.19%
EPRA "Topped-up" NIY	6.16%	6.10%
EPRA Vacancy rate	5.04%	4.70%
EPRA Cost ratio (direct vacancy costs included)	18.87%	18.69%
EPRA Cost ratio (direct vacancy costs excluded)	16.01%	16.17%

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



[1] Ordinary and preference shares.
[2] Takes into account the disposal, in January 2013, of 8,000 treasury shares.
[3] This consists mainly of the changes in fair value of investment properties and the impact of the impairment test on the goodwill.
[4] Fair value: after deduction of transactions costs (mainly transfer taxes) from the value of investment properties.
[5] Investment value: before deduction of transactions costs (mainly transfer taxes) from the value of investment properties.
[6] By assuming the theoretical conversion of the convertible bonds issued by Cofinimmo, the mandatory convertible bonds issued by Cofinimur I and the stock options.
[7] 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, EPRA NNNAV and EPRA cost ratios are calculated according to the definitions included in the 2013 "EPRA Best Practices Recommendations" and if the financial data used in the calculation of these figures comply with the accounting data included in the audited consolidated financial statements.
[8] Source: CBRE.

STRATEGY

DIVERSIFIED PORTFOLIO
HIGH AND STABLE RENTAL YIELDS
MODERATE RISK PROFILE

Cofinimmo works to meet the specific needs of its clients in each of the sectors in which it operates, while aiming for good control of market and operational risks. In this way it can ensure a quality investment and an attractive return for its shareholders.

45.6%

OFFICES

Providing tenants with spaces that meet their needs
Realising a careful arbitrage in the portfolio composition
Considering reconversions into residential

Strategy

In the office segment, the strategy is focused on long-term leases, high-quality tenants, optimising land value, redeveloping properties for own account and improving the energy efficiency of the property portfolio.

In order to meet its client's needs well, Cofinimmo does the operational management of its property and tenant portfolios in-house. In addition, Cofinimmo develops and acquires office buildings which configuration and facilities have the flexibility, sustainability and connectivity to satisfy the demands coming from the new working methods of the younger generations.

Cofinimmo systematically renovates out-of-date buildings to ensure that all its properties remain of excellent architectural and environmental quality. The amount invested in this activity, designed to maximise the return on investment, is limited to 10% of the portfolio fair value, so as not to affect the Group's risk profile.

Given the market reality and the growing demand for new housing, if a relatively old building presents a high vacancy rate, Cofinimmo will carefully analyse the reconversion into residential units which are then put up for sale.

The company also operates arbitrages in its portfolio in order to take advantage of the attractive prices offered by third parties for well-rented properties. It makes sure however to keep an attractive land value.

In order to optimise its global portfolio, Cofinimmo has set itself the goal of reducing the share of offices in its overall portfolio over the medium term, by dilution or asset arbitrage, whilst retaining a critical size in this sector.

Management

Cofinimmo has been granted the ISO 14001:2004 certification for its global self-managed office portfolio. This success was made possible thanks to its in-house management operated by the personnel of Cofinimmo.

Nearly all leases are double net type contracts, wherein building maintenance and repairs are the entire responsibility of the owner. The in-house letting and Property Management teams, who forge long-lasting relationships with clients and remain in frequent contact with them, aim first and foremost to provide an all-in-one property solution, combining quality buildings, flexibility of occupancy and associated services. Their task also consists of advising tenants on ways to utilise their space, namely from a energy and environmental perspective.

Clients are offered a wide range of property-related services designed to help manage the office space and thereby reduce the time that they need to spend on this aspect. These services include maintenance (cleaning, technical maintenance, patrols, security guards, etc.), workspace management (design, fitting out, etc.) and small jobs (plumbing, lighting, painting, signs, etc.). To do so, Cofinimmo puts the client in contact with a previously selected subcontractor, or directly coordinates the works.

This one-stop shopping represents an efficiency gain for clients and helps cement their loyalty. In addition, an in-house Service Desk deals with complaints from 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 the works, supervising their execution and controlling their quality.

The Project Management team is responsible for managing developments, large-scale renovations and interior design projects for office space. This in-house management structure allows Cofinimmo to maintain a high-quality property portfolio, used to the best of its potential at all times, and to redevelop it using techniques that offer the greatest protection to the urban environment (also see the chapter "Corporate Social Responsibility" of this Annual Financial Report).

For more information, see the chapter "Offices" of this Annual Financial Report.

Zevenbronnen – Walshoutem

MAAF agency – France

Souverain/Vorst 24 – Brussels

Fire station – Antwerp

36.7%

HEALTHCARE REAL ESTATE

Diversification by country, by operator and by care specialty
Allocation of risks among the different social security systems
Long-term leases

Strategy

Cofinimmo's strategy within the healthcare real estate sector is aimed at spreading risks by combining a strategy of diversification by country, by operator and by care specialty (geriatrics, psychiatry, revalidation, acute care) and an investment policy in to-be-built and newly-built properties.

The healthcare real estate portfolio includes, for nursing and care homes, follow-up care and rehabilitation clinics or psychiatric clinics, medium-sized buildings consisting of a series of individual rooms, small apartments and common areas for residents. Acute care clinics in the Netherlands also include operating theatres and recovery rooms.

Cofinimmo's property investments in this sector achieve initial yields similar to those in the office sector, with longer leases and lower purchasing prices per square metre. Furthermore, they are based on real needs for growth triggered by the population growth, and consequently have considerable potential for expansion. In addition, in Belgium, France and the Netherlands, they are heavily regulated at both the national and regional level, thereby securing access to the sector and the income of the operators.

Cofinimmo always selects operators with proven experience, a reputation of high quality of care, financial stability, a balanced management team and realistic growth ambitions. With a few exceptions, the assets are leased to operator groups which each manage many sites. The leases are either signed with the parent company of the operator group or guaranteed by it.

Cofinimmo acquires the property from medical establishment operators in order to allow them to concentrate on their primary professional activity and to free up funds for their expansion. The property is then 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).

Even once the acquisition is complete, Cofinimmo continues to assist the operators with their expansion plans 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.

On a case-by-case basis, Cofinimmo will consider, as for offices, the arbitrage of assets in order to optimise the composition of this healthcare real estate portfolio.

Management

Thanks to their extended term, the leases, 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 facilities. Rents are not tied to the resident occupancy rates of the establishments.

In addition, almost all the leases are triple net type contracts, which means that the tenant is fully responsible for the building maintenance and repairs, thus favouring the long-term presence of the operator.

For more information, see the chapter "Healthcare Real Estate" of this Annual Financial Report.

15.9%

PROPERTY OF DISTRIBUTION NETWORKS

Sale and leaseback transactions
Optimisation of the sales points for the activity of the tenant
Long-term leases

Strategy

Cofinimmo invests in buildings used by companies as networks of direct sales points of products or services to their clients.

Cofinimmo acquires these networks, which consist of a large number of small buildings, from a company wishing to outsource its distribution properties, and then rents them back to the company on a long-term lease. Cofinimmo's partners are strong companies with a recognised professionalism and reputation.

The Pubstone portfolio comprises 1,055 cafés and restaurants in Belgium and the Netherlands, leased to AB InBev for an initial term of 23 years. The Cofinimur I portfolio is made up of 263 insurance agencies and mixed-use buildings, leased to MAAF, a subsidiary of the French insurance Group Covéa, for an initial term of 9.7 years.

These investments present the following advantages for Cofinimmo:

- the properties are let under long-term leases;
- their location makes them essential for the tenant's business, and therefore most of them have a high potential for lease renewal;
- the properties are let back to their seller, who must therefore pay the rent on them after the sale, the seller thus tends to ask a reasonable price per square metre;
- if the tenant leaves, a high proportion of these properties can be sold as retail units or reconverted into housing;
- if the properties were to become vacant and were to be put up for sale by Cofinimmo, they would often be attractive for local private investors;
- 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 main landlord, in order to develop its geographical sales network, which gives Cofinimmo a heads-up as to the buildings which lease will not be renewed on expiry and allows Cofinimmo to target new properties that the tenant may wish to integrate into its network.

Management

The responsibility for the maintenance of the Pubstone and Cofinimur I networks is partially assumed by the tenant.

For more information, see the chapter "Property of Distribution Networks" of this Annual Financial Report.

5

PUBLIC-PRIVATE PARTNERSHIPS (PPP)[1]

Accompanying the public authorities in the modernisation and renewal of their property portfolio in Belgium

Strategy

The public authorities and non-profit organisations such as universities are facing a growing need to renovate existing buildings or build new ones so as to create public premises with a better architectural and environmental quality and improve the living conditions for their occupants.

They no longer want the responsibility of building and maintaining these properties. One of the solutions open to them 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 courthouses, fire stations, residences for student housing, police stations and prisons. These operations generally involve finance lease agreements and do not entail Cofinimmo acquiring ownership in perpetuity of the properties[2].

Management

Cofinimmo generally has maintenance obligations in these partnerships, which cost is covered by a specific fee paid by the occupier or is integrated in the rent.

[1] Public-Private Partnerships being accounted for as financial assets, they represent 0% of the investment properties.

[2] Cofinimmo does not benefit from their residual value because the counterparties are granted a purchase option at the end of the lease. Depending on the case, the price for exercising this option is either purely symbolic or far below the estimated market value after this horizon, or may even reflect the building's construction price depreciated using a straight-line model. Ownership is often transferred to the public authority automatically and free of charge at the end of the contract.

INVESTMENT CRITERIA[1]

With 30 years of experience in property acquisitions, Cofinimmo only selects those acquisitions which pass the test of offering favourable financial prospects in terms of performance and risk profile and which comply with the policy of dividend distribution to the shareholders.

Decisions are based on rigorous valuation models that use precise financial criteria. The decision to purchase buildings which investment value is within the portfolio average and for which there is no specific financing is made based on the discounted value, at the weighted average cost of equity and debt, of the long-term cash flow generated by operating the property and of its residual value, compared to the purchase price, costs included.

Other than when Cofinimmo is not the owner in perpetuity of the property and where the plan is to transfer the property free of charge or at a fixed value to a third party at the end of the lease (as, for example, in the majority of Public-Private Partnerships), a conservative estimate is used for the residual value. 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 and in the revalued net asset value per share.

Moreover, in addition to the routine due diligence inspections, each building under consideration is allocated a score based on its intrinsic properties (for office buildings, this may mean the size and divisibility of the floors, the parking ratio, the ceiling heights, the natural light, etc.), its energy performance, its location (vehicle access, public transportation, submarket rental activity, level of local taxes, etc.) and its environment (nearby shops, hotels, nice view, etc.).

The investment policy is set out in the company's Articles of Association, which also contain a certain number of restrictions on this matter. Any change to this policy would require an amendment of the Articles of Association decided by the shareholders at an Extraordinary General Meeting.

GEOGRAPHICAL PRESENCE

Operating exclusively in Belgium until 2006, Cofinimmo went on to obtain 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 favours an expansion into Belgium's neighbouring countries with a rate of establishment which enables it to acquire sound knowledge of the foreign property markets it has targeted.

The existence in these countries of the Real Estate Investment Trust (REIT) fiscal regime, similar to that of the Sicafi/Bevak regime, acts as a further incentive.

IN-HOUSE PROPERTY AND OPERATIONAL MANAGEMENT

In the case of offices, this management is done in-house by the personnel of Cofinimmo, rather than being subcontracted, in the interest of the clients with whom a lasting relationship is thus created.

Across all of the investment segments, the strategy is implemented thanks to the expertise of the Project and Property Management teams, which work exclusively for its tenant clients.

The company also has in-house commercial, legal, accounting, financial, human resources and communication teams. All these activities are based on an SAP integrated IT system and a quality control and internal audit division.

FINANCIAL STRATEGY

The profitable growth of the Group and the stable, proactive relationship forged with the clients contribute to its financial result, to the benefit of its shareholders.

Maintaining a good occupancy rate, reducing the costs of having vacant premises and investing in quality projects all allow the Group to achieve reasonably foreseeable operational performances, which in turn serve to boost its operational cash flow. Furthermore, Cofinimmo closely monitors the company's structural costs.

Cofinimmo's investment capacity is based on its ability to raise new equity and on its borrowing capacity.

While its Sicafi/Bevak status allows a debt ratio of up to 65% (debt to total assets), Cofinimmo's policy, defined with its partner banks, consists in keeping its debt ratio[2] below 50% (see the chapter "Management of Financial Resources" of this Annual Financial Report). This choice was made primarily in view of the long residual lease term of the properties in the portfolio and goes hand-in-hand with prudent interest rate hedging measures so as to present an overall consistent financial profile, a highly predictable net current result and a low risk exposure, save for extreme external events.

In accordance with the principles governing its status as a Real Estate Investment Trust and the Sicafi/Bevak regime, 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 renovation, will incorporate the cost of the latter in their valuations. At a time when market rents are stagnating, this economic depreciation has a greater impact on the experts' valuations and, consequently, on Cofinimmo's result on the portfolio.

CORPORATE SOCIAL RESPONSIBILITY STRATEGY

When it comes to corporate social and environmental responsibility, Cofinimmo strives to integrate both social and environmental elements into its overall strategy. Beyond its mere legal obligations, Cofinimmo endeavours to adopt a proactive approach towards improving its physical environment, in particular by reducing its carbon footprint and favouring social and responsible projects. As a major player in the property market, Cofinimmo demonstrates its social responsibility through its relationships with its clients, suppliers and partners alike.

In order to implement its social and environmental policy, Cofinimmo has set up a Green Committee which role is to propose specific measures for improving the company's environmental performance.

For more information, see the chapter "Corporate Social Responsibility" of this Annual Financial Report.

[1] This year's investment strategy also applies to future years.

[2] Financial and other debts divided by total assets of the consolidated balance sheet.

SUMMARY OF THE CONSOLIDATED ACCOUNTS

Consolidated income statement – Analytical form

(x €1,000)	**31.12.2013**	31.12.2012
A. NET CURRENT RESULT		
Rental income, net of rental-related expenses	195,185	202,357
Writeback of lease payments sold and discounted (non-cash element)	25,276	22,994
Taxes and charges on rented properties not recovered	-2,376	-1,968
Redecoration costs, net of tenant compensation for damages	-1,176	-1,010
Property result	**216,909**	**222,373**
Technical costs	-5,114	-6,243
Commercial costs	-956	-1,091
Taxes and charges on unlet properties	-4,075	-3,826
Property result after direct property costs	**206,764**	**211,213**
Property management costs	-14,258	-15,011
Property operating result	**192,506**	**196,202**
Corporate management costs	-6,887	-7,363
Operating result (before result on the portfolio)	**185,619**	**188,839**
Financial income (IAS 39 excluded)[1]	5,723	5,559
Financial charges (IAS 39 excluded)[2]	-66,972	-65,092
Revaluation of derivative financial instruments (IAS 39)	-13,686	-24,344
Share in the result of associated companies and joint ventures	1,425	503
Taxes	-2,179	-4,273
Net current result[3]	**109,930**	**101,192**
Minority interests	-5,006	-3,706
Net current result – Group share	**104,924**	**97,486**
B. RESULT ON THE PORTFOLIO		
Gains or losses on disposals of investment properties and other non-financial assets	147	1,414
Changes in the fair value of investment properties	-26,260	12,197
Share in the result of associated companies and joint ventures	112	-70
Other result on the portfolio	-22,065	-12,038
Result on the portfolio	**-48,066**	**1,503**
Minority interests	1,879	-917
Result on the portfolio – Group share	**-46,187**	**586**
C. NET RESULT		
Net result – Group share	**58,737**	**98,072**

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

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

COMMENTS ON THE CONSOLIDATED INCOME STATEMENT – ANALYTICAL FORM

The **rental income** amounts to €195.2 million at 31.12.2013, against €202.4 million at 31.12.2012. This fall is due mainly to the indemnity paid by Belfius Bank in compensation for the termination of its lease on the Livingstone I and II buildings, corresponding to 21 months of rent (January 2012 to September 2013). This non-recurrent indemnity of €11.2 million was paid during 2012 and was entirely included in that year's income statement. The nine-month indemnity related to 2013 amounts to €4.8 million. **On a like-for-like basis**, the gross rental revenues rose by 1.68% over the last 12 months: the positive effect of lease indexations (+2.05%) and new rentals (+1.92%) was offset by departures (-1.57%) and renegotiations (-0.72%).

Direct and indirect **operating costs** represent 0.83% of the average value of the assets under management at 31.12.2013, compared to 0.87% at 31.12.2012.

The **operating result (before result on the portfolio)** stands at €185.6 million at 31.12.2013, against €188.8 million one year before.

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

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

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

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

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

The change in the fair value of investment properties is negative (€-26.3 million) mainly due to the decrease in value of several office buildings which will be subject to a major renovation in the five coming years. On a like-for-like basis, the change in the fair value of investment properties stands at -0.78%.

The impairment of the Pubstone goodwill amounts to €-21.0 million at 31.12.2013, against €-7.1 million at 31.12.2012. This is the result of the complete update of the parameters used to calculate the value in use of the portfolio of cafés/restaurants at the end of the financial year 2013. The two main parameters concerned and increased are the future renovation expenses, budgeted by reference to the expenses over the past five years, and the weighted average cost of capital (WACC). This impairment has no impact on the valuation of the portfolio of cafés/restaurants, which on the contrary recorded a latent gain of €1.3 million at 31.12.2013.

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

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

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

Consolidated balance sheet

(x €1,000)	31.12.2013	31.12.2012
Non-current assets	**3,565,180**	**3,533,691**
Goodwill	129,356	150,356
Intangible assets	753	605
Investment properties	3,338,709	3,297,900
Other tangible assets	677	856
Non-current financial assets	20,941	24,672
Finance lease receivables	67,449	53,397
Trade receivables and other non-current assets	40	97
Participations in associated companies and joint ventures	7,255	5,808
Current assets	**105,263**	**108,797**
Assets held for sale	8,300	10,670
Current financial assets	2,782	6,501
Finance lease receivables	1,236	2,973
Trade receivables	25,698	22,636
Tax receivables and other current assets	24,304	29,142
Cash and cash equivalents	15,969	3,041
Accrued charges and deferred income	26,974	33,834
TOTAL ASSETS	**3,670,443**	**3,642,488**
Shareholders' equity	**1,681,462**	**1,542,292**
Shareholders' equity attributable to shareholders of parent company	**1,614,937**	**1,476,029**
Capital	942,825	857,822
Share premium account	372,110	329,592
Reserves	241,265	190,543
Net result of the financial year	58,737	98,072
Minority interests	66,525	66,263
Liabilities	**1,988,981**	**2,100,196**
Non-current liabilities	**1,412,904**	**1,566,005**
Provisions	18,180	20,493
Non-current financial debts	1,266,665	1,388,883
Other non-current financial liabilities	93,304	120,835
Deferred taxes	34,755	35,794
Current liabilities	**576,077**	**534,191**
Current financial debts	455,509	351,203
Other current financial liabilities	21,921	81,959
Trade debts and other current debts	64,680	64,560
Accrued charges and deferred income	33,967	36,469
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,670,443**	**3,642,488**

Bourget 44 – Brussels

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

The **goodwill** decreases by €21.0 million as a result of the impairment recorded on the Pubstone goodwill. This is the result of the complete update of the parameters used to calculate the value in use of the portfolio of cafés/restaurants at the end of the financial year 2013. The two main parameters concerned and increased are the future renovation expenses, budgeted by reference to the expenses over the past five years, and the weighted average cost of capital (WACC). This impairment has no impact on the valuation of the portfolio of cafés/restaurants, which on the contrary recorded a latent gain of €1.3 million at 31.12.2013 (see also Note 19).

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

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

The increase in the **finance lease receivables** is the result of the delivery, in September 2013, of the Nelson Mandela student housing residence let to the Université Libre de Bruxelles (ULB - Brussels University), for €14.2 million.

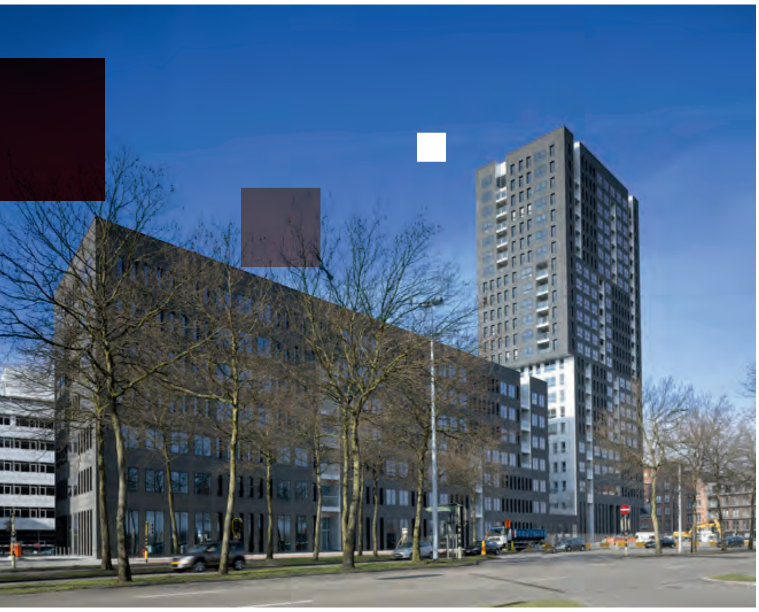
The item "**Participations in associated companies and joint ventures**" concerns the stakes of 50% and 51% held by Cofinimmo in FPR Leuze SA/NV and Cofinéa I SAS respectively.

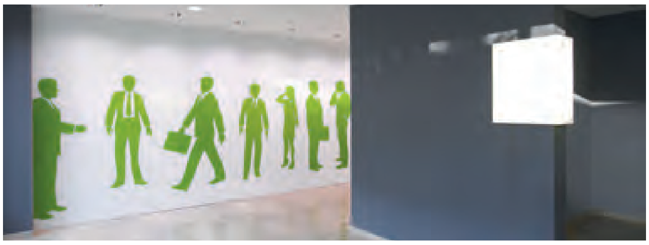
Equity was strengthened during the financial year through the sale of treasury shares and the issue of new shares as part of the optional dividend, for respectively €91.7 million and €43.9 million.

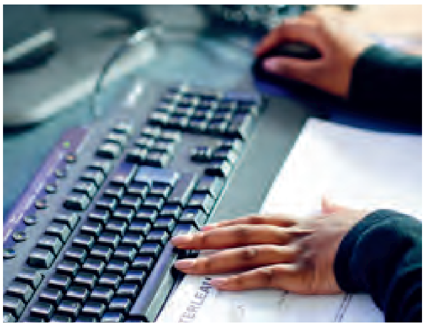
The item "**Minority interests**" includes the mandatory convertible bonds issued by the subsidiary Cofinimur I SA, as well as the minority interests of the Silverstone and Pubstone subsidiaries.

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

APPROPRIATION OF COMPANY RESULTS


London Tower – Antwerp





The Board of Directors proposes to the Ordinary General Shareholders' Meeting of 14.05.2014 to approve the annual statements at 31.12.2013, to appropriate the result as indicated in the table hereafter and to distribute the following dividends:

- €6,00 gross, i.e. €4.50 net per ordinary share;
- €6,37 gross, i.e. €4.78 net per preference share.

The dividend payment dates and modalities are mentioned in the agenda of the shareholder on page 115. The deduction for withholding taxes stands at 25%.

At 31.12.2013, the Cofinimmo Group held 48,917 treasury ordinary shares.

The Board of Directors proposes to suspend the right to dividend for the financial year 2013 of 40,211 own ordinary shares in view of its stock option plan and to cancel the right to dividend of the remaining 8,706 own ordinary shares. The remuneration of the capital is based on the number of ordinary and preference shares issued on 31.12.2013. Possible conversions of preference shares into ordinary shares during the conversion period from 22.03.2014 to 31.03.2014, the conversion of convertible bonds into ordinary shares, as well as any sale of ordinary shares held by the Group, might modify the remuneration of the capital.

As a result of the debt decrease between the beginning and the end of 2013 (€-62.1 million), the company has no obligation to distribute a dividend (see the chapter "Company Accounts" of this Annual Financial Report). However, in accordance with what was proposed in the past, Cofinimmo wishes to remunerate its shareholders on a regular basis and will propose a gross dividend of €6.00 per ordinary share for the financial year 2013. 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 minimum of 80% of the net income (again, see the chapter "Company Accounts" of this Annual Financial Report).

After the proposed remuneration of the capital for the financial year 2013, i.e. €105.82 million, the total amount of the reserves and the company result of Cofinimmo SA/NV will stand at €112.01 million whereas the remaining distributable amount in accordance with the provisions of Article 617 of the Company Code will reach €249.43 million (again, see the chapter "Company Accounts" of this Annual Financial Report).

The 2013 consolidated net current result (Group share) stands at €104.92 million and the consolidated net result (Group share) at €58.74 million. The pay-out ratio on the consolidated net current result (IAS 39 excluded) of €119.21 million amounts to 89% (compared to 86% for 2012).

Appropriation account

(x €1,000)	2013	2012
A. Net Result	57,180	96,035
B. Transfert from/to the reserves	48,984	15,171
Transfer from/to the reserve of the positive balance of the changes in the fair value of investment properties	-32,242	-28,614
Fiscal year		-28,614
Previous years[1]	-32,242	
Transfer from/to the reserve of the negative balance of the changes in the fair value of investment properties	4,445	4,887
Fiscal year	4,445	
Previous years[1]		4,887
Transfer from/to the reserve of the estimated transaction costs resulting from the hypothetical disposal of investment properties	1,146	175
Fiscal year	1,146	175
Transfer from/to the reserve of the balance of the changes in the fair value of authorised cash flow hedging instruments qualifying for hedge accounting	-4,576	-11,080
Fiscal year	-4,576	-11,080
Transfer from/to the reserve of the balance of the changes in the fair value of authorised cash flow hedging instruments not qualifying for hedge accounting	-18,643	13,421
Fiscal year	-18,643	13,421
Transfer from/to other reserves	-241	-255
Transfer from/to the result carried forward of the financial year	99,095	36,637
C. Remuneration of the capital	-105,817	-110,813
D. Remuneration of the capital other than C	-347	-394
E. Result to be carried forward[2]	350,446	454,751

[1] These transfers result from the realisation of latent gains or losses previously under the reserves for changes in the fair value, as well as from purchase or cancellation transactions of own shares.

[2] The result to be carried forward includes the result to be carried forward of the year and of the previous years.

TRANSACTIONS AND PERFORMANCES IN 2013

GLOBAL PORTFOLIO

At 31.12.2013, the consolidated property portfolio reaches €3,347.0 million in fair value[1] and €3,478.9 million in investment value[2]. It comprises 1,548 properties, with a total rental area of 1,853,467m² in superstructure.

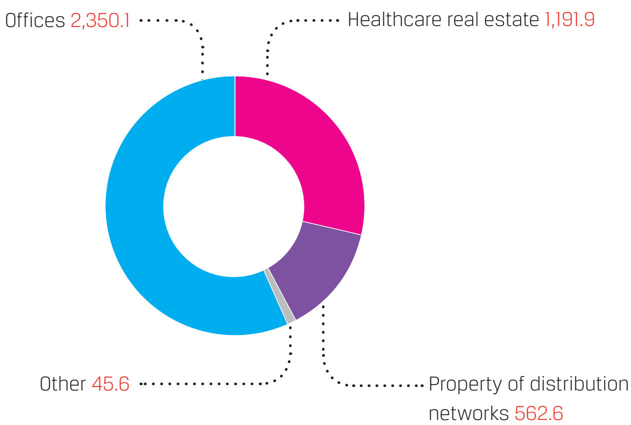
De Nootelaer – Keerbergen (Belgium)

Nelson Mandela Residence – Brussels

The offices account for 45.6%[3] of the portfolio, healthcare real estate for 36.7% and property of distribution networks including the Pubstone portfolio (cafés/restaurants let to AB InBev) and the Cofinimur I portfolio (insurance agencies let to MAAF) for 15.9%. The other business sectors (1.8%) are not significant.

The vast majority of the portfolio is located within the Belgian territory (79.2%). The properties located abroad relate on the one hand, in France, to healthcare real estate and the MAAF agencies network (15.8%) and, on the other hand, in the Netherlands, to the Pubstone portfolio and a few clinics (5.0%).

Acquisition prices and investments 1996-2013[4]
(x €1,000,000)



[1] The fair value is obtained by deducting an appropriate rate 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 breakdown of the portfolio is based on the fair value.
[4] The investments include the renovations, the extensions and the redevelopments.

In 2013, Cofinimmo's divestments amounted to €21.70 million and its investments to €62.47 million.

EVOLUTION OF THE PORTFOLIO[1]

Since it obtained its Sicafi/Bevak status in 1996, the Cofinimmo Group realised investments for a total amount of €4,150.16 million. The company also divested for a total amount of €1,655.52 million, realising (before deduction of intermediaries' remuneration and other various costs) an average net gain of +9.78% compared to the last annual valuations (in investment value) preceding these disposals. During the year 2013 alone, this average stood at +1.4%.

ACQUISITIONS

During 2013, Cofinimmo invested a total amount of €7.85 million in new acquisitions, of which €7.29 million in the healthcare real estate segment and €0.56 million in the MAAF insurance agencies network.

EXTENSIONS AND REDEVELOPMENTS

Moreover, Cofinimmo invested a total amount of €41.58 million in extensions and redevelopments (€40.65 million in healthcare real estate and €0.93 million in offices).

RENOVATIONS

Cofinimmo also carried out renovations amounting to €13.05 million, mainly in the office and the Pubstone cafés/restaurants portfolios.

DIVESTMENTS

Under its strategy of portfolio arbitrage, Cofinimmo sold assets, mainly offices and assets of distribution networks, for a net total price, after deduction of transaction costs and fees, of €21.70 million.

Each transaction was realised with a gain or was in line compared to the investment value determined by the expert and the weighted average gain on the total disposals stands at 1.4%.

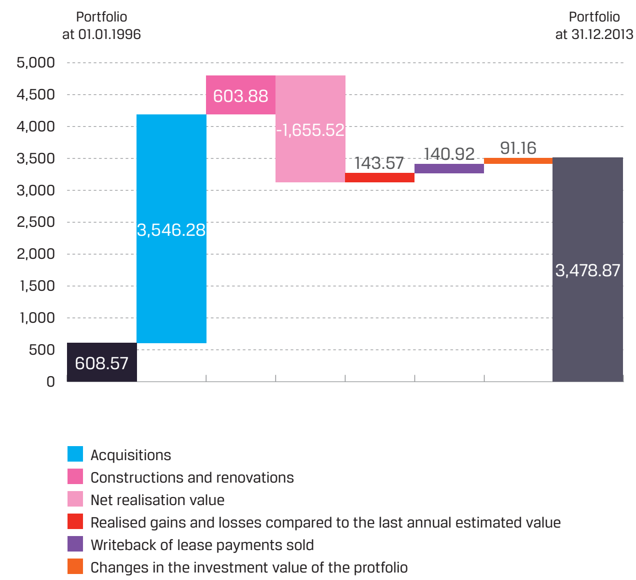
ASSET MANAGEMENT FOR THIRD PARTIES

In 2013, the Cofinimmo Group started an Asset Management activity for third parties.

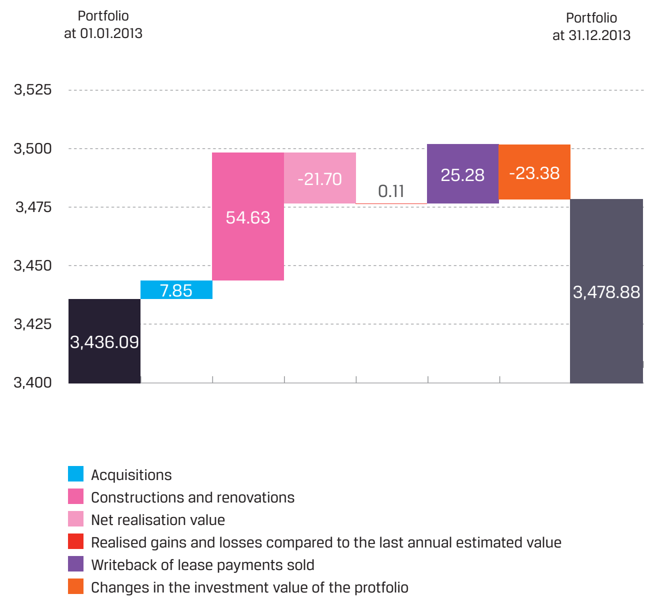
This ancillary activity is exercised by Cofinimmo Investissements et Services (CIS), a subsidiary of the Group, and its contribution to the results doesn't exceed the threshold of 10% of the net revenues and profits of CIS (see the chapter "Risk Factors" of this Annual Financial Report).

At 31.12.2013, Cofinimmo Investissements et Services managed a portfolio of three healthcare assets in Belgium.

Evolution of the consolidated portfolio 1996-2013[2]
(x €1,000,000)



Evolution of the consolidated portfolio in 2013[2]
(x €1,000,000)



[1] Also see Note 20.
[2] In investment value.

Souverain/Vorst 23-25 – Brussels

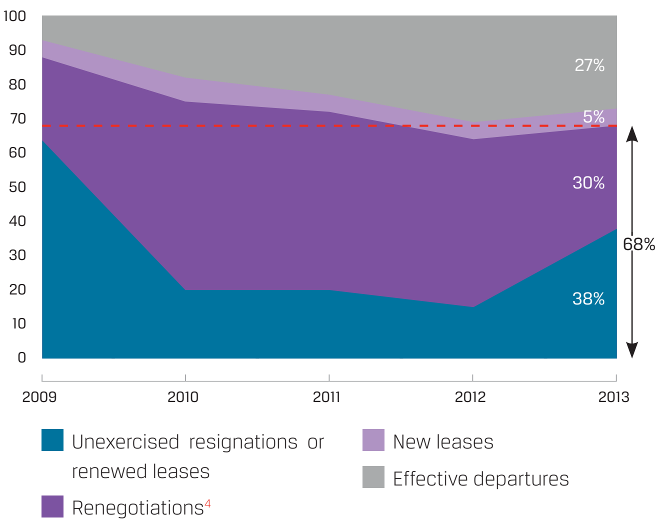
COMMERCIAL RESULTS

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 alone. The letting team pays special attention to the clients whose leases are considered at risk. The treatment of the rental vacancy risk in 2013 shows that 68% were secured through renegotiations, unexercised resignations and lease renewals. This percentage of tenant retention reaches 73% 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 2013, 4.4% have been secured. During the financial year 2013, Cofinimmo signed leases for over 66,150m² of office space, representing contractually guaranteed revenues, net of rent-free periods, of €41.8 million[1]. The most important transactions are related to the buildings Bourget 40, 44 and 50, Guimard 10-12, Noordkustlaan 16 and Maire 19 – Tournai.

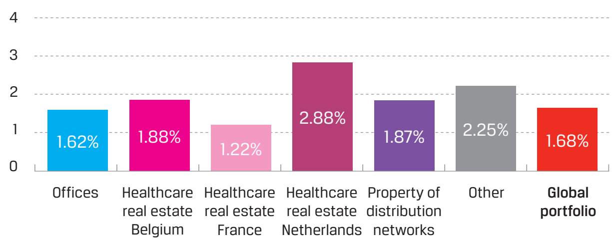
The occupancy rate[2] of the office portfolio (91.24%) is still above the market average, which stands at 88.9%[3]. This confirms the success of Cofinimmo's commercial strategy, geared to forging a close relationship of trust with the clients and serving to boost the operating margin. Furthermore, the diversification in the healthcare real estate sector and the Pubstone and Cofinimur I portfolios, for which the occupancy rate is nearly 100%, has a positive impact on the overall occupancy rate, which stands at 95.43%, and improves the spread of the risk.

On a like-for-like basis, the rental revenues increased by 1.68% in 2013.

Vacancy risk handling (in %)



Evolution of rental revenues on a like-for-like basis 2013 vs. 2012 (in %)



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

[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 prevailing market rents.

[3] Source: CBRE.

[4] The renegociations of rental agreements were done at less favourable conditions than the previous agreements.

PROPERTY RESULTS

The Cofinimmo portfolio records a negative change in fair value of -0.8%[1] over the 12 months of 2013, corresponding to an amount of €-26.3 million. The change in the portfolio value was negative during the four quarters of 2013.

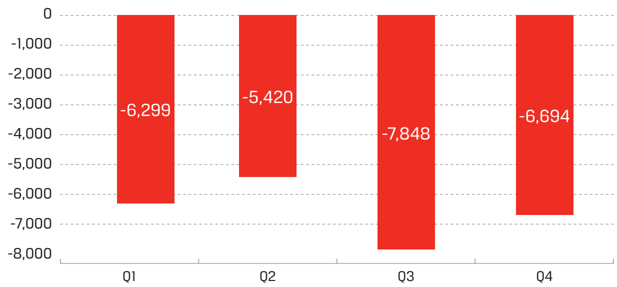
This depreciation is made up as follows:

- the "Office" segment records a negative change in fair value of €-39.7 million;
- the segments "Healthcare real estate", "Property of distribution networks" and "Others" record a positive change in fair value of €9.8 million, €2.6 million and €1.0 million respectively.

The depreciation of the office portfolio comes from buildings under renovation or requiring a significant renovation in the short term. This is the case for the Livingstone II (works started in 2014), Science/Wetenschap 15-17, Souverain/Vorst 23-25, Arts/Kunsten 19H, and Guimard 10-12 buildings.

Changes in the fair value of investment properties

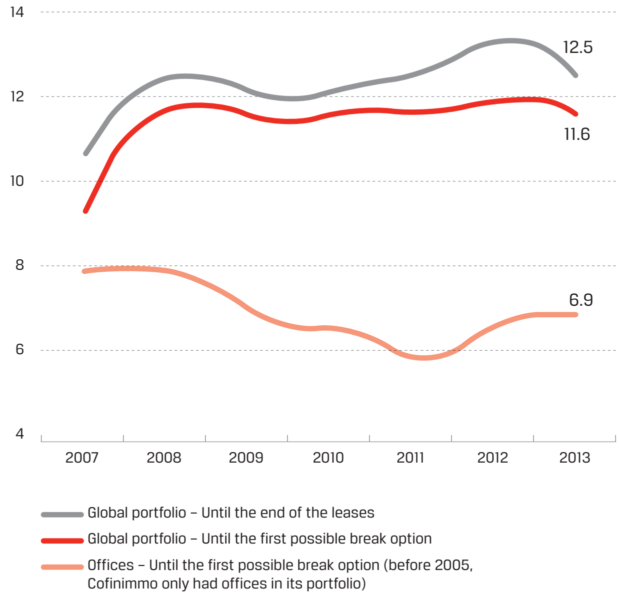
(x €1,000)



Segment	Changes in the fair value over one year	Breakdown by segment and location
Offices	-2.54%	45.56%
Antwerp	-0.90%	1.86%
Brussels Centre/North	0.21%	9.48%
Brussels Decentralised	-2.84%	17.68%
Brussels Leopold/Louise District	-7.03%	8.92%
Brussels Periphery & Satellites	-1.59%	4.29%
Other Regions	2.22%	3.33%
Healthcare real estate	0.81%	36.70%
Belgium	0.82%	23.66%
France	0.70%	12.50%
Netherlands	3.05%	0.54%
Property of distribution networks	0.49%	15.92%
Pubstone - Belgium	0.33%	8.13%
Pubstone - Netherlands	0.26%	4.50%
Cofinimur I - France	1.23%	3.28%
Other	1.67%	1.82%
TOTAL PORTFOLIO	**-0.78%**	**100.00%**

Weighted residual lease length

(in number of years)



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

- the indexation of the leases;
- a high occupancy rate: 95.43% at 31.12.2013;
- 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 11.6 years[2] at the end of 2013, an outstanding figure among the European real estate companies.

The average residual length of all leases in force at 31.12.2013 is 11.6 years[2] if each tenant was to exercise his first possible termination option. This number increases to 12.5 years in case no break option was to be exercised and all tenants were to remain in their rented space until the contractual end of the leases.

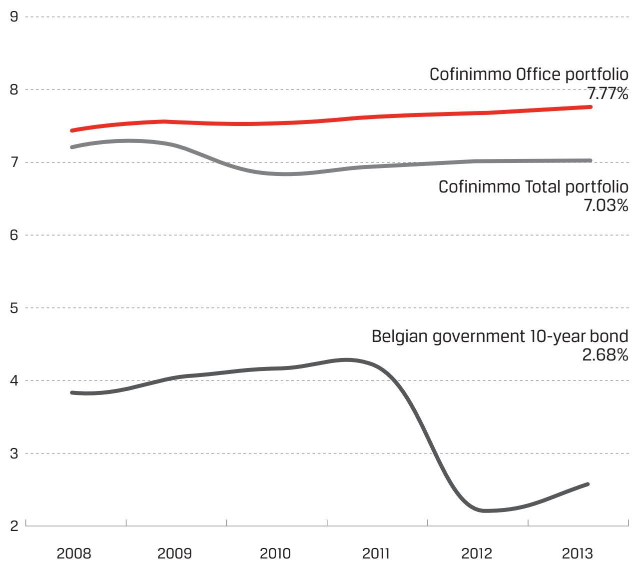
One of the key features of Sicafis/Bevaks is risk diversification. The Cofinimmo portfolio is well-diversified, with the largest property representing only 6.4% of the consolidated portfolio.

[1] Including the impact of the investment expenditures capitalised during the year.
[2] For the office portfolio alone, it stands at 6.9 years.

Bourget 40 – Brussels

Tervueren/Tervuren 270-272 – Brussels

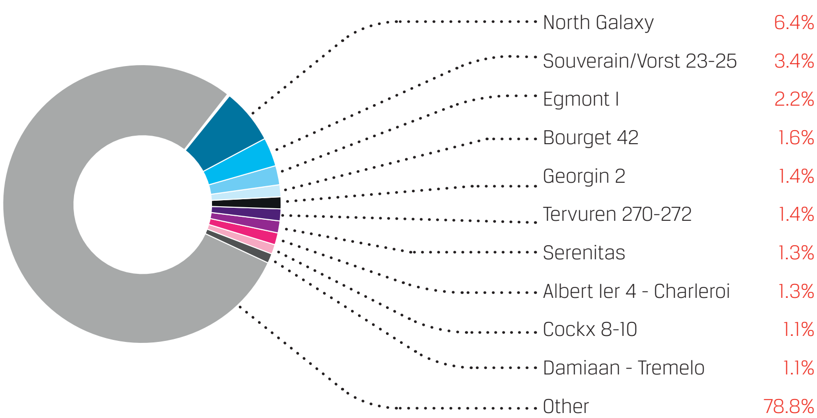
Capitalisation rates applied on the Cofinimmo portfolio and yield of the Belgian government bonds (in %)



Main clients - in contractual rents (in %)

AB InBev Group	13.5%
Buildings Agency (Belgian Federal State)	12.6%
Medica[1]/Senior Living Group	8.6%
Armonea	8.4%
Korian[1]	7.7%
Top 5 tenants	50.8%
Axa Group	5.2%
International public sector	4.6%
ORPEA	4.1%
MAAF	3.5%
Senior Assist	3.0%
Top 10 tenants	71.2%
Top 20 tenants	81.2%
Other tenants	18.8%
TOTAL	**100.0%**

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



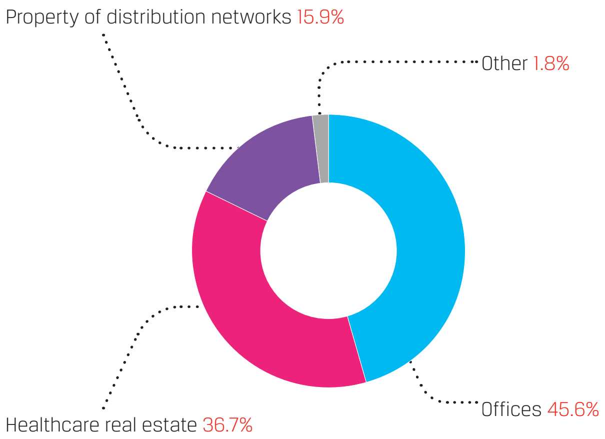
[1] In November 2013, Korian and Medica announced their plan to merge during 2014.

SECTOR INFORMATION

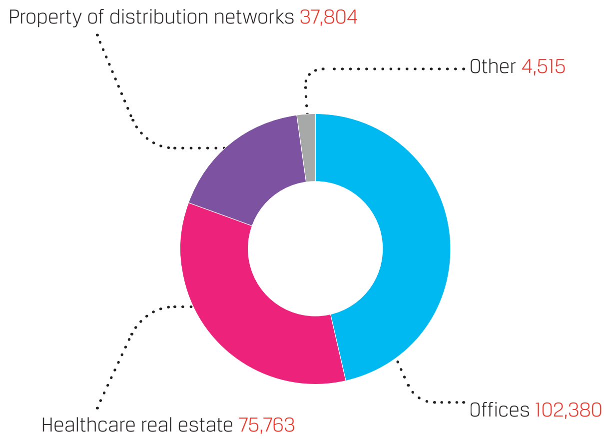
RENTAL SITUATION BY DESTINATION

PROPERTIES	Superstructure (in m²)	Contractuel rents (x €1,000)	Occupancy rate	Rents + ERV[1] on unlet (x €1,000)	ERV[1] (x €1,000)
Offices	519,385	78,980	88.70%	89,042	80,513
Offices of which receivables have been sold	208,145	26,236	99.83%	26,280	26,280
Subtotal offices	**727,530**	**105,216**	**91.24%**	**115,322**	**106,793**
Healthcare real estate	643,755	76,585	99.27%	77,145	74,079
Pubstone (cafés/restaurants)	363,470	30,262	100.00%	30,262	27,306
Cofinimur I (insurance agencies)	59,572	7,892	98.94%	7,976	8,166
Other	23,026	4,285	100.00%	4,285	3,426
Subtotal investment properties and properties of which receivables have been sold	**1,817,353**	**224,240**	**95.43%**	**234,990**	**219,770**
Projects and renovations	36,114			345	345
Land reserve		145		145	167
GLOBAL PORTFOLIO	**1,853,467**	**224,385**	**95.43%**	**235,480**	**220,282**

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



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

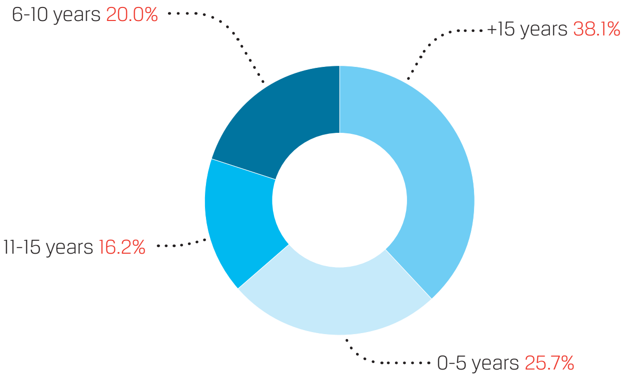


[1] ERV = Estimated Rental Value.

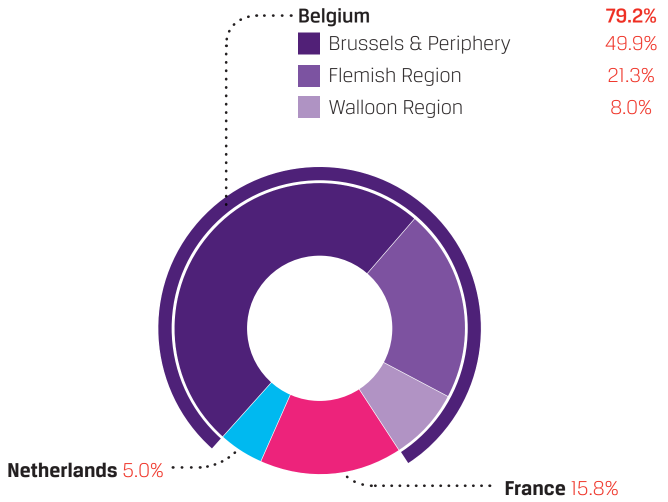
[2] For Cofinimmo SA/NV, the breakdown is as follows: Offices 66.1%, Healthcare real estate 31.2%, and Other 2.7%.

[3] The difference between the rents actually collected and the contractual rents results from the rent-free periods granted at the beginning of certain leases and the prorata temporis vacancy of properties during the past 12 months.

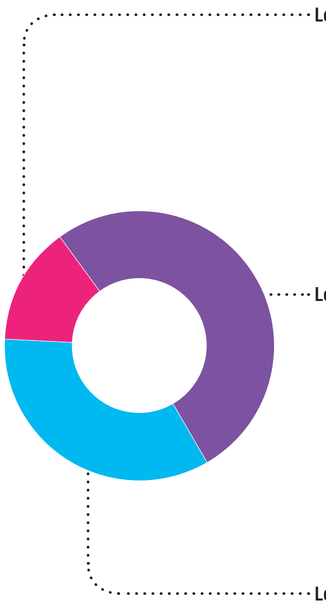
Breakdown by age of properties[1] (in %)



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



Maturity of leases[3] (in %)

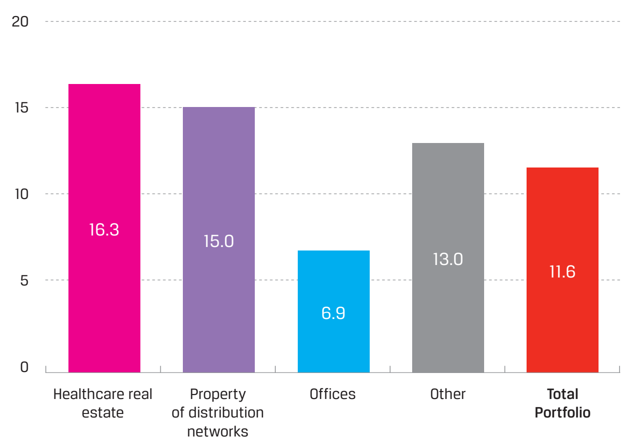


Leases of 6-9 years:	**14.2%**
Offices	5.7%
Healthcare real estate	7.5%
Cofinimur I	1.0%

Leases > 9 years:	**51.8%**
Offices (Public sector)	11.1%
Offices (Private sector)	0.2%
Healthcare real estate	23.5%
Pubstone	13.5%
Cofinimur I	1.9%
Other	1.7%

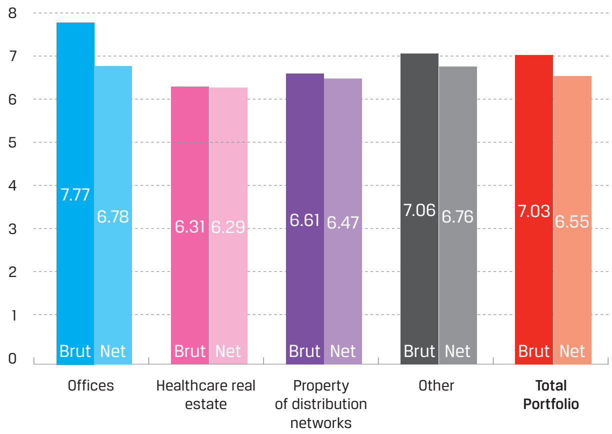
Leases < 6 years:	**33.9%**
Offices	30.0%
Healthcare real estate	3.1%
Cofinimur I	0.5%
Other	0.3%

Average residual lease length per sector
(in number of years)[3]



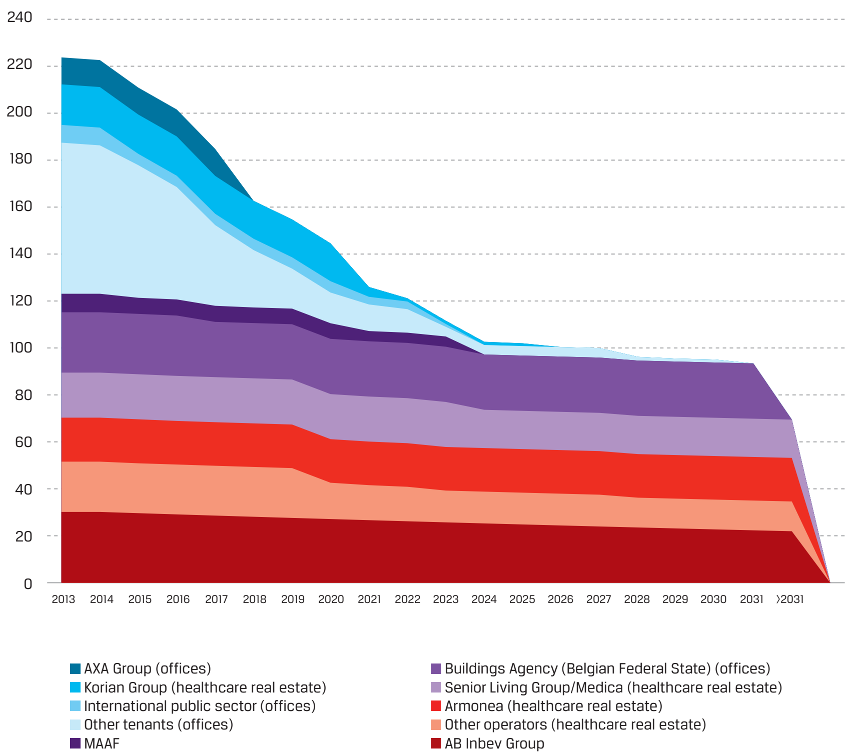
[1] The properties which underwent a large-scale renovation are considered as being new; the Pubstone portfolio is considered as a single property and is included in the age bracket >15 years.
[2] For Cofinimmo SA/NV, the breakdown is: Belgium 95.1% and France 4.9%.
[3] Until the next possible break option.

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



The gross rental yield of the portfolio remains stable at 7.03% (7.01% in 2012).

Guaranteed rental income[2] - in contractual rents
(x €1,000,000)



A minimum of 70% of the rental income is contractually guaranteed until 2019. This percentage increases to 78% in case no termination option is exercised and all tenants remain in their rented space until the contractual end of the leases.

Three elements help to maintain a positive reversion:

- the office occupancy rate, which is still relatively high (91.24%);
- the tenant rotation rate over the entire portfolio, which remains limited at 2%;
- healthcare real estate and property of distribution networks have leases which are indexed positively and rents which are protected by their long duration.

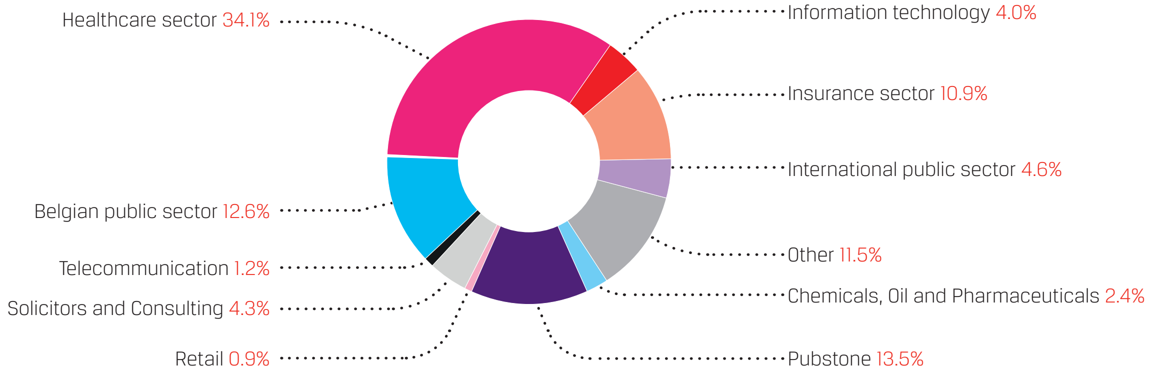
The negative reversion in the office portfolio is due to renegotiations of contracts.

[1] If portfolio rented at 100%.
[2] Until the first possible break option.

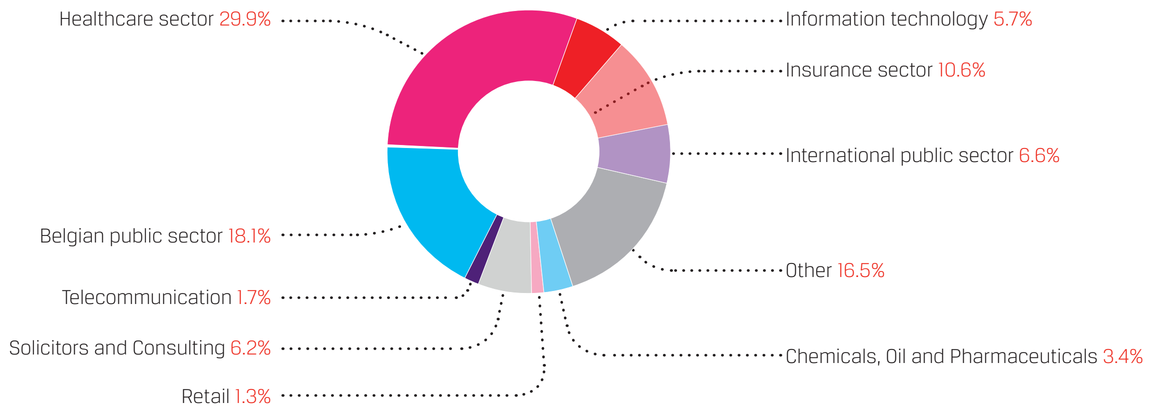
Souverain/Vorst 23-25 – Brussels

Saint Charles – Bouillon (Belgium)

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



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



TRANSACTIONS AND PERFORMANCES IN 2013

OFFICES

OFFICES

Cofinimmo is one of the key players in the office real estate market in Brussels and the surrounding area. Thanks to the quality and location of its properties and the services it offers to tenants, it continues to enjoy a high occupancy rate (91.24%) compared to the rest of the Brussels market.

Fair value of €1,525 million

At 31.12.2013, Cofinimmo's office portfolio accounted for 46% of its total invested portfolio. It comprised 85 properties[1], with a total above-ground floor area of 763,644m² and a fair value of €1,524.81 million. The buildings are located exclusively in Belgium with a concentration in Brussels.

Despite little respite in the harsh economic climate (gross take-up of 368,743m² in 2013[2]), the over-supply of office space of recent years is beginning to decline. The delivery of speculative new projects fell in 2013, and many offices for which large-scale renovations were needed are being converted primarily into housing[3] due to the population growth in Brussels. The vacancy rate for rental properties was therefore slightly down in 2013 to 11.1%[2], compared to 11.2% in 2012.

As far as investments are concerned, there has been an increase in activity in Brussels compared to 2012, with a final figure of around €2.2 billion[2], all sectors combined. Domestic and international investors continue to prefer buildings with a secure rental situation, but a large number of deals were made with the aim of redeveloping the property into housing.

A dynamic, flexible and creative team, attentive to its clients' needs

Our office portfolio benefits from an in-house team of 19 people in charge of property management, assisted by teams specialising in development (four people), service management (four people) and project monitoring (ten people).

Key events

On 19.06.2013, Axa Belgium announced its decision to vacate its head offices located at 23-25 Boulevard du Souverain/Vorstlaan in 1170 Brussels when the current lease comes to an end, i.e. on 02.08.2017, in order to occupy an empty building which it owns. The site, which covers 11 hectares, comprises two buildings with a total above-ground floor area of around 57,000m². The passing rent from the existing lease accounts for 5.1% of Cofinimmo's total gross rental revenues.

Cofinimmo will take advantage of the long notice given by Axa Belgium in order to reposition the site and showcase its intrinsic qualities to the full. The Group is namely considering to apply for an authorisation to reconvert part of the surfaces into residential real estate after 2017. An addendum to the Axa lease has already been signed, by which Axa gave up part of the plot of land as from 2014, in exchange for an extension option for the tenant on the current lease. The Group is considering developing a residential project on the vacated plot of land.

DISPOSALS

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

OFFICE RENOVATION/RECONVERSION PROJECTS

In 2013, the Project Management department managed or was in charge of several office projects in Brussels. The total value of the office construction and renovation works managed and accounted for in 2013 stands at €10.8 million.

Energy performance

Property	Type of works	Surface area	(Expected) End of works	E-level after works	Max. authorised E-level
Tervueren/ Tervuren 270-272	Medium-scale renovation (phases II, III, IV and V)	4,060m²	Q3 2013	90[4]	N/A
Livingstone II	Office renovation	17,000m²	Q3 2014	N/A	N/A
Woluwe 34	Reconversion to apartments, retail spaces and/or offices	6,680m²	Q1 2015	70	70

N/A: not applicable

[1] Business parks are considered as a single asset but may consist of several buildings.
[2] Source: CBRE.
[3] Reconversions of offices into housing accounted for 12% to 15% of new residential projects. This figure is set to rise in the coming years (Source: DTZ).
[4] Estimated value for the renovated buildings. No official declaration to be made.

North Galaxy – Brussels

> *In 2014, we will continue to realise a careful arbitrage in the composition of our office portfolio. We favour flexible buildings which meet the demands of existing and future tenants and which energy performances meet or exceed legal requirements.*
>
> **Dirk Huysmans - Head of Offices Belgium**

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

Property	Type of works	Surface area	(Expected) End of works	E-level after works	Max authorised E-level
Tervueren/ Tervuren 270-272	Medium-scale renovation (phase VI)	3,391m²	Q3 2014	90[1]	N/A
Guimard 10-12	Renovation of offices	15,400m²	Q3 2015	61	N/A
Science/ Wetenschap 15-17	Renovation of offices and addition of housing units	20,000m²	Q2 2016	44	90

N/A: not applicable

Livingstone I

The former office building Livingstone I (16,000m²) is currently undergoing a reconversion into a residential property. It will comprise four separate apartment blocks, offering a total of 122 housing units for sale. The project was selected as the winner of the "conversion of vacant office buildings into housing" competition organised by the Brussels Capital Region.

As regards energy performance, the apartments will have a thermal insulation rating of K30 and an energy consumption rating of E60.

At the start of 2013, Cofinimmo transferred the risk associated with selling the apartments of the Livingstone I building to the general contractor Cordeel[2]. The latter guarantees the payment of a global amount of €24 million as the apartments are sold and in January 2017 at the latest. The different permits required for the conversion works have been obtained and works began in February 2013. Their delivery is scheduled for early 2015. They are financed entirely by Cordeel. At the publication date of this Annual Financial Report, 50% of the apartments have already been sold or reserved[3].

Livingstone II

The Livingstone II building, built in 1996, offers around 17,000m² of office space over seven floors. It is undergoing a complete restructuring and renovation. It will continue to be used for offices. The entrance to the building will however be moved to Rue Philippe le Bon.

The permits for the works of Livingstone II building were granted in 2012. Works began in March 2013 and are expected to be completed in August 2014. The estimated budget for the works amounts to €21 million, including VAT.

For more information, see the 2012 Annual Financial Report, pages 34-35.

Science/Wetenschap 15-17

This building, with a superstructure of around 20,000m² over eight floors and two underground parking levels, is due to be completely redeveloped. Cofinimmo has decided to go for a mixed project, with the lower floors being dedicated to retail and cultural activities, while the upper floors will retain their use primarily as office space. 17 residential units will also be added.

Cofinimmo hopes to achieve an energy efficiency rating of E44 and a "Very Good" BREEAM rating. The project's design, its sustainable quality, its ambition in terms of energy performance and its environmental quality were what prompted the Brussels Capital Region to award it the prize for "Exemplary Building 2011".

The different permits required for this redevelopment were granted in January 2014. The works will start as soon as a certain level of pre-letting is achieved and are expected to take two years. The budget for the project is estimated at €42 million, including VAT.

For more information, see the 2012 Annual Financial Report, page 34.

Woluwe 34

The reconversion works of the Woluwe 34 office building in Brussels (±7,000m²) into housing began in July 2013, after having obtained the required town-planning and environmental permits. They are due to be completed at the start of 2015. The total budget for the project is estimated at €13 million, excluding VAT. At the publication date of this Annual Financial Report, 74% of the apartments have been sold or reserved[3].

As regards energy performance and sustainability, Cofinimmo intends to obtain an overall thermal insulation rating of K40 and an energy consumption rating of E70 per apartment.

[1] Estimated value for the renovated offices. No official declaration to be made.

[2] The agreement concluded at the beginning of 2013 formalised the fact that the company Cordeel renounced to the condition precedent of which it benefitted. Hence, and in accordance with the convention which had been subject to an Article 18 communication in the form of the press release dated 16.08.2012, the reconversion works were started.

[3] A reservation convention is a document by which a housing unit is reserved for potential acquirers.

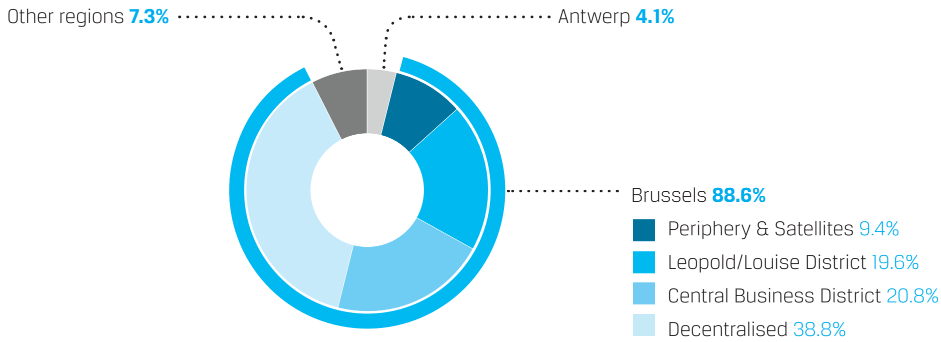
SECTOR INFORMATION

Main clients - in contractual rents (in %)

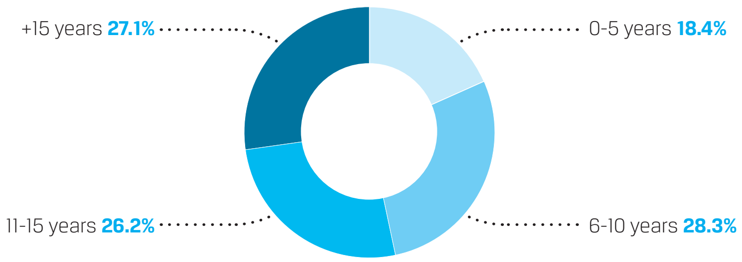
	Score[1]	Outlook[1]	%
Buildings Agency (Belgian Federal State)	AA	NEG	25.7%
AXA Belgium	A+	STABLE	11.0%
European Commission	AAA	NEG	9.8%
IBM Belgium (IBM Group)	AA-	STABLE	4.3%
TVI SA/NV (RTL Group)	BBB+	STABLE	3.0%
OVAM	N/R	N/R	2.1%
CEFIC	N/R	N/R	2.1%
KPMG	N/R	N/R	1.9%
Cleary, Gottlieb, Steen & Hamilton	N/R	N/R	1.8%
TOTAL			**61.7%**
Other			38.3%

N/R: not rated

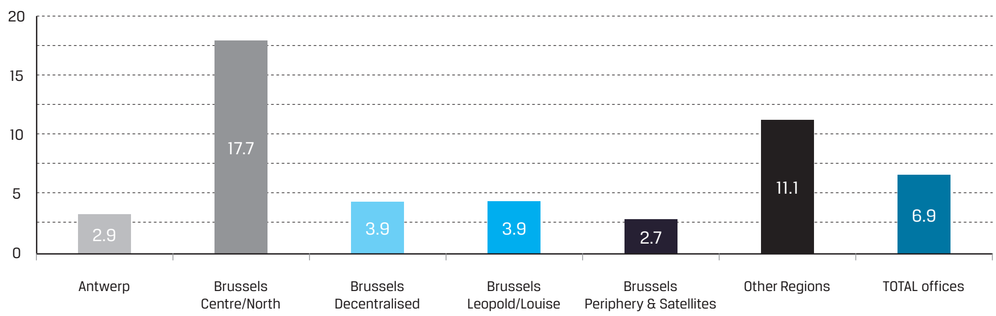
Geographic breakdown – in fair value (in %)



Average age of properties[2] (in %)

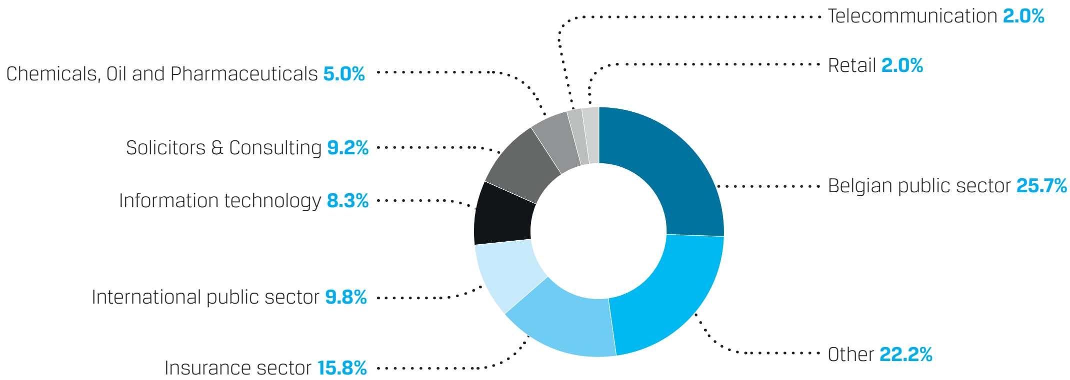


Average residual lease term by region (in number of years)



[1] Assessment of the entity's financial solvency risk by the financial rating agency Standard & Poor's; situation at 31.12.2013.
[2] Buildings which have undergone a large-scale renovation are considered as new.

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



PROPERTY SERVICES

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

Cofinimmo has 350 office clients, of which 155 used one or more of its property services in 2013. These services ranged from office space design to maintenance and security.

Any fitting-out works are managed directly by the in-house multidisciplinary Project Management team, which is staffed by architects, engineers and space planners.

Other services, such as maintenance, security and energy supply, are provided by contractors who undergo a rigorous selection procedure by the Property Services & CSR[1] team.

Cofinimmo negotiates framework contracts for these services, enabling it to both impose its high quality standards and achieve economies of scale by taking advantage of the size of its portfolio to obtain outstanding quality at the best possible value from the selected contractors.

Cofinimmo also has a Service Desk available 24/7 in charge of arranging for contractors to carry out minor works and repairs of all types at the request of its clients. This Service Desk is in charge of handling client requests, keeping them informed of the progress being made at each major stage of the process: acceptance of the request, start date for the works and details of the contractor, end date and a report on the services provided. The client can contact this centralised service at any time to obtain more information or provide feedback.

In 2013, the Service Desk handled 8,610 requests for interventions. The cost of the works is 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 €166,000 from its property services.

[1] Corporate Social Responsibility.

SUSTAINABLE DEVELOPMENT

Acquisitions

Cofinimmo takes into account environmental factors when performing its risk analysis at each building acquisition. As regards pollution, if necessary, it carries out an assessment of the soil, subsoil and groundwater quality, especially for properties in which at-risk activities are taking place or have taken place (fuel oil tanks, printing works, transformers, etc.). Furthermore, Cofinimmo complies with the various regional and national obligations regarding soil quality certification. It also carefully examines any non-compliant aspects and environmental risks in order to bring them up to standard. They are then dealt with once the acquisition is complete.

Major works and renovations

Cofinimmo has developed a rational renovation policy for its existing buildings with a view to significantly reducing their energy consumption and CO_2 emissions. The Group scrupulously complies with Belgian and European environmental standards, seeking even to surpass them. Special attention is given to potential energy savings from air-conditioning (heating, cooling and ventilation), lighting and building insulation (façades, roofs and basements). In addition, energy audits are conducted as early as the design stage of the project. For new builds and large-scale renovations, Cofinimmo examines the possibility of integrating renewable energy sources.

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

For both new builds and large-scale renovation projects, Cofinimmo must comply with the legal requirements governing the building's energy performance. All the development projects that Cofinimmo has carried out, supervised or started since these regulations have been instaured have complied with these requirements or, in some cases, even exceeded them, so as to anticipate any future changes in the legislation. Where the projects are carried out under the responsibility of a developer or the tenant, Cofinimmo provides advice and information.

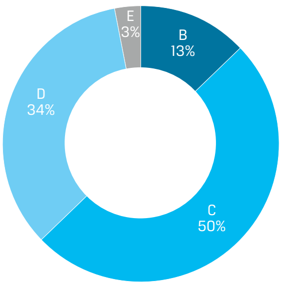
Reconversion opportunities

The Group also seizes any reconversion opportunities that offer potential for increasing the value of the property. These reconversions not only optimise the use of the properties, and therefore their environmental integration, but also allow sustainable, ecological systems to be built in. Moreover, through these reconversions, Cofinimmo is able to better meet both the demand for housing, to accommodate a growing population, and the calls from public authorities for greater diversification in office-heavy areas. Several reconversion projects of offices into residential or mixed office/residential/retail developments are currently underway (see page 33 of this Annual Financial Report).

Property management

For 32 of its existing office buildings, accounting for 34% of its office space, Cofinimmo has obtained an Energy Performance of Buildings certificate stating the energy performance and CO_2 emissions ratings. As and when a property is sold or rented, these certificates are produced by an accredited company and in line with the European Energy Performance of Buildings Directive (EPBD), which has been transposed into the national and regional legislation. 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).

Energy performance certificates of Cofinimmo's offices located in the Brussels Capital Region (in %)



Energy rating	kWh PEU[1]/m^2/year
A	< 62
B	62 - 155
C	156 - 248
D	249 - 341
E	342 - 434
F	435 - 527
G	> 527

In 2013, Cofinimmo invested in an energy data management software programme to facilitate the identification of potential sources of savings and the impact of investments made with a view to reducing consumption. The software collates all the consumption data for all the common areas managed by Cofinimmo, as well as private consumption data provided by tenants on a voluntary basis. Changes in these consumptions over the past three years are given on pages 102 to 108 of this Annual Financial Report.

Cofinimmo has also continued its installation of remote meters, which allow consumptions to be monitored in real-time and therefore better managed.

In 2013, a green electricity supply contract was signed again for all common areas managed by the Group. The purchased volume is around 45 GWh per year, i.e. a saving of 20,385 tons of CO_2, which is the equivalent of nine medium-power wind turbines.

BREEAM In-Use[2]

In order to have its efforts recognised, Cofinimmo is continuing its BREEAM In-Use certification policy, prioritising buildings currently up for sale or lease. The objective of obtaining an environmental certification is twofold: on the one hand, to improve the commercial competitiveness of its buildings, and, on the other hand, to introduce a process of continual improvement in the portfolio's environmental performance. A total of $98,000 m^2$ of offices have been certified, i.e. 12.5% of Cofinimmo's office portfolio.

Property	Asset management	Building management
Souverain/Vorst 36	Good	Good
Bourget 42	Good	Good
Bourget 44	Good	Good
de Meeûs 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

Raising the awareness of tenants

For the past two years, Cofinimmo has been asking its tenants to sign a Green Charter. This is a collaboration agreement between Cofinimmo, Cofinimmo Services and the tenant aimed at actively promoting sustainable development and encouraging all parties to reduce the environmental impact of a rented property, by sharing consumption data, finding ways to reduce consumption, improving the selective sorting of waste, etc. So far 19 tenants have signed the charter. Together, they represent around 15% of Cofinimmo's occupied office space.

Cofinimmo plays an active role as an environmental adviser towards its many clients. This involves proactive and easy-to-implement advice on reducing water and energy consumption, sorting and reducing waste, optimising lighting and air quality, cleaning, using ecological materials and products, minimising transport use, noise management, etc.

Mobility

Aware of how mobility can have an impact on the appeal of its town-centre properties, Cofinimmo is exploring innovative solutions, such as:

- making car parks open to residents outside of normal office hours;
- providing shared electric vehicles: five vehicles are currently being tested in office buildings in Brussels.

Cofinimmo has forged links with professional partners (Zen Car and BE Park) that were behind the development of these services.

[1] Primary Energy Use.

[2] BREEAM In-Use is a subprogramme of BREEAM (see Glossary) which certifies the sustainability of existing buildings. The assessment covers more than just energy performance, and includes energy, water, materials, transport, waste, pollution, health and well-being, management, land and ecology. Following the certification process, the building and its property management are given a rating (Acceptable, Pass, Good, Very Good, Excellent or Outstanding).

TRANSACTIONS AND PERFORMANCES IN 2013

HEALTHCARE REAL ESTATE

HEALTHCARE REAL ESTATE

Since its entry in this sector in 2005, Cofinimmo has gradually diversified its healthcare real estate portfolio by investing not only in nursing and care homes for elderly people but also in psychiatric, revalidation and acute care clinics in Belgium and in France. Since 2012, the Group also has a foothold in the Netherlands.

With a portfolio spread over three countries and 127 properties comprising 13,201 beds, Cofinimmo is one of the foremost healthcare real estate investors in continental Europe.

Fair value of €1,228 million

The main advantages of this sector are:

- A favourable legal environment: acute and long-term care establishments are governed by very strict authorisation systems, creating strong barriers to entry;
- A significant growth potential due to the growing and ageing population in Belgium and its neighbouring countries. The number of people over 65 will rise by more than 51% between now and 2060[1];
- Long-term leases with operators: the leases with the operators have an initial fixed term of 27 years in Belgium, 12 years in France and 15 years in the Netherlands;
- The rents, which are indexed annually, are fixed and are not tied to resident occupancy rates. In addition, almost all lease agreements provide an option to extend the lease for two consecutive periods of nine years in Belgium, nine to twelve years in France and ten years in the Netherlands;
- The large majority of the leases state that maintenance costs, including structural maintenance costs, are the responsibility of the tenant;
- Rental levels that reflect the economic potential of each project;
- Favourable locations making it easier to redevelop the properties: even if the leases are not extended, Cofinimmo can tap the redevelopment potential of these properties to the full, mainly as residential accommodation.

Cofinimmo invests exclusively in establishments that have been approved by the authorities and granted the necessary licences. To do so, the company signs long-term leases with the major players in the Belgian, French and Dutch markets.

Acquisitions in this sector all undergo prior due diligence to assess the profitability of the project as well as the solvency of the operators. This solvency analysis is repeated annually, with the operators undertaking to provide regular financial reports on the evolution of the operations.

With an occupancy rate close to 100% and leases being signed for an initial term of minimum 12 year, investments in healthcare real estate provide a profile of stable and long-term rental income.

Cofinimmo is well-placed vis-à-vis operators in this market. Thanks to its multidisciplinary team, and in particular its experienced Project Management team dedicated to healthcare real estate, Cofinimmo can offer operators a global solution comprising access to financial, property, architectural and environmental expertise.

ACQUISITIONS

In July 2013, Cofinimmo acquired a former office building located in Rijswijk, in a suburb south of The Hague (Netherlands), for €3.1 million, in line with the value determined by the real estate expert. The asset is being reconverted into a modern eye and skin care clinic. Works should be finalised during the first quarter of 2014. The reconversion is financed entirely by the Dutch group Bergman Clinics. The clinic is now being rented by the seller, under a 15-year long lease with a ten-year extension option, which must be exercised by the long lease holder the tenth year of the contract (2023). Under the terms of the long lease, the holder is responsible for the maintenance costs and the taxes (triple net type lease contract). The initial rental yield is 7.83% in double net equivalent[2]. The rent is indexed annually to the household consumer price index. The renovated property covers 2,133m², comprises 25 parking spaces and is fitted with consultation rooms, medical diagnostic facilities, operating theatres and recovery rooms.

In December 2013, Cofinimmo also acquired a former office building in Ede, in the Gelderland province (Netherlands), for €3.5 million, in line with the value determined by the real estate expert. The asset will be reconverted into a private eye clinic. The reconversion is being financed entirely by the Dutch group Bergman Clinics. The delivery of the works is scheduled for the end of April 2014. The clinic will be rented by the Bergman Clinics Group, under a 15-year long lease with a ten-year extension option, starting from the provisional delivery of the works. The initial rental yield is 7.79% in double net equivalent[2]. The rent is indexed annually to the household consumer price index. The renovated property will cover 2,663m², comprise 60 parking spaces and will be fitted with consultation rooms, a polyclinic and operating theatres.

[1] Source: Eurostat.

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

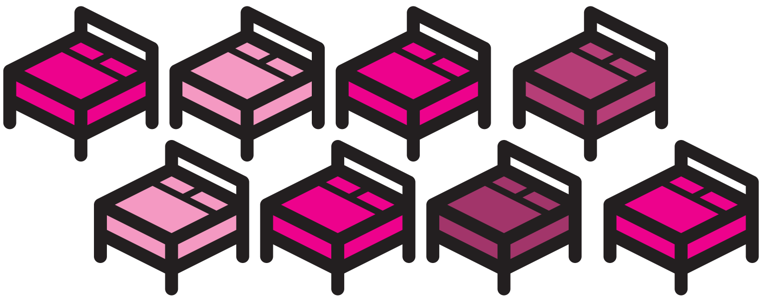
Bergman clinic – Naarden (Netherlands)

We have the ambition to broaden our healthcare real estate portfolio in order to prepare for the predicted increase in the number of elderly people in the coming years. We also wish to broaden our portfolio both geographically and by type of assets in this sector.

Sébastien Berden - Head of Healthcare Properties

Finally, in December 2013, Cofinimmo signed an agreement for the acquisition of a former office building to be reconverted into an acute care clinic, located in Eindhoven, in the south of the Netherlands, for €1.4 million. The sale contract will be signed once the permit required to carry out the reconversion works has been obtained.

The renovated establishment will cover 3,046m² and comprise around 100 parking spaces. The estimated total budget is €6.0 million, of which €3.2 million for the construction, to be paid by Cofinimmo, and €2.8 million for the fitting-out, to be paid by the operator Equipe. The delivery of the works is scheduled for the second quarter of 2015 at the latest.



Equipe Eindhoven, a subsidiary of Equipe Zorgbedrijven Holding[1], will rent the clinic under a 15-year long lease with a ten-year extension option, which must be exercised by the long lease holder the tenth year of the contract. Under the terms of the lease, the holder is responsible for the maintenance costs and the taxes (triple net type lease contract). The rent will be indexed annually to the household consumer price index. The initial rental yield will be 7.50% in double net equivalent[2].

DISPOSALS

In October 2013, Cofinimmo disposed of the La Pinède SSR clinic, located in Sigean (France) and vacated by the Korian Group on 30.09.2013, for a gross total amount of €0.7 million. This price lies above the investment value of the property as determined by the independent real estate expert at 31.12.2012.

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

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

Les Charmilles – Sambreville (Belgium)

Den Brem – Rijkevorsel (Belgium)

CONSTRUCTION AND RENOVATION PROJECTS

In Belgium and in France, the Group has delivered and overseen several major projects. €41.2 million have been invested in constructions, extensions and renovations in the healthcare real estate sector.

In 2013, the Project Management team managed and/or oversaw the following main projects:

Belgium

Property	Operator	Type of works	Number of (additional) beds	Surface area	Actual K-level[1]	Authorised K-level[1]	(Expected) End of works
Parkside – Brussels	Le Noble Age	Renovation & extension	+ 15 beds	2,362m²	23[2]	N/A	Q1 2013
Prinsenpark - Genk	Senior Living Group	Extension	+ 65 beds and 22 service flats	+ 5,239m²	31[3]	45	Q2 2013
Dageraad - Antwerp	Armonea	New construction	94 beds	5,020m²	31	45	Q2 2013
Lucie Lambert – Halle	Orpea	Extension	+ 17 beds	+ 2,614m²	45	45	Q3 2013
Zonnetij – Aartselaar	Senior Living Group	Extension	Transformation of double rooms into single rooms	+ 1,216m²	45	45	Q3 2013
Zonnewende – Aartselaar	Senior Living Group	Extension	Transformation of double rooms into single rooms	+ 600m²	45	45	Q3 2013
De Couverture (Solva) – Aalst	Senior Assist	New construction	80 beds and 29 service flats	7,894m²	36	45	Q1 2014

France

Property	Operator	Type of works	Number of (additional) beds	Surface area	Actual K-level[1]	Authorised K-level[1]	(Expected) End of works
Lo Solehl - Béziers	Korian[4]	Renovation	+ 13 EHPA beds	/	/	N/A	Q2 2013

N/A: not applicable

[1] K-Level: Overall thermal insulation rating of a building, indicating the quality of the building shell.
[2] Only for the extension; no overall K-level for the large-scale renovation.
[3] Actual K-level for the service flats and the nursing home above the service flats. The actual K-level for the extension next to the existing nursing home is K33.
[4] In November 2013, Korian and Medica announced their plan to merge during 2014.

Saint Gabriel – Gradignan (France)

7 Voyes – Vedrin (Belgium)

For 2014-2015, excluding projects that were started but not yet completed in 2013, the main planned construction and renovation projects, for a total amount of €61.9 million, are as follows:

Belgium

Property	Operator	Type of works	Number of (additional) beds	Area	Actual K-level[1]	Authorised K-level[1]	(Expected) End of works
Damiaan – Tremelo	Senior Living Group	Renovation and extension	/	+ 556m^2	45	45	Q1 2014
Les Jours Heureux – Lodelinsart	Senior Assist	New construction	20 beds	1,345m^2	29	45	Q1 2014
De Mouterij – Aalst	Senior Assist	New construction	120 beds and 13 service flats	7,643m^2	32	40	Q3 2014
Vishay – Brussels	Armonea	New construction	165 beds	8,565m^2	27	40	Q4 2014
De Nootelaer – Keerbergen	Senior Living Group	Extension	5 service flats	500m^2	40	40	Q1 2015
Noordduin – Koksijde	Armonea	New construction	87 beds	6,440m^2	40	45	Q1 2015
Den Brem - Rijkevorsel	Armonea	Extension	+ 36 beds	+ 1,300m^2	29	40	Q2 2015
De Nieuwe Seigneurie – Rumbeke	Armonea	Extension	+ 31 beds	+ 1,688m^2	40	40	Q2 2015
Susanna Wesley – Brussels	Armonea	New construction	87 beds	4,960m^2	23	40	Q2 2015
7 Voyes – Vedrin (phase 2)	Senior Assist	Renovation	/	/	40	45	Q4 2015
Brise d'Automne & Chêne – Ransart	Senior Assist	Renovation and extension	+ 16 beds and 6 service flats	+ 3,088m^2	28	45	Q4 2016

France

Property	Operator	Type of works	Number of (additional) beds	Surface area	Actual CEP-level[2]	Authorised CEP ref-level[2]	(Expected) End of works
Frontenac – Bram	Korian[3]	Renovation and extension	+ 8 beds	+ 700m^2	207,16	221,51	Q3 2014
William Harvey – Saint-Martin-d'Aubigny	Korian[3]	Renovation and extension	+ 10 beds	+ 670m^2	235,67	311,61	Q1 2015
Les Lubérons – Le Puy-Sainte-Réparade	Korian[3]	Renovation and extension	+ 25 beds	+ 1,400m^2	226,70	247,60	Q3 2015
Saint Sébastien – Saint-Sébastien-sur-Loire	Orpea	Extension	+ 12 beds	+ 786m^2			Q1 2014

[1] K-level: Overall thermal insulation rating of a building, indicating the quality of the building shell.

[2] CEP level: Energy consumption rating of a building for heating, cooling, domestic hot water production, ventilation and lighting; the actual CEP level must be less than the authorised CEP-ref level, which, in France, is defined by region.

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

Dageraad – Antwerp (Belgium)

7 Voyes – Vedrin (Belgium)

OPERATORS

ANIMA CARE (www.animacare.be)

Anima Care is a subsidiary of the Ackermans & Van Haaren Group, listed on the stock exchange and operating in Belgium.

Of their portfolio, Cofinimmo owns the Zevenbronnen nursing home in Landen (Belgium).

ARMONEA (www.armonea.be)

Armonea was set up in 2008. The group was born from an alliance between two Belgian family-owned companies, each with a 30-year track record in providing care for the elderly.

Cofinimmo currently owns 26 nursing homes from their total portfolio, and constructions are currently underway on two plots of land. All these properties are located in Belgium.

BERGMAN CLINICS (www.bergmanclinics.com)

The Bergman Clinics Group, founded in 1988, operates exclusively in the Netherlands. It employs 600 workers and 80 medical specialists across 17 sites.

Cofinimmo owns three acute care clinics from their property portfolio, all of which are located in the Netherlands.

CALIDUS

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

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

INICEA (www.inicea.fr)

Inicea Group, formerly "Groupe des Vallées", was founded in 2010 and specialises in psychiatric care.

Cofinimmo owns four psychiatric establishments from their property portfolio in France.

KORIAN (www.groupe-korian.com)

The Korian Group is one of Europe's leading names in the dependent care sector and operates through EHPADs (nursing homes), SSR (rehabilitation) clinics and psychiatric clinics in France and in Germany. The Group is listed on the stock exchange.

Cofinimmo currently owns 34 establishments from their property portfolio in France.

MEDICA (www.medica-france.fr)

The Medica Group is a leader in the French healthcare sector and operates through EHPADs, SSR clinics and psychiatric clinics. The Group is listed on the stock exchange.

On 29.07.2013, Medica acquired a 100% stake in Senior Living Group (SLG) (www.srliving.be), a former subsidiary of Waterland Private Equity, which, since 2004, has specialised in dependent care in Belgium.

Cofinimmo owns six establishments from their property portfolio in France as well as 16 nursing homes from the Senior Living Group property portfolio in Belgium.

On 18.11.2013, the French retirement home groups Medica and Korian announced a merger project "between equals" which would lead to the creation of Europe's largest company in the sector. The project, however, will require the approval of the shareholders of both Groups when they meet for their respective Shareholders' Meetings during the first quarter of 2014.

LE NOBLE ÂGE (www.groupenobleage.com)

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 is listed on the stock exchange since June 2006.

Cofinimmo currently owns the Parkside nursing home in Laeken (Belgium).

ORPEA (www.orpea.com)

The Orpea Group is currently one of the European leaders in the dependent care sector and operates in France through EHPADs, SSR clinics and psychiatric clinics. Orpea has been listed on Euronext Paris since April 2002.

Cofinimmo owns six nursing homes in Belgium and ten establishments in France.

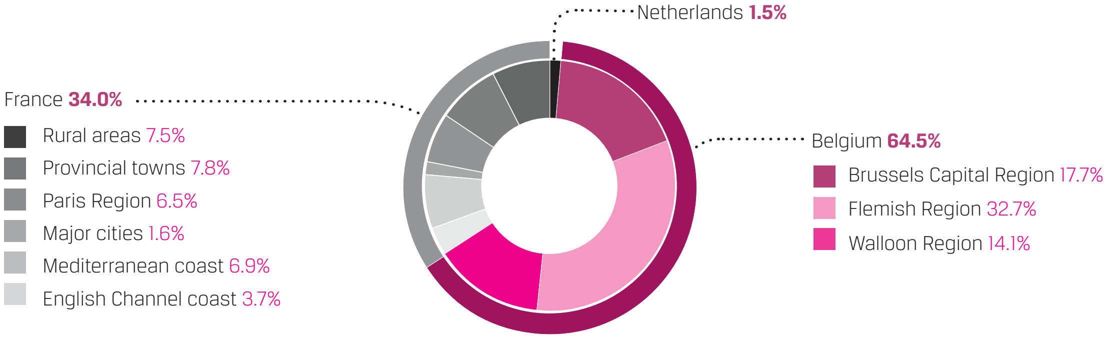
SENIOR ASSIST (www.senior-assist.be)

Senior Assist is a private group founded in 2005 which operates in the home care and accommodation of dependent elderly people sector.

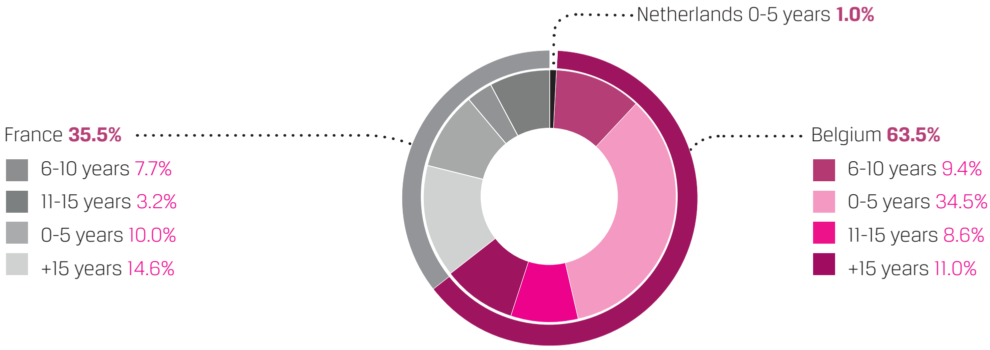
Cofinimmo owns 16 nursing homes from their property portfolio, and constructions are currently underway on two plots of land. All these properties are located in Belgium.

SECTOR INFORMATION

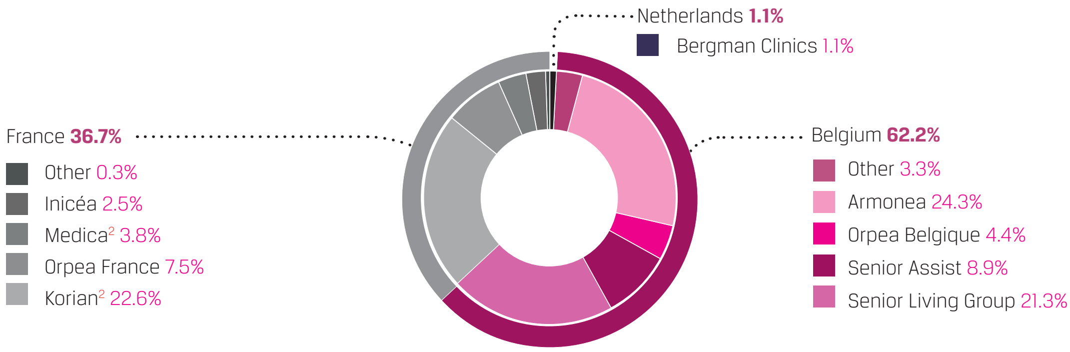
Geographic breakdown – in fair value (in %)



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

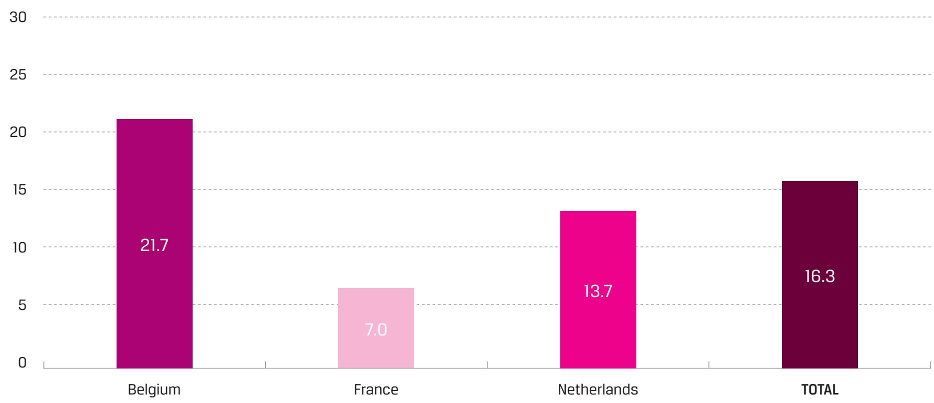


Breakdown by operator – in contractual rents (in %)

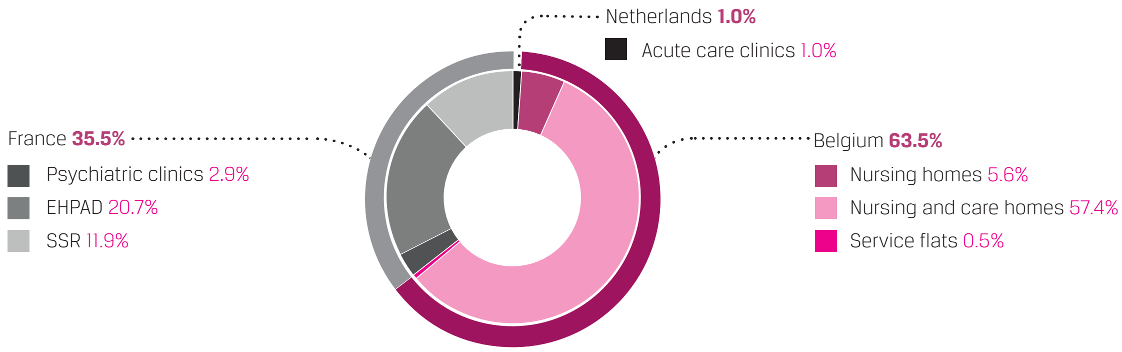


[1] The buildings which underwent a large-scale renovation are considered as new.
[2] In November 2013, Korian and Medica announced their plan to merge during 2014.

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



Breakdown by type of asset - in fair value (in %)



SUSTAINABLE DEVELOPMENT

Cofinimmo plays a mainly advisory role for operators in terms of sustainability, due to the triple net nature of its investments.

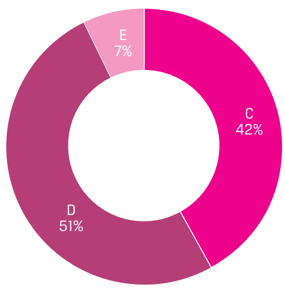
Any opportunities for improving the construction and sustainability qualities of the buildings are discussed together with the operator during new construction or extension projects. The aim is to rationalise energy use when operating the building. This comes as part of Cofinimmo's ISO 14001:2004 environmental certification for the Project Management of major works and renovations and translates into, for example, better insulation (K-level) that exceeds the minimum legal requirements and more efficient heating and ventilation systems (see the section "Construction and renovation projects" of this chapter).

In addition, Belgium, France and the Netherlands all have different legislations governing energy performance.

In Belgium, only service flats have to comply with E-Level requirements, namely those applicable to residential properties.

In France, the legislation also applies to nursing homes, but with a different rating system (A to I)[1] than in Belgium.

The energy performance of 41 care homes in France, i.e. 32% of the portfolio, can be broken down as follows:



Energy	kWh PEU[2]/m²/year
A	< 51
B	51 - 90
C	91 - 150
D	151 - 230
E	231 - 330
F	331 - 450
G	451 - 590
H	591 - 750
I	> 750

[1] France has stricter standards than Belgium. For example, a C rating in Belgium corresponds approximately to a D rating in France.
[2] Primary Energy Use.

TRANSACTIONS AND PERFORMANCES IN 2013

PROPERTY OF DISTRIBUTION NETWORKS

PROPERTY OF DISTRIBUTION NETWORKS

In 2007 and 2011, Cofinimmo acquired the real estate of two distribution networks: cafés and restaurants in Belgium and in the Netherlands (Pubstone) and insurance agencies in France (Cofinimur I).

Fair value of €533 million

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

Cofinimmo acquires these networks, which consist of a large number of small buildings, from companies wishing to externalise their distribution properties and rents them back to those same companies on a medium- or long-term basis.

The maintenance of the buildings that make up these networks is done either to a limited extent by Cofinimmo (its subsidiaries Pubstone and Cofinimur I) or in full by the tenant.

The Group currently has the real estate of two distribution networks in its portfolio.

PUBSTONE[1]: CAFÉS AND RESTAURANTS

Under the terms of a real estate partnership, Cofinimmo acquired, at the end of 2007, an entire portfolio of cafés and restaurants previously owned by Immobrew SA/NV, a subsidiary of AB InBev and renamed Pubstone SA/NV. The premises were then leased back to AB InBev under a commercial lease for an initial average term of 23 years. AB InBev retains an indirect stake of 10% in the Pubstone structure (see pages 186 and 187). On expiry of the lease, AB InBev has the option of renewing it under the same conditions or of returning the vacated premises.

Cofinimmo does not assume any risk from the commercial operation of the cafés and restaurants, since 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 the roofs, walls, façades and external woodwork. Under the partnership, Cofinimmo 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 people involved in the portfolio management (Property and Project Management). In the Netherlands, the in-house Pubstone team consists of two people, with one person responsible for technical coordination of the portfolio and the other for administration.

This in-house management guarantees continual technical and financial supervision of the various properties, as well as the standardisation of the various aspects related to property and urban planning. On 31.12.2013, the Pubstone portfolio consisted of 810 properties in Belgium and 245 properties in the Netherlands, representing a total above-ground floor area of 363,471m^2 and a fair value of €422.89 million (Belgium: €272.24 million; Netherlands: €150.65 million).

Disposals

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

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

Technical interventions and renovations

In 2013, the operational Property and Project Management teams dealt with 398 technical interventions, including 199 renovation projects in Belgium, 148 technical interventions and 83 renovations in the Netherlands. The works consists mainly of painting and external woodwork repairs, as well as roof works.

The Project Management team managed and/or supervised the following main projects in 2013:

Property	Type of works
BELGIUM	
Boudewijnstraat 15 - Ghent	Renovation of façades
Oude Markt 29 - Leuven	External woodwork, paintwork and roof work
NETHERLANDS	
Korenmarkt 18-19 - Arnhem	Partial renovation
Stationsstraat 89 - Waalwijk	External paintwork
Markt 66 - Delft	External paintwork and roof work

The total amount invested in these interventions and projects in 2013 stands at €3.11 million for both countries, of which €2.30 million in Belgium and €0.81 million in the Netherlands.

New renovation projects as well as minor and major works are planned for 2014, for a budget of €3.35 million.

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

COFINIMUR I: INSURANCE AGENCIES

In December 2011, Cofinimmo SA/NV and Foncière ATLAND, acting in partnership and on behalf of the subsidiary Cofinimur I SA/NV, acquired a 283-asset portfolio from the MAAF insurance group, comprising 265 retail branches, 15 office buildings and three mixed-use buildings (retail/offices).

All these buildings are let for an initial average term of 9.7[1] years to MAAF, a subsidiary of the French insurance group Covéa, which has a total network of 587 branches throughout the French territory. These branches are run by MAAF employees.

Foncière ATLAND REIM[2] is in charge of the asset and property management of the entire portfolio on behalf of the acquisition structure held jointly by Cofinimmo SA/NV and Foncière ATLAND.

In order to finance part of the acquisition of the MAAF branches, Cofinimur I issued Mandatory Convertible Bonds (MCB) for a total amount of €52.0 million. The conditions attached to these bonds are described on page 48 of the 2011 Annual Financial Report.

In 2013, the in-house operational teams took on a number of projects, including:

- the configuration of the SAP software for the rendering of charges;
- the update of the on-line database for the daily management of the 283 sites (Shareholders' Meetings, inventories of fixtures at entry, plans, works, etc.);
- the validation and tracking of requests relating to around forty "Agence 2010" works files (part of the €80 million works budget agreed with MAAF at the time of the acquisition);
- the sale of five assets which were unlet at the time of the acquisition or under a one-year tenancy-at-will lease;
- the complete renovation of the Compiègne branch, with a view to reletting it to MMA[3];
- the operational follow-up via visits of around 175 branches.

Acquisitions

In November 2013, Cofinimmo acquired two insurance agency branches in France (Oullins and Corbeil-Essonnes) for a total gross amount of €0.6 million. This amount is in line with the investment value of the assets as determined by the independent real estate expert. The two branches are let to MAAF for a fixed nine-year term and offer a gross rental yield of 7.59% for the Oullins agency and 7.88% for the Corbeil-Essonnes agency.

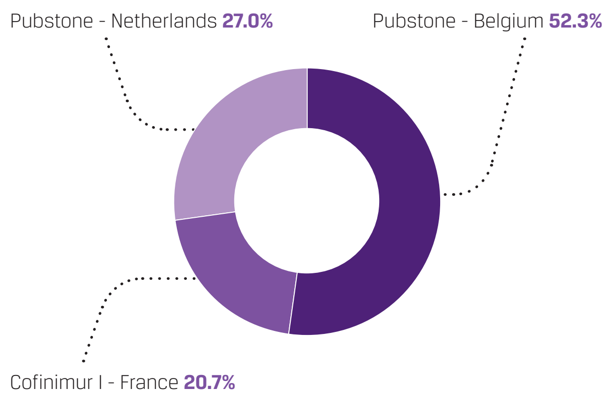
Disposals

During 2013, Cofinimmo also sold five insurance agency branches in France, located in Avignon, Noisiel, Marseille, Riom and Vernon, for a total gross amount of €1.5 million. This amount is greater than the investment value of the properties as determined by an independent real estate expert at 31.12.2012.

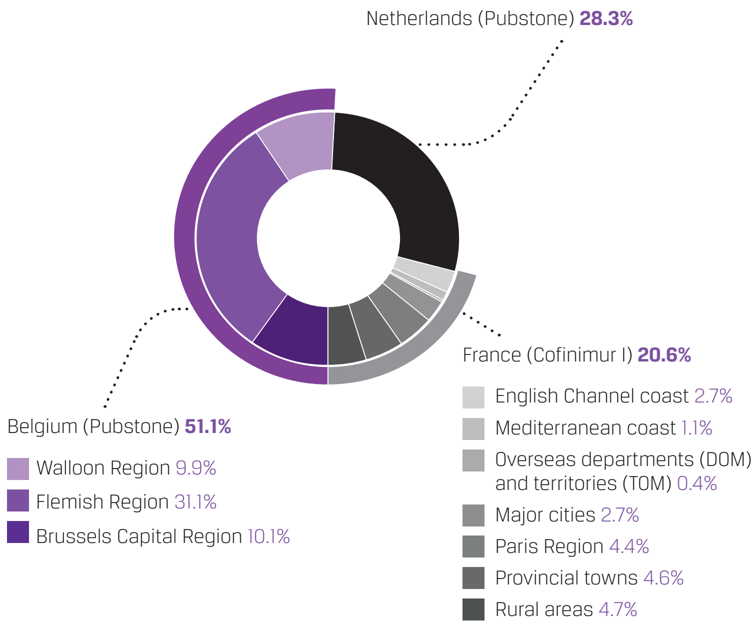
When Cofinimmo acquired the MAAF portfolio, five of the 265 branches were vacant and five others were under a one-year tenancy-at-will lease[4]. At the publication date of this Annual Financial Report, seven of these ten assets at risk have been sold. The realised gains on these sales amount on average to 5% of the last investment value as determined by the independent real estate expert.

SECTOR INFORMATION

Breakdown by rent - by country (in %)



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

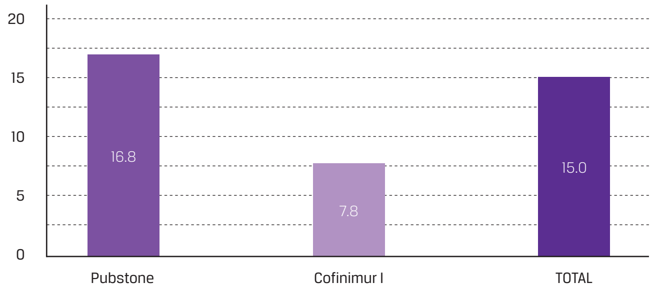


[1] Residual fixed term of 7.8 years at 31.12.2013.
[2] REIM: Real Estate Investment Management.
[3] A mutual insurance company, formerly known as "Mutuelles du Mans", part of the Covéa Group.
[4] See also our press release dated 21.12.2011, available on the website www.cofinimmo.com.

> *This type of investment is still very opportunistic but offers considerable advantages for the Group in terms of long-term income, return and risk granularity.*
>
> **Xavier Denis - Chief Operating Officer**

Café des Arts – Markt 32 – Bruges (Belgium)

Average residual lease length
(in number of years)



SUSTAINABLE DEVELOPMENT

Pubstone: cafés and restaurants

The ongoing renovation of the façades and roofs is helping to reduce CO_2 emissions.

There are currently no compulsory energy efficiency standards applicable to this type of buildings, except the apartments located above the cafés/restaurants. An energy performance certificate has been produced for 24 of the 77 apartments.

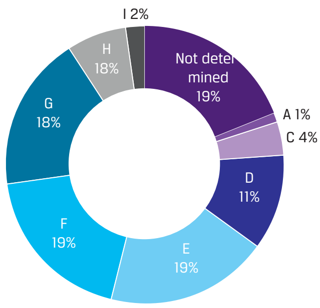
Cofinimur I: insurance agencies

The energy map of the MAAF branches has been known since their acquisition.

Most of the branches are under co-ownership and are managed by a third party, with Cofinimmo playing an advisory and informative role where necessary.

In addition, the tenants themselves are proactive in terms of sustainable development, for example by paying particular attention to accessibility for disabled people.

The energy performance of the 283 MAAF branches is as follows:



Energy	kWh PEU[1]/m^2/year
A	< 51
B	51 - 90
C	91 - 150
D	151 - 230
E	231 - 330
F	331 - 450
G	451 - 590
H	591 - 750
I	> 750

[1] Primary Energy Use.

TRANSACTIONS AND PERFORMANCES IN 2013

PUBLIC-PRIVATE PARTNERSHIPS

PUBLIC-PRIVATE PARTNERSHIPS

Cofinimmo is continuing its policy of participating in Public-Private Partnerships (PPPs), which enable certain public services to obtain the necessary funding for the renovation or construction of specific buildings, with maintenance guarantees.

5 buildings in operation

Striving to meet the specific demands of public authorities, Cofinimmo provides its real estate and financial expertise for long-term partnerships that are the subject of public contracts.

Cofinimmo studies the economic and technical life cycle of the projects in order to find the best compromise between initial investments and future expenses, whether maintenance costs or replacement and repair costs.

The company bears no construction risk in this type of property investment, which remains the responsibility of an appointed general contractor, who receives a flat fee payable upon delivery of the building.

Cofinimmo supervises the quality and execution of the construction works and is also responsible for the upkeep and maintenance throughout the tenancy, which is usually under a very long-term lease, at the end of which the public authority has an option to purchase the property or sees the ownership transferred free of charge. Cofinimmo therefore does not have perpetual ownership of these properties.

Cofinimmo's PPP portfolio comprises a courthouse, a fire station, two police stations and a student residence that are all currently in use, and a prison which is under construction.

Housing for students of the Université Libre de Bruxelles (ULB - Brussels University)[1]

The renovation works of the student housing residence Nelson Mandela, located avenue des Courses/Wedrennenlaan in Brussels, were completed on 11.09.2013. As a reminder, in April 2012, Cofinimmo won the tender by the ULB for a Public-Private Partnership concerning two student housing buildings, one of which, avenue des Courses/Wedrennenlaan, was in need of a large-scale renovation[2].

Cofinimmo invested €14.2 million in the renovation. The building is rented to the ULB until July 2039, after which its full ownership will revert to the University. For more information, see the 2012 Annual Financial Report, page 52.

Prison of Leuze-en-Hainaut

In 2011, the Buildings Agency (Belgian Federal State) awarded the consortium Future Prison (FPR Leuze SA/NV), of which Cofinimmo is a part, the public tender based on the *Design-Build-Finance-Maintain* (DBFM) model for the construction and maintenance of a new prison in Leuze-en-Hainaut. Works began in July 2012, immediately after the permit was granted, and were continued in 2013. The delivery of the project is scheduled for the second quarter of 2014.

The total cost of the project is estimated at €105.6 million (including all costs, taxes and interests), and is financed by the SPV Future Prison[3], through equity and a construction loan. Upon delivery of the works, Cofinimmo will take over the balance of the shares of the SPV and will reimburse the construction loan via the sale of 90% of the receivables corresponding to the investment fees, which cover a period of 25 years. FPR Leuze has agreed to the construction loan and the future assignment of receivables with KBC Bank. The anticipated internal rate of return (IRR) is 10%.

For more information, see the 2012 Annual Financial Report, page 53.

[1] The Université Libre de Bruxelles (ULB - Brussels University), one of Belgium's largest universities, has around 25,000 students.
[2] See also our press release of 23.04.2012, available on the website www.cofinimmo.com.
[3] Cofinimmo has a 50% stake in the SPV Future Prison, Cordeel Zetel Temse a 49% stake and Willemen a 1% stake.

Prison – Leuze-en-Hainaut (Belgium)

> *With extensive experience in the PPP segment, we will continue to help the public authorities in modernising and renewing their property portfolio.*
>
> **Xavier Denis - Chief Operating Officer**

Nelson Mandela Residence – Brussels

SUSTAINABLE DEVELOPMENT

In line with European directives, public authorities are required to set an example in terms of sustainable development.

Buildings built as part of public tenders therefore have a high level of energy performance.

Cofinimmo provides its expertise during the construction and the operation stages.

Building	E-Level	Major features
Courthouse - Antwerp	Not applicable at the time of construction	Night cooling; fixed external solar protection; superior insulation.
Fire station - Antwerp	Not applicable for this type of building	Green roof; solar panels; type-D ventilation system; rainwater harvesting for sanitary facilities.
Police station - Dendermonde	12	Passive building; solar panels covering the whole roof; type-D ventilation system; water pump; energy recovery of lifts; geothermal energy.
Prison - Leuze-en-Hainaut	60	Type-D ventilation system with heat recovery; green roofs; rainwater harvesting for sanitary facilities; photovoltaic panels; cogeneration; BREEAM target "Very Good".
Nelson Mandela student housing residence - Brussels		New high-performance external woodwork; increased façade insulation; rainwater harvesting; double flow ventilation with heat recovery; condensing boilers.

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 the risk associated with changes in interest rates. The company is not exposed to exchange risks.

LIQUIDITY AND INTEREST RATE RISK

Cofinimmo's financial policy is characterised namely 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 181. 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 31.12.2013 and during the entire financial year.

DEBT STRUCTURE

CONSOLIDATED FINANCIAL DEBT

The legally authorised limit on debt for a Sicafi/Bevak is 65% (financial and other debts on total assets). On 31.12.2013, Cofinimmo was in full compliance with this limit, the debt ratio standing at 48.87%[1,2]. The loan-to-value ratio (net financial debts on fair value of investment properties and finance lease receivables), amounted to 49.61% at 31.12.2013. Cofinimmo's financial policy consists in maintaining a financial debt ratio below 50%.

Furthermore, the terms and conditions of some of the bank credit lines allow the Group to take its debt ratio up to 60% maximum. This ratio is calculated in compliance with the Sicafi/Bevak legislation by dividing the financial and other debts by the total assets.

At 31.12.2013, the Cofinimmo Group's consolidated financial debts, both non-current and current, amounted to €1,722.2 million, made up of (also see the repayment schedule on page 55):

CAPITAL MARKETS

Cofinimmo regurlaly has access to capital markets to finance its investment projects. At 31.12.2013, the funds raised on the capital markets were made up of:

- €394.4 million in the form of four bond loans; the first bond was issued by Cofinimmo Luxembourg SA in 2004 and the second by Cofinimmo SA/NV in 2009; these two bond loans are redeemable in 2014 for a nominal amount of €100.0 million each; the third bond loan is a private placement for an amount of €140.0 million redeemable in 2020; the fourth is a private placement for an amount of €50.0 million redeemable in 2017;
- €373.1 million in the form of two bonds convertible into Cofinimmo shares; this first loan was issued in April 2011 at a nominal value of €173.3 million; the second was issued in June 2013 at a nominal value of €190.8 million; the convertible bonds are marked to market in the balance sheet;
- €118.2 million of commercial papers, including €103.2 million for an initial period of under one year and €15.0 million for an initial period of over three years;
- €4.2 million corresponding to the discounted value of the minimum coupon on bonds issued by Cofinimur I in December 2011 and convertible into shares.

The bonds maturing in 2014 (€200.0 million) are 100% refinanced.

[1] In accordance with Article 54 of the Royal Decree of 07.12.2010, 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 23, section D.

[2] Versus 49.90% at 31.12.2012.

BANK FACILITIES

In order to diversify its sources of financing, the Group has access to credit lines signed with nine first-rate financial institutions. At 31.12.2013, the credit lines were made up of:

- €816.9 million of bilateral and syndicated medium- and long-term loans[1], with original maturity periods of between three and ten years, contracted from nine banks;
- €15.4 million of other loans and advances (mainly account debits and rental guarantees received).

CURRENT FINANCIAL DEBT

At 31.12.2013, Cofinimmo's short-term financial debt alone amounted to €455.5 million, including:

- €204.4 million of two bonds with a nominal value of €100.0 million each, maturing in July and November 2014;
- €140.0 million of two credit lines maturing in 2014;
- €103.2 million of commercial papers with a term of under one year; the issue of short-term commercial papers is fully covered by undrawn portions of the confirmed long-term credit facilities totaling €613.7 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;
- €7.9 million of other loans and advances (account debits).

The credit lines maturing in 2014 (€140.0 million) are 100% refinanced.

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 already in place) remained stable at 3.84 years at 31.12.2013. The long-term confirmed financial credit lines (bank lines, bonds, commercial papers of over one year and capital leases), with outstandings totaling €2,189.5 million on 31.12.2013, display a homogeneously spread maturity profile up to 2020, with a maximum of 19% of these outstandings maturing during the same year 2016. 100% of the debts maturing in 2014 and 58% of those maturing in 2015 have been refinanced.

INTEREST RATE HEDGING

The average interest rate on the Cofinimmo debt, including bank margins, stood at 3.92% during the financial year 2013, against 3.77% during the financial year 2012[2] (also see page 15 and Note 15).

At 31.12.2013, the majority of the debt was at short-term floating rate. The convertible bonds of €190.8 million remained at fixed rate as well as the second withdrawal of €40.0 million of the private placement maturing in 2020 and the private placement of €50.0 million maturing in 2017. 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 the chapter "Risk Factors" of this Annual Financial Report).

During 2013, Cofinimmo restructured its interest rate hedging scheme.

COLLARs, consisting of CAPs bought combined with FLOORs sold, were cancelled for the period 2013-2015. The goal of this cancellation was twofold. First, convertible bonds were issued for an amount of €190.8 million at a fixed coupon of 2%, thereby reducing the floating rate debt. Second, Cofinimmo saw the opportunity to reduce the expected charges of the sold FLOORs for 2014 and 2015.

The total cost of the restructuring stands at €25.5 million, of which €20.4 million have been recognised in the income statement at 31.12.2013[3]. The outstanding amount will be recognised in the income statements of 2014 and 2015, in accordance with the applying accounting principles. In total, at 31.12.2013, at constant debt, the interest rate risk is hedged at over 90% until mid 2017.

The situation at 31.12.2013 of interest rate hedging for future years is set out in Note 23.

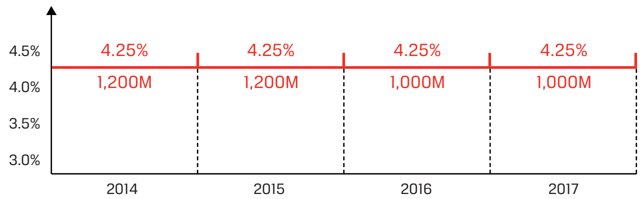
At the time of the writing of this Annual Financial Report, the hedging rate of the interest rate risk, assuming constant debts, is around 88% until 2016, 82% until 2017, and almost 77% in 2018 and 2019. Cofinimmo's result nevertheless remains sensitive to interest rate fluctuations (see the chapter "Risk Factors" of this Annual Financial Report).

[1] Including a Schuldschein or debt certificate entered into with two German banks.

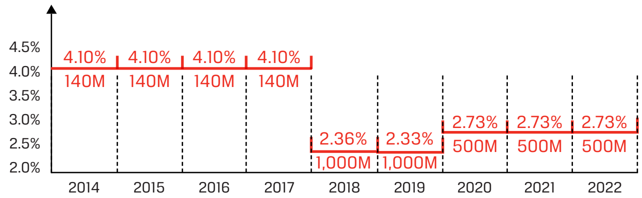
[2] Until the end of 2012, the calculation of the average interest rate on borrowings included the depreciation costs of hedging instruments pertaining to the period. As a result of the restructuration of the hedging scheme in 2013, the method used for the calculation of the average interest rate on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

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

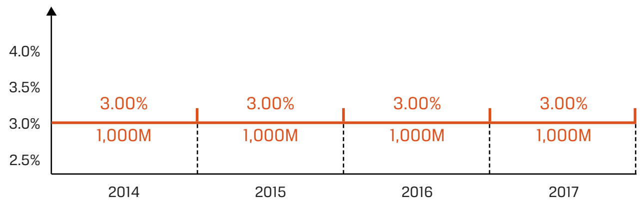
CAP options bought (x €1,000,000)



IRS (x €1,000,000)



FLOOR options sold (x €1,000,000)



FINANCIAL RATING

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

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

DEPLOYMENT OF THE DEBT FINANCING STRATEGY DURING THE FINANCIAL YEAR 2013

In 2013, 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 2013, the company has successively proceeded to the following actions:

ISSUE OF A CONVERTIBLE BOND FOR €190.8 MILLION

On 20.06.2013, Cofinimmo issued a second convertible bond for a nominal amount of €190.8 million and a five-year maturity.

This bond has a 2% coupon payable on June 20th each year. The first payment will be due on 20.06.2014.

PRIVATE PLACEMENT OF BONDS FOR €50.0 MILLION

On 23.10.2013, Cofinimmo successfully placed a bond loan with a term of four years maturing on 23.10.2017 for a total amount of €50.0 million. The bond offers a fixed coupon of 2.78% of the nominal value, payable annually on October 23rd. The bonds were placed with a limited number of institutional investors.

RENEWAL OF FIVE CREDIT LINES FOR A TOTAL AMOUNT OF €270.0 MILLION

At the start of February 2013, Cofinimmo signed two new credit lines to replace two existing maturing credit lines. The new lines, each for €50.0 million, have a maturity of three years and five years respectively.

In July 2013, Cofinimmo signed three other credit lines: two lines, for an amount of €50.0 million each, maturing in 2018 and in 2019 respectively, and one line, for an amount of €70.0 million, maturing in March 2018 and replacing a credit line maturing in March 2014.

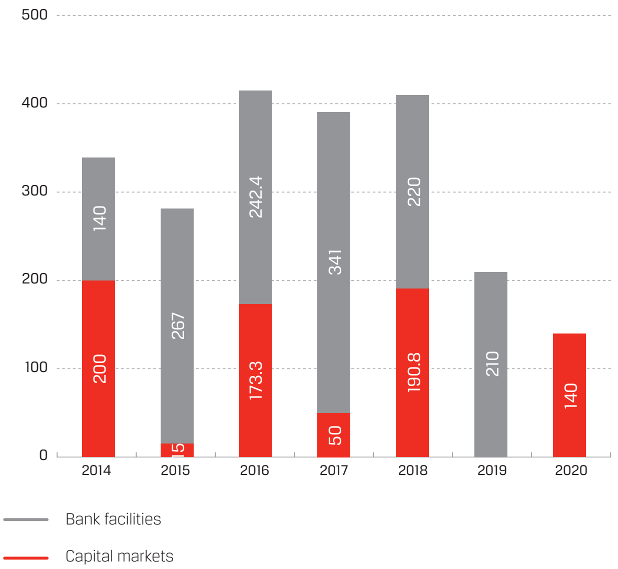
NET AVAILABILITY OF CREDIT

These different transactions, together with the available funding from Cofinimmo's confirmed credit lines, amounted to €607.0 million at 31.12.2013. After deducting the full hedging of outstanding short-term treasury bills (€103.2 million), the refinancing of the credit lines maturing in 2014 (€140.0 million) and the bonds to be reimbursed in 2014 (€200.0 million) is thus fully covered.

Financial debt (x €1,000,000)

	Financial debt	Long-term commitments
Capital markets		
Bonds	394.4	390.0
Convertible bonds	373.1	364.1
Long-term commercial papers	15.0	15.0
Short-term commercial papers	103.2	
Other	4.2	4.2
Bank facilities		
Revolving credits	705.0	1,319.4
Term credits	111.9	111.9
Other	15.4	8.0
Total	1,722.2	2,212.6

Repayment schedule for long-term financial commitments - €2,189.5 million (x €1,000,000)



STRENGHTENING OF EQUITY

Cofinimmo regularly taps into the capital markets to strengthen its financial resources. During the past ten years, the company has raised equity at an average annual amount of €85.9 million in various forms: issue of shares as part of a contribution in kind, sale of treasury shares, issue of preference shares, dividends payable in shares.

During 2013, Cofinimmo strengthened its equity in two ways:

- **the sale of treasury shares for €91.7 million**
  During the first half of 2013, Cofinimmo sold 1,056,283 own ordinary shares for an average net price of €86.78 per share (average gross price of €87.69 per share), thereby strengthening its equity by €91.7 million. Of these 1,056,283 own ordinary shares, 989,413 were sold via an accelerated bookbuilding offering at a gross price of €87.50 per share[1], and the balance on the stock market.
- **the distribution of dividends in new shares for €43.9 million gross**
  The shareholders' equity was increased by €43.9 million, further to a decision by the shareholders of Cofinimmo to reinvest 52.7%[2] of their 2012 dividends in new ordinary shares. The subscription price of the new ordinary shares was €82.875[3], i.e. a 4.48% discount versus the average share price during the considered period.

[1] See also our press releases dated 25.03.2013 and 26.03.2013, available on the website www.cofinimmo.com.
[2] Against 40.8% for the 2011 dividend.
[3] See also our press releases dated 08.05.2013 and 06.06.2013, available on the website www.cofinimmo.com.

DATA ACCORDING TO THE EPRA PRINCIPLES[1]

EPRA PERFORMANCE INDICATORS

			2013		2012	
		Definitions	(x €1,000)	in €/share	(x €1,000)	in €/share
1	EPRA Earnings	Current result from core operational activities.	119,209	6.78	121,830	7.61[2]
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 crystallize in a long-term investment property business model.	2,036,176	98.85	1,845,391	102.04[2]
3	EPRA NNNAV	EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debt and (iii) deferred taxes.	1,972,284	95.74	1,706,777	94.38[2]

			2013	2012
		Definitions	in %	in %
4	EPRA Net Initial Yield (NIY)	Annualised gross rental income based on the passing rents at the closing date, less property charges, divided by the market value of the portfolio, increased with estimated transaction costs resulting from the hypothetical disposal of investment properties.	6.20%	6.19%
	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.	6.16%	6.10%
5	EPRA Vacancy rate	Estimated Rental Value (ERV) of vacant space divided by the ERV of the total portfolio.	5.04%	4.70%
6	EPRA Cost ratio (direct vacancy costs included)	Administrative/operational expenses per IFRS income statement, including the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	18.87%	18.69%
	EPRA Cost ratio (direct vacancy costs excluded)	Administrative/operational expenses per IFRS income statement, less the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	16.01%	16.17%

[1] These data are not compulsory according to the Sicafi/Bevak regulation and are not subject to a verification by public authorities. The auditor verified whether the "EPRA Earnings", "EPRA NAV", "EPRA NNNAV" and "EPRA Cost ratios" are calculated according to the definitions included in the 2013 "EPRA Best Practices Recommendations" and if the financial data used in the calculation of these ratios comply with the accounting data included in the audited consolidated financial statements.

[2] Takes into account the sale of 8,000 treasury shares in January 2013.

EPRA Earnings and EPRA Earnings per share

(x €1,000)	2013	2012
IFRS earnings per financial statements	**58,737**	**98,072**
Adjustments to calculate EPRA Earnings, to exclude:	**60,471**	**23,758**
(i) Changes in the fair value of investment properties and properties held for sale	26,260	-12,197
(ii) Gains or losses on disposal of investment properties	-147	-1,414
(v) Goodwill impairment	21,000	7,100
(vi) Changes in the fair value of financial instruments (IAS 39)	13,686	24,344
(vii) Costs & interests on acquisitions and joint ventures	1,570	4,413
(viii) Deferred taxes in respect of EPRA adjustments	-618	596
(x) Minority interests in respect of the above	-1,280	917
EPRA Earnings	**119,209**	**121,830**
Number of shares	17,593,767	16,015,572
EPRA EARNINGS PER SHARE (in €)	**6.78**	**7.61**[1]

EPRA Net Asset Value (NAV)

(x €1,000)	2013	2012
NAV per financial statements	**1,614,937**	**1,476,029**
NAV per share per financial statements (in €)	**91.79**	**92.16**
Effect of the exercise of options, convertible debts or other equity instruments	357,333	230,749
Diluted NAV, after the exercise of options, convertible debts and other equity instruments	**1,972,270**	**1,706,777**
To exclude:		
(i) Fair value of the financial instruments	101,172	177,179
(ii) Deferred taxes	35,368	36,083
(iii) Goodwill as a result of deferred taxes	-72,648	-74,648
EPRA NAV	**2,036,162**	**1,845,391**
Number of shares	20,600,935	18,084,095
EPRA NAV PER SHARE (in €)	**98.85**	**102.04**[1]

EPRA Triple Net Asset Value (NNNAV)

(x €1,000)	2013	2012
EPRA NAV	**2,036,176**	**1,845,391**
To include:		
(i) Fair value of the financial instruments	-101,172	-177,179
(iii) Deferred taxes	37,280	38,565
EPRA NNNAV	**1,972,284**	**1,706,777**
Number of shares	20,600,935	18,084,095
EPRA NNNAV PER SHARE (in €)	**95.74**	**94.38**[1]

[1] 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)	2013						
	Offices	Healthcare real estate			Property of distribution networks	Other	TOTAL
		Belgium	France	Netherlands			
Investment properties in fair value	1,524,811	791,995	418,130	18,120	532,818	61,135	3,347,009
Assets held for sale	-	-	-7,650	-	-650	-	-8,300
Development projects	-77,707	-44,026	-	-6,870	-	-1,930	-130,533
Properties available for lease	1,447,104	747,969	410,480	11,250	532,168	59,205	3,208,176
Estimated transaction costs resulting from the hypothetical disposal of investment properties	36,178	19,075	24,697	703	45,695	1,480	127,828
Gross up completed property portfolio valuation	1,483,282	767,044	435,177	11,953	577,863	60,685	3,336,004
Annualised gross rental income	105,216	47,665	27,417	854	38,153	4,285	223,590
Property charges	-15,543	-234	-62	-8	-780	-180	-16,807
Annualised net rental income	**89,673**	**47,431**	**27,355**	**846**	**37,373**	**4,105**	**206,783**
Rent-free periods expiring within 12 months and other lease incentives	-1,122	-	-	-	-	-	-1,122
Topped-up net annualised rental income	**88,551**	**47,431**	**27,355**	**846**	**37,373**	**4,105**	**205,661**
EPRA NIY	**6.05%**	**6.18%**	**6.29%**	**7.07%**	**6.47%**	**6.76%**	**6.20%**
EPRA 'TOPPED-UP' NIY	**5.97%**	**6.18%**	**6.29%**	**7.07%**	**6.47%**	**6.76%**	**6.16%**

EPRA Vacancy rate

(x €1,000)	2013						
	Offices	Healthcare real estate			Property of distribution networks	Other	TOTAL
		Belgium	France	Netherlands			
Rental space	763,644	403,636	234,298	5,821	423,042	23,026	1,853,467
ERV[1] of vacant space	10,450	-	560	-	84	-	11,094
ERV[1] of the total portfolio	107,149	44,252	29,007	844	35,472	3,558	220,282
EPRA VACANCY RATE	**9.75%**	**0.00%**	**1.93%**	**0.00%**	**0.24%**	**0.00%**	**5.04%**

[1] ERV = Estimated Rental Value.

2012						
Offices	Healthcare real estate			Property of distribution networks	Other	TOTAL
	Belgium	France	Netherlands			
1,543,156	750,460	410,755	11,226	529,258	63,715	3,308,570
-	-	-8,620	-	-2,050	-	-10,670
-67,972	-57,699	-	-	-	-6,186	-131,857
1,475,184	692,761	402,135	11,226	527,208	57,529	3,166,043
36,880	17,692	21,825	674	45,298	1,438	123,806
1,512,064	710,453	423,960	11,900	572,506	58,967	3,289,849
106,517	43,731	27,027	830	37,795	4,247	220,147
-15,064	-342	-50	-4	-1,055	-101	-16,616
91,453	**43,389**	**26,977**	**826**	**36,740**	**4,146**	**203,531**
-2,886	-	-	-	-	-	-2,886
88,567	**43,389**	**26,977**	**826**	**36,740**	**4,146**	**200,645**
6.05%	**6.11%**	**6.36%**	**6.94%**	**6.42%**	**7.03%**	**6.19%**
5.86%	**6.11%**	**6.36%**	**6.94%**	**6.42%**	**7.03%**	**6.10%**

EPRA Evolution of gross rental income

(x €1,000)	2012	2013					
SEGMENT	**Gross rental income**[1]	Gross rental income - At comparable perimeter vs. 2012	Acquisitions	Disposals	Other	Regularisation of rental income related to previous periods	**Gross rental income[1] - At current perimeter**
Offices	**102,510**	**106,086**	**-**	**-**	**-1,428**	**-6**	**104,652**
Healthcare real estate Belgium	**42,502**	43,371	3,131	-	-	-70	**46,432**
Healthcare real estate France	**28,358**	28,704	200	-428	-	-	**28,476**
Healthcare real estate Netherlands	**208**	213	622	-	-	-	**835**
Healthcare real estate	**71,068**	**72,288**	**3,953**	**-428**	**-**	**-70**	**75,743**
Pubstone - Belgium	**19,777**	20,192	-	-190	-	-	**20,002**
Pubstone - Netherlands	**9,790**	10,056	-	-3	-	-	**10,053**
Cofinimur I - France	**7,765**	7,863	-	-37	-	-79	**7,747**
Property of distribution networks	**37,332**	**38,111**	**-**	**-230**	**-**	**-79**	**37,802**
Other	**4,298**	**4,394**	**389**	**-256**	**-**	**-**	**4,527**
TOTAL PORTFOLIO	**215,208**	**220,879**	**4,342**	**-914**	**-1,428**	**-155**	**222,724**

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

Investment properties – Rental data

(x €1,000)	2013					
SEGMENT	Gross rental income of the period[1]	Net rental income of the period	Available rental space (in m²)	Passing rent at the end of the period	ERV[2] at the end ofthe period	Vacancy rate at the end of the period
Offices	**104,652**	**101,582**	**763,644**	**105,228**	**107,149**	**9.75%**
Healthcare real estate Belgium	46,432	46,401	403,636	47,689	44,252	0.00%
Healthcare real estate France	28,476	28,477	234,298	28,066	29,007	1.93%
Healthcare real estate Netherlands	835	835	5,821	854	844	0.00%
Healthcare real estate	**75,743**	**75,713**	**643,755**	**76,609**	**74,103**	**0.00%**
Pubstone - Belgium	20,002	20,002	316,268	19,963	18,373	0.00%
Pubstone - Netherlands	10,054	10,054	47,203	7,892	8,932	0.00%
Cofinimur I - France	7,747	7,747	59,572	10,299	8,167	1.03%
Property of distribution networks	**37,803**	**37,803**	**423,042**	**38,153**	**35,472**	**0.24%**
Other	**4,527**	**4,515**	**23,026**	**4,395**	**3,558**	**0.00%**
TOTAL PORTFOLIO	**222,724**	**219,613**	**1,853,467**	**224,385**	**220,282**	**5.04%**

Investment properties – Valuation data

(x €1,000)	2013			
SEGMENT	Fair value of the portfolio	Changes in the fair value over the period	EPRA Net Initial Yield	Changes in the fair value over the period
Offices	**1,447,104**	**-22,332**	**6.05%**	**-1.52%**
Healthcare real estate Belgium	747,969	5,982	6.18%	0.81%
Healthcare real estate France	418,130	2,906	6.29%	0.70%
Healthcare real estate Netherlands	11,250	-136	7.07%	-1.18%
Healthcare real estate	**1,177,349**	**8,754**	**6.23%**	**0.75%**
Pubstone - Belgium	272,243	886	6.43%	0.33%
Pubstone - Netherlands	150,650	386	6.46%	0.26%
Cofinimur I - France	109,925	1,333	6.57%	1.23%
Property of distribution networks	**532,818**	**2,605**	**6.47%**	**0.49%**
Other	**59,205**	**1,040**	**6.76%**	**1.79%**
TOTAL PORTFOLIO	**3,216,476**	**-9,933**	**6.20%**	**-0.31%**
Reconciliation with IFRS consolidated income statement				
Investment properties under development	130,533	-16,327		
TOTAL	**3,347,009**	**-26,260**		

Investment properties – Lease data

(x €1,000)	Figures depending on the lease ends							
Segment	Average lease length (in years)		Passing rents of the leases maturing in:			ERV[2] of the 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**	**7.7**	**7,229**	**3,138**	**35,984**	**6,151**	**2,882**	**31,151**
Healthcare real estate Belgium	21.7	21.7	-	-	-	-	-	-
Healthcare real estate France	7.0	7.0	537	-	-	700	-	-
Healthcare real estate Netherlands	13.7	13.7	-	-	-	-	-	-
Healthcare real estate	**16.3**	**16.3**	**537**	**-**	**-**	**700**	**-**	**-**
Pubstone - Belgium	16.8	20.8	-	-	-	-	-	-
Pubstone - Netherlands	16.8	20.8	-	-	-	-	-	-
Cofinimur I - France	7.8	7.8	1,024	-	203	1,073	-	212
Property of distribution networks	**15.0**	**18.1**	**1,024**	**-**	**203**	**1,073**	**-**	**212**
Other	**13.0**	**14.2**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PORTFOLIO	**11.6**	**12.5**	**8,790**	**3,138**	**36,187**	**7,924**	**2,882**	**31,363**

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

2012

Gross rental income of the period[1]	Net rental income of the period	Available rental space (in m²)	Passing rent at the end of the period	ERV[2] at the end of the period	Vacancy rate at the end of the period
102,510	**100,067**	**786,066**	**106,530**	**108,758**	**9.24%**
42,502	42,472	381,158	43,754	41,666	0.00%
28,358	28,358	235,770	28,497	28,276	0.00%
208	208	5,821	830	830	0.00%
71,068	**71,038**	**622,749**	**73,081**	**70,772**	**0.00%**
19,777	19,777	316,996	19,978	18,417	0.00%
9,790	9,790	47,493	7,822	8,244	0.00%
7,765	7,765	60,686	9,995	8,923	2.97%
37,332	**37,332**	**425,175**	**37,795**	**35,584**	**0.69%**
4,298	**4,292**	**31,537**	**4,621**	**3,883**	**0.00%**
215,208	**212,729**	**1,865,527**	**222,027**	**218,997**	**4.70%**

2012

Fair value of the portfolio	Changes in the fair value over the period	EPRA Net Initial Yield	Changes in the fair value over the period
1,475,184	**-21,497**	**6.05%**	**-1.44%**
692,761	25,559	6.11%	3.83%
410,755	9,565	6.36%	2.38%
11,226	393	6.94%	3.62%
1,114,742	**35,517**	**6.22%**	**3.29%**
270,147	11,781	6.51%	4.56%
149,686	-153	6.11%	-0.10%
109,425	4,846	6.62%	4.63%
529,258	**16,474**	**6.42%**	**3.21%**
57,529	**3,080**	**7.03%**	**5.66%**
3,176,713	**33,574**	**6.19%**	**1.07%**
131,857	-21,377		
3,308,570	**12,197**		

Lease figures according to their revision date (break)

Passing rents of the leases subject to revision in			ERV[2] of the leases subject to revision in		
Year 1	Year 2	Years 3-5	Year 1	Year 2	Years 3-5
9,485	**8,814**	**44,007**	**8,371**	**7,952**	**39,674**
-	-	-	-	-	-
537	-	600	700	-	580
-	-	-	-	-	-
537	**-**	**600**	**700**	**-**	**580**
-	-	-	-	-	-
-	-	-	-	-	-
1,024	-	203	1,073	-	212
1,024	**-**	**203**	**1,073**	**-**	**212**
-	**-**	**569**	**-**	**-**	**-**
11,046	**8,814**	**45,379**	**10,144**	**7,952**	**40,855**

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

[2] ERV = Estimated Rental Value.

EPRA Cost ratios

(x €1,000)		31.12.2013	31.12.2012
(i)	**Administrative/operational expenses per IFRS income statement**	**-37,323**	**-38,185**
	Rent-free periods	-2,479	-1,673
	Taxes and charges on rented properties not recovered	-2,376	-1,968
	Net redecoration costs	-1,176	-1,010
	Technical costs	-5,114	-6,243
	Commercial costs	-957	-1,091
	Taxes and charges on unlet properties	-4,075	-3,826
	Property management costs	-14,258	-15,011
	Corporate management costs	-6,888	-7,363
(v)	**Share of joint venture expenses**	**-110**	**-29**
	EPRA COSTS (DIRECT VACANCY COSTS INCLUDED) (A)	**-37,433**	**-38,214**
(ix)	**Direct vacancy costs**	**5,677**	**5,149**
	EPRA COSTS (DIRECT VACANCY COSTS EXCLUDED) (B)	**-31,756**	**-33,065**
(x)	**Gross rental income less ground rent costs**	**197,664**	**204,031**
(xii)	**Add: Share of joint venture gross rental income**	**683**	**468**
	Gross rental income (C)	198,347	204,499
	EPRA COST RATIO (DIRECT VACANCY COSTS INCLUDED) (A/C)	**18.87%**	**18.69%**
	EPRA COST RATIO (DIRECT VACANCY COSTS EXCLUDED) (B/C)	**16.01%**	**16.17%**
	Overhead and operational expenses capitalised (including share of joint ventures)	2,534	3,000

Cofinimmo capitalises overhead costs and operational expenses directly related to development projects (legal fees, project management fees, capitalised interests, etc.).

QUARTERLY CONSOLIDATED ACCOUNTS

Consolidated global result per quarter[1] (income statement)

(x €1,000)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013[2]
A. NET RESULT					
Rents	49,276	49,586	49,567	49,026	197,455
Cost of rent-free periods	-587	-559	-627	-706	-2,479
Client incentives	-212	-140	-141	-138	-631
Rental indemnities	102	156	3	585	846
Writeback of lease payments sold and discounted	6,319	6,319	6,319	6,319	25,276
Rental-related expenses	-5	-2	-19	20	-6
Net rental income	**54,893**	**55,360**	**55,102**	**55,106**	**220,461**
Recovery of property charges	79	-10	0	32	101
Recovery income of charges and taxes normally payable by the tenant on let properties	10,140	10,749	12,089	15,848	48,826
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-349	-55	-334	-539	-1,277
Charges and taxes normally payable by the tenant on let properties	-10,770	-11,291	-12,716	-16,425	-51,202
Property result	**53,993**	**54,753**	**54,141**	**54,022**	**216,909**
Technical costs	-751	-975	-441	-2,947	-5,114
Commercial costs	-392	-206	-114	-244	-956
Taxes and charges on unlet properties	-955	-1,174	-965	-981	-4,075
Property management costs	-4,058	-3,748	-3,459	-2,993	-14,258
Property charges	**-6,156**	**-6,103**	**-4,979**	**-7,165**	**-24,403**
Property operating result	**47,837**	**48,650**	**49,162**	**46,857**	**192,506**
Corporate management costs	-1,732	-1,730	-1,581	-1,844	-6,887
Operating result before result on the portfolio	**46,105**	**46,920**	**47,581**	**45,013**	**185,619**
Gains or losses on disposal of investment properties and other non-financial assets	573	-232	-597	403	147
Change in the fair value of investment properties	-6,298	-5,420	-7,848	-6,694	-26,260
Other result on the portfolio	-694	-682	-570	-20,737	-22,683
Operating result	**39,686**	**40,586**	**38,566**	**17,985**	**136,823**
Financial income	1,315	1,217	1,770	1,421	5,723
Net interest charges	-17,245	-15,865	-16,634	-16,299	-66,043
Other financial charges	-23	-887	-28	9	-929
Change in the fair value of financial assets and liabilities	11	-9,643	-1,086	-2,968	-13,686
Financial result	**-15,942**	**-25,178**	**-15,978**	**-17,837**	**-74,935**
Share in the result of associated companies and joint ventures	191	540	476	330	1,537

[1] The Group did not publish any quarterly information between 31.12.2013 and the time of writing of this Annual Financial Report.
[2] The half-year and annual figures are verified by the Auditor Deloitte, Company Auditors.

(x €1,000)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013[1]
Pre-tax result	**23,935**	**15,948**	**23,064**	**478**	**63,425**
Corporate tax	-183	-530	-959	-507	-2,179
Exit tax	39	92	109	378	618
Taxes	**-144**	**-438**	**-850**	**-129**	**-1,561**
Net result of the period	**23,791**	**15,510**	**22,214**	**349**	**61,864**
Minority interests	-1,310	-1,463	-1,096	742	-3,127
NET RESULT - GROUP SHARE	**22,481**	**14,047**	**21,118**	**1,091**	**58,737**
NET CURRENT RESULT - GROUP SHARE	**28,941**	**20,292**	**29,840**	**25,851**	**104,924**
RESULT ON THE PORTFOLIO - GROUP SHARE	**-6,460**	**-6,245**	**-8,722**	**-24,760**	**-46,187**
B. OTHER ELEMENTS OF THE GLOBAL RESULT RECYCLABLE IN THE INCOME STATEMENT					
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties	-106	-523	-213	-619	-1,461
Changes in the effective part of the fair value of authorised cash flow hedge instruments	13,308	12,496	8,489	2,494	36,787
Restructuring of the hedging instruments of which the relationship has been terminated		15,206		5,295	20,501
Other elements of the global result	13,302	27,179	8,276	7,170	55,827
Minority interests		5	9	21	35
OTHER ELEMENTS OF THE GLOBAL RESULT - GROUP SHARE	**13,202**	**27,184**	**8,285**	**7,191**	**55,862**
C. GLOBAL RESULT	36,993	42,689	30,490	7,519	117,691
Minority interests	-1,310	-1,458	-1,087	763	-3,092
GLOBAL RESULT - GROUP SHARE	**35,683**	**41,231**	**29,403**	**8,282**	**114,599**

[1] The half-year and annual figures are verified by the Auditor Deloitte, Company Auditors.

Consolidated balance sheet per quarter

(x €1,000)	31.03.2013	30.06.2013[1]	30.09.2013	31.12.2013[1]
Non-current assets	**3,538,255**	**3,552,918**	**3,583,141**	**3,565,180**
Goodwill	150,356	150,356	150,356	129,356
Intangible assets	676	780	796	753
Investment properties	3,304,460	3,311,188	3,326,702	3,338,709
Other tangible assets	842	792	747	677
Non-current financial assets	22,340	30,085	30,058	20,941
Finance lease receivables	53,471	53,066	67,556	67,449
Trade receivables and other non-current assets	97	97	37	40
Participations in associated companies and joint ventures	6,013	6,554	6,889	7,255
Current assets	**169,966**	**112,497**	**132,070**	**105,263**
Assets held for sale	10,115	18,225	9,380	8,300
Current financial assets	3,454	671	1,743	2,782
Finance lease receivables	2,983	2,249	2,342	1,236
Trade receivables	25,978	29,399	27,035	25,698
Tax receivables and other current assets	21,827	16,668	42,697	24,304
Cash and cash equivalents	69,182	12,784	8,698	15,969
Deferred charges and accrued income	36,427	32,501	40,175	26,974
TOTAL ASSETS	**3,708,221**	**3,665,415**	**3,715,211**	**3,670,443**

Shareholders' equity	**1,670,861**	**1,643,029**	**1,673,192**	**1,681,462**
Shareholders' equity attributable to shareholders of parent company	**1,603,288**	**1,576,954**	**1,606,197**	**1,614,937**
Capital	914,329	942,796	942,796	942,825
Share premium account	356,572	372,102	372,102	372,110
Reserves	309,907	225,528	233,653	241,265
Net result of the year	22,480	36,528	57,646	58,737
Minority interests	**67,573**	**66,075**	**66,995**	**66,525**
Liabilities	**2,037,360**	**2,022,386**	**2,042,019**	**1,988,981**
Non-current liabilities	**1,599,561**	**1,632,783**	**1,685,340**	**1,412,904**
Provisions	20,019	19,279	19,280	18,180
Non-current financial debts	1,426,904	1,484,259	1,537,779	1,266,665
Other non-current financial liabilities	116,938	93,644	93,221	93,304
Deferred taxes	35,700	35,601	35,060	34,755
Current liabilities	**437,799**	**389,603**	**356,679**	**576,077**
Current financial debts	267,960	253,321	207,224	455,509
Other current financial liabilities	61,502	37,401	29,835	21,921
Trade debts and other current debts	64,966	56,889	77,789	64,680
Accrued charges and deferred income	43,371	41,992	41,831	33,967
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,708,221**	**3,665,415**	**3,715,211**	**3,670,443**

[1] The half-year and annual figures are verified by the Auditor Deloitte, Company Auditors.

EVENTS AFTER 31.12.2013

No major events took place between 31.12.2013 and the time of writing of this Annual Financial Report.

Science/Wetenschap 15-17 – Brussels (after works: projected situation)

FORECASTS 2014

Woluwe 106-108 – Brussels

Loi/Wet 56 – Brussels

ASSUMPTIONS[1]

VALUATION OF ASSETS

The fair value, i.e. the investment value of the properties of which transaction costs are deducted, is included in the consolidated balance sheet. For the 2014 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[2]

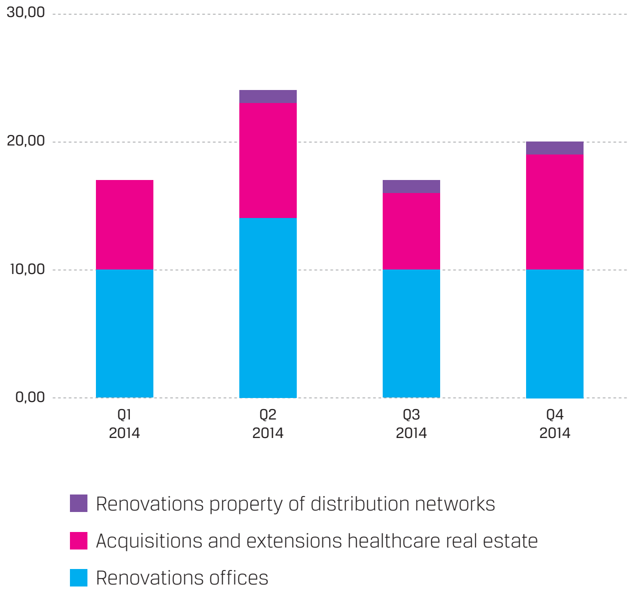
The forecasts by building include both the repairs and maintenance costs, which are entered under operating expenses, and the large-scale renovation costs, which are capitalised and met from self-financing or borrowing. The large-scale renovation expenses taken into account in the forecast amount respectively to €44.4 million for the office buildings and €3.3 million for the cafés/restaurants.

INVESTMENTS AND DIVESTMENTS[2]

The forecast takes into account the following investment and divestment projects:

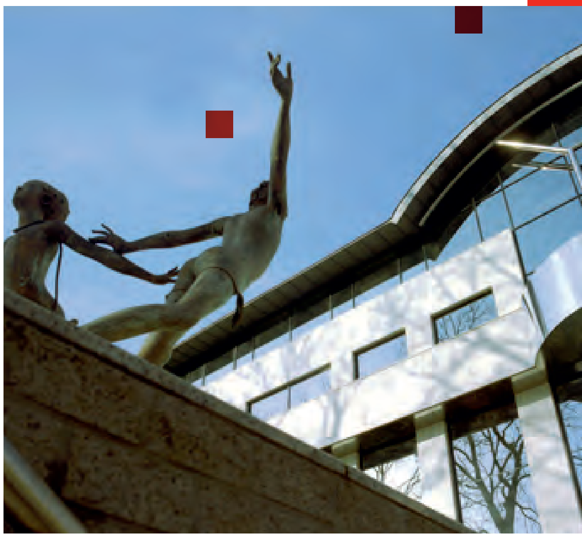
- the acquisition of nursing homes in Belgium and in France for a total of €31.3 million resulting from the delivery of new units or the extension of existing units;
- the disposal in France of nursing homes for €8.3 million and of MAAF insurance branches for €0.1 million, corresponding to firm commitments. Moreover, assumptions were made with regard to the disposal of the apartments of the Livingstone I and Woluwe 34 buildings.

2014 Investment programme (in € millions)



[1] Management has no influence on the assumptions used for the portfolio valuation and the inflation.
[2] This assumption is under the company's control, pursuant to Regulation 809/2004 of the European Commission.

Police station – HEKLA zone – Antwerp (Belgium)



Souverain/Vorst 36 - Brussels

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 of 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 and per year of €0.12. The ongoing contracts are indexed.

INFLATION

The inflation rate used for the evolution of rents amounts to 1.2% for the leases being indexed in 2014. 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 and per year of €0.06.

FINANCIAL CHARGES

The calculation of the financial charges is based on the assumption that interest rates will evolve as anticipated by the future rates curve, and on the current bank and bond borrowings. Considering the hedging instruments in place, the estimated cost of debt in 2014 is 3.82% (margins included).

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, capitalisation 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.

The shareholders' equity is presented before distribution of the dividends for the financial year.

NET CURRENT RESULT PER SHARE

Based on the current expectations and in the absence of major unforeseen events, the company has set an objective for its net current result – Group share (excluding IAS 39 impact) of €6.61 per share for the financial year 2014, a 2.5% decrease compared to the financial year 2013 (€6.78). The net current result (excluding IAS 39 impact) forecasted for 2014 amounts to €118,9 million, which is in line with the net current result (excluding IAS 39 impact) of 2013 of €119.2 million. The decrease of the net current result (excluding IAS 39 impact) per share is mainly the result of the increase of the number of ordinary shares in 2014 following the assumption that 30% of the total dividend will be distributed in the form of new shares. Considering these assumtions, the forecasted Loan-to-value ratio at 31.12.2014 is below 50%.

Consolidated income statement – Analytical form

(x €1,000)	2013	2014
NET CURRENT RESULT		
Rental income, net of rental-related expenses	195,186	196,457
Writeback of lease payments sold and discounted (non-cash)	25,276	27,627
Taxes and charges on rented properties not recovered	-2,377	-2,624
Redecoration costs, net of tenant compensation for damages	-1,176	-1,350
Property result	216,909	220,110
Technical costs	-5,230	-5,612
Commercial costs	-841	-1,718
Taxes and charges on unlet properties	-4,075	-3,748
Property result after direct property costs	206,763	209,032
Property management costs	-14,257	-14,971
Property operating result	192,506	194,061
Corporate management costs	-6,887	- 7,060
Operating result (before result on the portfolio)	185,619	187,001
Financial income (IAS 39 excluded)	5,723	5,778
Financial charges (IAS 39 excluded)	-66,972	-67,285
Revaluation of derivative financial instruments (IAS 39)	-13,686	
Share in the result of associated companies and joint ventures	1,425	1,630
Taxes	-2,179	-3,662
Net current result[1]	109,930	123,462
Minority interests	-5,006	-4,519
NET CURRENT RESULT – GROUP SHARE	**104,924**	**118,943**
NUMBER OF SHARES ENTITLED TO SHARE IN THE RESULT OF THE PERIOD	**17,593,767**	**17,980,904**
NET CURRENT RESULT PER SHARE – GROUP SHARE (in €)	**5.96**	**6.61**
NET CURRENT RESULT PER SHARE – GROUP SHARE – EXCLUDING IAS 39 IMPACT (in €)	**6.78**	**6.61**

DIVIDEND

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

The proposed dividend level of €5.50 for the financial year 2014 corresponds to a gross yield of 6.23% against the average share price of the ordinary share during the financial year 2013, and a gross yield of 5.99% against the net asset value of the share at 31.12.2013 (in fair value). These yields remain significantly higher than the average yield of European real estate companies[2].

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

CAVEAT

The forecasted 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 auditor.

Nevertheless, the Auditor, Deloitte Company Auditors SC s.f.d. SCRL/BV o.v.v.e. CVBA 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.

[1] Net income excluding gains or losses on disposals of investment properties and other non-financial assets, changes in the fair value of investment properties, the item "Other result on the portfolio" and the exit tax.

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

Consolidated balance sheet

(x €1,000)	31.12.2013	31.12.2014
Non-current assets	**3,565,180**	**3,629,605**
Goodwill	129,356	129,356
Investment properties	3,338,709	3,395,375
Finance lease receivables	67,449	75,270
Trade receivables and other non-current assets	22,411	22,411
Participations in associated companies and joint ventures	7,255	7,193
Current assets	**105,263**	**100,155**
Assets held for sale	8,300	63
Finance lease receivables	1,236	1,236
Cash and cash equivalents	15,969	15,969
Other current assets	79,758	82,887
TOTAL ASSETS	**3,670,443**	**3,729,759**
Shareholders' equity	**1,681,462**	**1,703,554**
Shareholders' equity attributable to shareholders of parent company	1,614,937	1,635,490
Minority interests	66,525	68,064
Liabilities	**1,988,980**	**2,026,205**
Non-current liabilities	**1,412,904**	**1,787,404**
Non-current financial debts	1,266,665	1,641,165
Other non-current financial liabilities	146,239	146,239
Current liabilities	**576,076**	**238,801**
Current financial debts	455,509	114,852
Other current financial liabilities	120,567	123,949
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,670,443**	**3,729,759**
DEBT RATIO	**48.87%**	**49.05%**

Where relevant, the company will comply with the provisions of Article 54 of the Royal Decree of 07.12.2010[1] (also see Note 23, section D).

[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.

STATUTORY AUDITOR'S REPORT ON THE FORECASTS

COFINIMMO SA/NV

We report on the projected financial information comprising the projected consolidated income statement and consolidated balance sheet of Cofinimmo SA/NV ("the Company") and its subsidiaries (together "the Group") for the year ending 31.12.2014 (the "Projected Financial Information"). The Projected Financial Information, and the material assumptions upon which it is based are set out on pages 68 to 71 of the Annual Report ("the 2013 Annual Report") issued by the Company dated 31.03.2014. This Report is required by Annex XV of Commission Regulation (EC) No. 809/2004 (the "Prospectus Directive Regulation") making reference to Annex I item 13.2 and is given for the purpose of complying with that rule and for no other purpose.

RESPONSIBILITIES

It is the responsibility of the Directors of the Company (the "Directors") to prepare the Projected Financial Information in accordance with the requirements of the Prospectus Directive Regulation.

It is our responsibility to form an opinion as required by the Prospectus Directive Regulation as to the proper compilation of the Projected Financial Information and to report that opinion to you.

Save for any responsibility arising under Article 61 of the Law of 16.06.2006 to any person as and to the extent there provided, to the fullest extent permitted by Law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex XV of the Prospectus Directive Regulation making reference to Annex I item 23.1, consenting to its inclusion in the registration document.

BASIS OF PREPARATION OF THE PROJECTED FINANCIAL INFORMATION

The Projected Financial Information has been prepared on the basis stated on pages 68 to 71 of the 2013 Annual Report and is based on a forecast for the 12 months to 31.12.2014. The Projected Financial Information is required to be presented on a basis consistent with the accounting policies of the Group.

BASIS OF OPINION

We conducted our work in accordance with the International Standard on Assurance Engagement 3400 "The Examination of Prospective Financial Information" ("ISAE 3400") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our work included evaluating the basis on which the historical financial information included in the Projected Financial Information has been prepared and considering whether the Projected Financial Information has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Projected Financial Information are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Projected Financial Information have not been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Projected Financial Information has been properly compiled on the basis stated.

Since the Projected Financial Information and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Projected Financial Information and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside Belgium, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

OPINION

In our opinion, the Projected Financial Information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

DECLARATION

For the purposes of Article 61 of the Law of 16.06.2006, we are responsible for this Report as part of the Registration Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the registration document in compliance with Annex XV of the Prospectus Directive Regulation making reference to Annex I item 13.2.

Diegem, 21.03.2014

The Statutory Auditor
DELOITTE Réviseurs d'Entreprises/Bedrijfsrevisoren
SC s.f.d. SCRL/BV o.v.v.e. CVBA
Represented by **Frank Verhaegen**

CORPORATE GOVERNANCE STATEMENT

Cofinimmo sees that it maintains high standards of corporate governance and assesses 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/Belgisch Staatsblad), 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 2009 Corporate Governance Code.

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 different laws applicable to collective investment bodies, Cofinimmo has set up a risk management and internal control procedure.

To do so, the company has chosen as reference procedure the Enterprise Risk Management (ERM) model developed by COSO (Committee of Sponsoring Organisations of the Treadway Commission). COSO (www.coso.org) is an organisation that stems from the private sector and which 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.

INTERNAL ENVIRONMENT

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

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

- Corporate Governance rules and the existence of an Audit Committee and a Nomination, Remuneration and Corporate Governance Committee, composed of Independent Directors within the meaning of Article 526ter of the Company Code, 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 of 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 formalisation 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 forecasted revenue items such as rents for the year, as well as property costs linked to the management and development of the property portfolio, 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 risky 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 risky events, their probability of occurrence and their impact on the 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 the new commitments made taking into account the lessons of the past. Furthermore, once a year, this document is submitted to the Audit Committee, which will use it, among other things, to decide 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.

CONTROL ACTIVITIES

Controls are carried out in the various departments of Cofinimmo in response to the 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 who do not benefit from a financial rating is analysed twice a year by the financial department. Moreover, 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 revenues;
- 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 treasury 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 at the different stages of the commercial activity (renting of spaces), 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 programme of Euroclear.

INFORMATION AND INTERNAL COMMUNICATION

Information and communication from and to the several levels of the company are 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 Extended Executive Committee, composed of the four members of the Executive Committee and of the heads of the operational departments, meets every week to discuss property investments and divestments, constructions and rentals;
- the Executive Committee also meets every week: it systematically reviews the important points of the company's operations and business (investments/sales, treasury, 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 closing, and consolidated accounts are drawn up. Key indicators are calculated and analysed. These data are collected in the above-mentioned Management Report. They are discussed and analysed by the Executive Committee and the Board of Directors. Similarly, each department collects pertinent information at its own level, 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 the different 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 31.12.2013)

	Number of ordinary shares	%	Number of preference shares	%	Total number of shares (voting rights)	%
Number of shares issued	16,954,002	100.00	688,682	100.00	17,642,684	100.00
Cofinimmo Group (own shares)[2]	48,917	0.29	0	0.00	48,917	0.28
Free Float[3]	16,905,085	99.71	688,682	100.00	17,593,767	99.72

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, of which (i) eight Non-Executive Directors, six of whom are Independent within the meaning of Article 526ter of the Company Code, and two of which represent shareholders, and (ii) four Executive Directors (members of the Executive Committee).

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. In 2013, the Board met on ten occasions. Before the meeting, each Board member receives the documents containing the proposals of the Executive Committee on which he/she 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 three years in order to ensure the appointment of at least two 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

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

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

As no terms of offices will expire at the end of the Ordinary General Meeting of 14.05.2014, the Board of Directors does not intend to propose any term renewals at the next General Meeting.

Mr. Marc Hellemans expressed his wish to terminate his term of office and resigned as a member of the Executive Committee and as an Executive Director of the company effective from 14.03.2014 at the latest. Subject to his designation by the Board of Directors and the approval of the FSMA, the Board of Directors will submit the appointment of a new Director at the Ordinary General Meeting of 14.05.2014. If appointed, his/her term will run until 09.05.2018.

Finally, subject to the approval of the FSMA and the Ordinary General Meeting of 14.05.2014, the appointment of Mr. Christophe Demain will be proposed as a representative of the shareholder Belfius Insurance for a term of two years. In case of approval by the Ordinary General Meeting, his term will run until 13.04.2016. At the end of his two-year term, Belfius will propose a female candidate to the company.

[1] Situation based on the shareholding notifications received in accordance with the Law of 02.05.2007. Any modifications notified since 31.12.2013 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 the 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	10.05.2017
Jean-Edouard Carbonnelle - Managing Director	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 - Chaiman of the Audit Committee (since 08.05.2013)	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 - Member of the Audit Committee	1955	M	Belgian	28.04.2006	27.04.2012	11.05.2016
Robert Franssen - Director (representing the 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 (resignation effective from 14.03.2014)	1973	M	Belgian	26.10.2012	-/-	14.03.2014
Inès Reinmann - Independent Director within the meaning of Article 526ter of the Company Code - Member of the Audit Committee (since 08.05.2013)	1957	F	French	08.05.2013	-/-	10.05.2017
Françoise Roels - Executive Director	1961	F	Belgian	27.04.2007	08.05.2013	10.05.2017
Alain Schockert - Director (representing the shareholder Banque Degroof)	1950	M	Belgian	27.04.2007	08.05.2013	10.05.2017
Gilbert van Marcke de Lummen - Independent Director within the meaning of Article 526ter of the Company Code - Chairman of the Audit Committee (until 08.05.2013)	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 Nomination, Remuneration and Corporate Governance Committee	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 year

André Bergen

- **Current function:** Director of NYSE Euronext (Place de la Bourse/Beursplein, 1000 Brussels)
- **Current offices:** Ahlers SA/NV, NIBC Bank (The Hague), Sapient Investment Managers (Cyprus), Recticel SA/NV, King Baudoin Foundation, Festival of Flanders (Ghent), as well as various subsidiaries of the Cofinimmo Group
- **Previous offices:** Zuhair Fayez Partners (Saudi-Arabia), Fund for Scientific Research, NYSE Euronext NY, Vlaams Netwerk van Ondernemingen (VOKA), KBC Group, KBC Bank

Jean-Edouard Carbonnelle

- **Current function:** Chief Executive Officer (CEO) of Cofinimmo SA/NV (boulevard de la Woluwe/Woluwedal 58, 1200 Brussels)
- **Current offices:** Various subsidiaries 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, Union Professionnelle du Secteur Immobilier/Beroepsvereniging van de Vastgoedsector (UPSI/BVS)
- **Previous offices:** SIGEFI Nord Gestion SAS (France)

Xavier Denis

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

Xavier de Walque

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

Chevalier Vincent Doumier

- **Current function:** Director of Codic International SA/NV (chaussée de La Hulpe/Ter Hulpsesteenweg 120, 1000 Brussels)
- **Current offices:** Cofir SA/NV, Assainissement & Amélioration du Logement Populaire SCRL/CVBA, Les Petits Riens ASBL/Spullenhulp VZW, Sopartec SA
- **Previous offices:** Compagnie du Bois Sauvage SA/NV, Neuhaus Holding, Ceran ILC, Ter Beke SA/NV, Bank Degroof SA/NV, Recticel SA/NV, Compagnie Financière du Château SA, Fauchon Group, Trade Credit Re Insurance Company (TCRé) SA/NV, Nanocyl SA, Centre Interdiocésain ASBL/Interdiocesaan Centrum VZW, Cercle Royal Gaulois Artistique et Littéraire ASBL, John Berenberg Gossler & Co KG (Germany)

Robert Franssen

- **Current function:** Chairman of the Executive Committee of Allianz Belgium SA/NV (rue de Laeken/Laekenstraat 35, 1000 Brussels)
- **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/VZW, Assuralia Association Professionnelle/Beroepsvereniging, Portima Société Coopérative/Coöperatieve Vennootschap, Assurcard SA/NV, Union des Entreprises de Bruxelles/Verbond van Ondernemingen te Brussel

Gaëtan Hannecart

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

Marc Hellemans (resignation effective from 14.03.2014)

- **Current function**: Chief Financial Officer (CFO) of the Artexis Easyfairs Group (rue Saint-Lambert/Sint-Lambertusstraat 135, 1200 Brussels)
- **Current office**: -
- **Previous offices**: Various subsidiaries of the Cofinimmo Group

Inès Reinmann

- **Current function:** Partner at Acxior Corporate Finance SA (69 boulevard Malesherbes, 75008 Paris, France)
- **Current office:** Gecina SA, Axcior Immo, Lapillus OPCI
- **Previous offices:** Segro PLC SA

Françoise Roels

- **Current function:** Secretary General & Group Counsel of Cofinimmo SA/NV (boulevard de la Woluwe/Woluwedal 58, 1200 Brussels)
- **Current office:** Various subsidiaries of the Cofinimmo Group, European Public Real Estate Association (EPRA) Regulatory Committee, Euroclear Pension Fund OFP, Women on Board ASBL/VZW
- **Previous offices:** Institut des Juristes d'Entreprise/Instituut voor Bedrijfsjuristen

Alain Schockert

- **Current function:** Managing Director and member of the Executive Committee of Bank Degroof SA/NV (rue de l'Industrie/Nijverheidsstraat 44, 1040 Brussels)
- **Current office:** Various subsidiaries of the Degroof Group (Banque/Bank Degroof SA/NV, Banque Degroof Luxembourg SA, BD Square Invest SA/NV, Degroof Corporate Finance SA/NV, Degroof Structured Finance SA/NV, Bank Degroof 2005 Pension Fund, Bank Degroof Pension Fund, Guimard Finance SA/NV, Industrie Invest SA/NV, Société Immobilière et Financière Industrie Guimard SA/NV), Brocsa SA/NV
- **Previous offices:** -

Gilbert van Marcke de Lummen (end of term: 08.05.2013)

- **Current function:** -
- **Current office:** -
- **Previous offices:** D'Ieteren SA/NV, Maison de la Radio/Radiohuis Flagey SA/NV, Belron SA (Luxemburg), Avis Europe PLC (United Kingdom)

Baudouin Velge

- **Current function:** Managing Partner of Interel SA/NV (rue du Luxembourg/Luxemburgstraat 22-24, 1000 Brussels)
- **Current office:** Bekaert SA/NV, BECI, Ducroix/Delcredere, Bernheim Foundation, École pour le Management (EPM) SA, Cercle de Lorraine/Club van Lotharingen, Brussels Metropolitan Region
- **Previous offices:** BT BELUX SA/NV, EUROCOMMERCE AISBL, FEDIS ASBL/VZW, FEB ASBL/VBO VZW

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 to 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:

- constant monitoring of the financing plan;
- examination and selection of guidelines for Cofinimmo's development, diversification and strategy;
- the healthcare real estate and offices strategy roll-out review;
- analysis and approval of investment projects;
- proposal to appoint Mrs. Inès Reinmann as Independent Director within the meaning of Article 526ter of the Company Code and Mr. Christophe Demain as Director representing a shareholder;
- proposal to renew the office of two Non-Executive Directors, namely Mr. Alain Schockert as representative of the shareholder Bank 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;
- public placement of convertible bonds maturing in five years for a total amount of €190.8 million;
- proposal to shareholders to opt for a 2012 dividend in shares;
- private placement of non-convertible bonds maturing in four years for a total amount of €50.0 million.

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. Xavier de Walque (Chairman), Chevalier Vincent Doumier and Mrs. Inès Reinmann. The members of the Executive Committee are not members of the Audit Committee but attend the meetings and do not participate in the voting. 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 competencies – both individually and collectively – in accounting and auditing matters to guarantee the effective working of the Committee.

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 are in compliance with the provisions of the Law of 17.12.2008 concerning the creation of an Audit Committee in listed and financial 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 2013, 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 the internal audit procedures;
- the review and assessment of the Risk Management reference framework of the Cofinimmo Group;
- the reports of the Internal Auditor concerning the review of the activities related to the management of assets let to the MAAF Group;
- the rotation of real estate experts.

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 and Mr. Baudouin Velge. The members of the Executive Committee are not members 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 to apply 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 are in compliance with the provisions of 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 2013, the Committee met on four occasions. The main matters considered were the following:

- the review of the remuneration policy for the members of the Executive Committee, including the introduction of a phantom stock unit plan;
- the company's remuneration policy;
- the review of "High Potentials" and of the succession plan;
- the 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;
- the 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 Mrs. Inès Reinmann as 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 Bank Degroof and Mr. André Bergen as Independent Director under the terms of Article 526ter of the Company Code;
- proposal to appoint Mr. Christophe Demain as Director representing a shareholder.

EXECUTIVE COMMITTEE

The Executive Committee, in accordance with Article 524bis of the Company Code, is composed, apart from its Chairman Mr. Jean-Edouard Carbonnelle (Chief Executive Officer), of three Executive Directors: Mr. Marc Hellemans (Chief Financial Officer until 14.03.2014[1]), Mr. Xavier Denis (Chief Operational Officer), 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.

On 24.12.2013, after having worked for Cofinimmo for 13 years, Mr. Marc Hellemans expressed to the Board of Directors his wish to leave the company to take up new challenges at the Artexis Group, a non-listed company active in a sector other than real estate. This resignation became effective on 14.03.2014.

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 management 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 withheld 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

Xavier Denis

Françoise Roels

Current composition

Jean-Edouard Carbonnelle

Chief Executive Officer

Joined Cofinimmo in November 1998. Before that, he worked in the Group Société Générale de Belgique, 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 finally, 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 - Université Libre de Bruxelles 1976) and holds a Master of Business Administration (Wharton School - University of Pennsylvania 1977).

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 related to 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 was 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).

[1] The successor of Marc Hellemans had not been designated yet at the time of writing of this Annual Financial Report.

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 the meetings of the Board of Directors and of the Committees, and his constructive involvement in the discussions and decision-making;
- ascertain whether the current composition of the Board of Directors or of the Committees is appropriate.

The last assessment of the Board and its Committees occurred in September 2011. It takes place within a process set up 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 assessment exercise 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, the Committees, as well as the Chairman of the Board.

The procedure also allows the Directors to raise issues not covered by the questionnaire. The answers 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 skills/experience grid of the Board members and ensures that the Board's composition is always adequate. The Nomination, Remuneration and Corporate Governance Committee then makes its recommendations regarding the office that is about to expire to the Board of Directors, who then decides 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 has the responsibility of a specific managerial domain.

	Name	Function
1	Sébastien Berden	Head of Healthcare Properties
2	Yeliz Bicici	Head of Project Development
3	Benjamin Bostoen	Head of Information Technology & Organisation (until August 2013)
4	Chantal Cabuy	Head of Human Resources & Internal Communication
5	Ingrid Daerden	Group Treasurer
6	Valérie De Vos	Legal Coordination & Document Manager
7	Steve Deraedt	Head of Information Technology (as of September 2013)
8	Andrée Doucet	Senior Corporate Legal Officer
9	Chloé Dungelhoeff	Corporate Communication Manager (until December 2013)
10	Aline Etienne	Corporate Legal Officer
11	Laurence Gacoin	Head of Project Development (until September 2013)
12	Jimmy Gysels	Head of Business Unit Pubstone
13	Dirk Huysmans	Head of Offices Belgium
14	Valérie Kibieta	Investor Relations Manager (Head of External Communication & Investor Relations as from January 2014)
15	Stéphanie Lempereur	Head of Corporate Finance & Control
16	Pascale Minet	Head of Accounting
17	Valéry Smeers	Tax Manager
18	Domien Szekér	Head of Project Management
19	Jean Van Buggenhout	Head of Property Services & Corporate Social Responsibility
20	Caroline Vanstraelen	Corporate Legal Officer
21	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 important shareholders: 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 2013, 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 Sicafi/Bevak, etc.) acts as counterparty in an operation with the Sicafi/Bevak or a company it controls.

This namely concerns situations where the company would have to conduct transactions with the following partners: Foncière Atland, AB InBev, Senior Assist and Cordeel. These companies hold participating interests in certain subsidiaries of Cofinimmo and could therefore benefit from patrimonial advantages contrary to the interests of the shareholders of Cofinimmo. When an operation is planned with one of these partners, the company first informs the FSMA, in accordance with Article 18 §1 of the Royal Decree on Sicafis/Bevaks, by establishing that the planned operation is of interest for the shareholders of Cofinimmo, fits in its investment policy and is realised with respect to market conditions.

The company 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. During this operation, the issue price of an ordinary share and the discount were fixed in accordance with market conditions (average price of the ordinary share during a reference period, less the net dividend for the ordinary share, and a discount that could not exceed 10%).

The company also applied Article 18 of the Royal Decree on Sicafis/Bevaks within the context of the simplification of the Group structure in the Netherlands. The company Pubstone SA/NV concluded with InBev Belgium SA/NV and InBev Nederland BV different agreements related to the transfer of shares of Pubstone Holding BV, which became Pubstone Properties BV. During this operation, the price of the shares bought and sold was fixed based on the intrinsic value of Pubstone Holding BV at 30.06.2013.

AGREEMENTS CONCERNING SHAREHOLDER REPRESENTATIVES

The main shareholders may be designated as members of the Board of Directors as representatives of a shareholder. Only a participating interest of 3% (within the meaning of the Law of 02.05.2007 on the disclosure of important participations) in the capital of Cofinimmo gives a right to be a candidate Director. A Director representing a shareholder whose participation in the company capital decreased, on a lasting basis, below the 3% threshold may end his term of office but may not renew his term as Director representing a shareholder. Once appointed, a Director is asked to end his term, except in case of importants structural changes.

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 starting the day after each quarterly closing and the day (included) of the publication of the yearly, half-yearly or quarterly results. With respect to the implementation of the Belgian Corporate Governance Code within Cofinimmo, the rules of the Code of Conduct are in 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 is no government intervention, proceeding or arbitration procedure against Cofinimmo 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 a government intervention, proceeding or arbitration procedure.

COMPLIANCE OFFICER

Mrs. Françoise Roels, Secretary General & Group Counsel, is the Compliance Officer of Cofinimmo. Her duties consist of ensuring that the Code of Conduct and, more generally, all prevailing laws and regulations are observed. She also has the role of Risk Manager within the Executive Committee, being responsible for identifying and managing events potentially affecting the organisation.

RESEARCH AND DEVELOPMENT

The Cofinimmo Group did not carry out any research and development activity during 2013, except for the construction and large-scale renovation projects which are mentioned in the chapter "Transactions and Performances in 2013" of this Annual Financial Report.

POWER OF REPRESENTATION

The company is validly represented in all acts and all obligations with regard to all third parties or authorities, public or private, by two Directors acting jointly: either, within the limits of the authorisations granted to the Executive Committee, by two members of this Committee acting jointly, or, within the limits of the day-to-day management, by two people delegated to this management acting jointly.

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 a 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 powers of attorney are 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 of powers is also organised by the Executive Committee under the notarial act of 18.02.2014, published in the Belgian Official Gazette (Moniteur belge/Belgisch Staatsblad) of 06.03.2014 under the numbers 2014-03-06/0056417 (FR) and 2014-03-06/0056418 (NL), for the leases, works, loans, borrowings, credit facilities and collaterals, information and communication technologies, human resources, tax management, hedging operations, fund transfer operations and insurance operations.

COFINIMMO'S ARTICLES OF ASSOCIATION

Extracts from the Cofinimmo Articles of Association are published on pages 205 to 209. Their most recent revisions date from the Extraordinary General Shareholders' Meeting of 05.12.2013 and from the Board of Directors' meetings of 17.01.2013, 04.04.2013, 25.05.2013, 04.07.2013 and 10.01.2014.

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

CAPITAL STRUCURE[2]

Shares	Number	Capital (in €)	%
Ordinary (COFB)	16,954,002	908,541,308.87	96.10
Preference (COFP1)	395,148	21,175,429.91	2.24
Preference (COFP2)	293,534	15,730,077.45	1.66
TOTAL	17,642,684	945,446,816.23	100.00

The share capital stands at €945,446,816.23 and is divided into 17,642,684 fully paid-up shares, each of which represents an equal portion, of which 16,954,002 ordinary shares without par value and 688,682 preference shares without par value, that is a series of 395,148 preference shares P1 and a series of 293,534 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 ten 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 the liquidation of the company, during a period starting 15 days after the publication of the decision to liquidate and ending on the day before the General Meeting closing the liquidation.

Conversions will occur at the rate of one ordinary share for one preference share. Conversions will be considered to take place with effect on the date of sending the application for conversion. The applications 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 date 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 (2019), 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 exchange parity 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.

On 20.06.2013, the company issued bonds convertible into ordinary shares of the company. The issue relates to 1,764,268 convertible bonds with a nominal value of €108.17, i.e. for a total amount of €190,840,869.56. The convertible bonds allow the holder to receive Cofinimmo ordinary shares at a rate of one for one. Upon conversion, the company will have the option to deliver new and/or existing shares, cash or a combination thereof. The exchange parity will be adjusted according to the anti-dilution provisions customary for this type of issue. The conversion period is open, at any time, from 20.06.2013 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 3,250,600 bonds convertible into ordinary shares currently exist, of which 1,486,332 issued on 28.04.2011 and 1,764,268 issued on 20.06.2013. If all outstanding bonds were to be converted, it would create a maximum of 3,250,600 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 the Law.

[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] At the time of writing of this Annual Financial Report.

STOCK OPTION PLAN

The members of the Executive Committee and the management benefit from a stock option plan as explained on pages 87 and 88. In the event of a merger, (partial) demerger or division of shares of 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/Belgisch Staatsblad) 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 take-over 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 using authorised capital other than those referred to in Article 607 of the Company Code.

So far, the Board of Directors has used this option in the context of:

- the final realisation of the issue of a convertible bond loan dated 28.04.2011 for a maximum capital increase of €79,652,977.11;
- the capital increase by contribution in kind of dividend rights, decided on 24.05.2011, amounting to €17,697,422.45;
- the capital increase by a contribution in kind of dividend rights decided on 25.05.2012, amounting to €20,941,247.88;
- the capital increase by a contribution in kind of dividend rights decided on 06.06.2013, amounting to €28,367,771.12;
- the final realisation of the issue of a convertible bond loan dated 20.06.2013 for a maximum capital increase of €94,544,660.97.

Meaning that the amount by which the Board of Directors can increase the subscribed capital under the authorised capital is €557,795,920.47.

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 to provisionally 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 five years from the date of publication of 10.01.2014 of the minutes of the Extraordinary General Meeting of 05.12.2013, to acquire, pledge or dispose of (even off-exchange), on behalf of Cofinimmo, own shares of the company at a unit price that cannot be lower than 85% of the closing share price on the day before the transaction date (acquisition, disposal or pledge) and that cannot exceed 115% of the closing share price on the day before the transaction date (acquisition, pledge), without Cofinimmo owning more than 10% of the total number of issued shares at any time. At 31.12.2013, Cofinimmo SA/NV held €48,917 own shares.

CONTRACTUAL TERMS OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

The contractual terms of the Directors members of the Executive Committee are described on page 90.

CHANGE OF CONTROL

The public placement of convertible bonds dated 20.06.2013 maturing in 2018 for a total amount of €190.8 million, and the private placement of non-convertible bonds dated 09.10.2013 maturing in 2017 for a total amount of €50.0 million, include a clause stipulating that a change of control within Cofinimmo could result: (i) concerning the public placement of bonds dated 20.06.2013, a temporary downward adjustment of the conversion price, and (ii) concerning the private placement of non-convertible bonds dated 09.10.2013, a repayment of the borrowed amounts if the company's rating is decreased below investment grade within 120 days of the change of control.

The credit contract signed on 31.07.2013 with LBLux Bank SA for an amount of €50.0 million includes a clause stipulating that a change of control could result in the repayment of the borrowed amounts.

These three change of control clauses were ratified by the Extraordinary General Meeting of 05.12.2013.

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

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

INTERNAL PROCEDURES

During 2013, 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 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. In 2013, the Nomination, Remuneration and Corporate Governance Committee carried 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 practices 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. The Board of Directors, based on the recommendations of the Remuneration, Nomination and Corporate Governance Committee, saw it fit to maintain the remuneration policy adopted by the Ordinary General Meeting of 28.04.2006.

Members of the Executive Committee

The permanent service contracts concluded (i) in 2007 with the Secretary General and the current Chief Executive Officer, (ii) in 2011 with the Chief Operating Officer and (iii) in 2012 with the Chief Financial Officer were applied. The Board of Directors intends to change the variable remuneration policy for the variable remuneration concerning the financial year 2013 by introducing a free share plan which will be submitted for approval to the Ordinary General Meeting of 14.05.2014 (see below). The remuneration policy is in line with the provisions of the Law of 06.04.2010.

The remuneration of the members of the Executive Committee is determined by the Board of Directors on the basis of 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 real estate companies of similar size.

Other Board members' experience in this field was also taken into consideration. In 2013, 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.

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 2013 is:

- on the one hand, 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, on the other hand, 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.

The Non-Executive Directors do not receive a remuneration tied to performances. Mr. Gaëtan Hannecart having assisted at less than 65% of the meetings of the Board of Directors in 2013, he was deemed to have resigned in application of the Corporate Governance Chart. After having explained the reasons of his absences, Mr. Hannecart declared being available and ready to finish his mandate which ends on 11.05.2016.

ATTENDANCE AND REMUNERATION OF THE NON-EXECUTIVE DIRECTORS

	Attendance at Board meeting	Attendance at Nomination, Remuneration and Corporate Governance Committee meetings	Attendance at Audit Committee meetings	Total remuneration (in €)	Number of shares held at 31.12.2013
André Bergen	9/10	3/3	2/4	100,000 (fixed remuneration)	0
Xavier de Walque	10/10	-/-	4/4	58,216	0
Chevalier Vincent Doumier	10/10	-/-	4/4	54,050	221
Robert Franssen	7/10	-/-	-/-	37,500	0
Gaëtan Hannecart	6/10	3/3	-/-	50,300	0
Inès Reinmann[1]	6/6	-/-	2/2	33,900	0
Alain Schockert	10/10	-/-	-/-	45,000	0
Gilbert van Marcke de Lummen[2]	4/4	-/-	2/2	24,941	0
Baudouin Velge	10/10	3/3	-/-	54,050	0

REMUNERATION OF THE EXECUTIVE DIRECTORS

The remuneration package of the members of the Executive Committee comprises the following elements:

- a fixed remuneration;
- a variable remuneration, comprising:
  - a short-term variable remuneration in cash;
  - a phantom stock unit plan;
- a stock option plan;
- a savings and provident scheme and pension promises;
- other benefits.

Fixed remuneration

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. It encompasses their performances as members of the Board of Directors and their attendance at the meetings of the different Committees.

[1] Term of office started on 08.05.2013.
[2] Term of office ended on 08.05.2013.

ATTENDANCE OF THE EXECUTIVE DIRECTORS[1]

	Attendance at Board meeting	Attendance at Nomination, Remuneration and Corporate Governance Committee meetings	Attendance at Audit Committee meetings	Total remuneration (in €)	Number of shares held at 31.12.2013
Jean-Edouard Carbonnelle	10/10	-/-	4/4	-/-	550
Xavier Denis	10/10	-/-	1/4	-/-	80
Marc Hellemans	10/10	-/-	4/4	-/-	0
Françoise Roels	9/10	3/3	3/4	-/-	0

Variable remuneration

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 goals 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 analysis of the degree of achievement 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 goals. This calculation only serves as a guidance for the final setting of the variable remuneration. Indeed, this will also take into account the specific situation of 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 determines the final amount of the variable remuneration to be granted.

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

For the financial year 2013, the performance assessment criteria were:

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

The Nomination, Remuneration and Corporate Governance Committee has assessed the achievement of the 2013 objectives of the members of the Executive Committee and has proposed to the Board of Directors a variable remuneration of 45% of the fixed annual remuneration. This proposal was accepted by the Board of Directors.

As from the financial year 2013, and in strict application of the Law of 06.04.2010, the Board of Directors decided to grant half of the variable remuneration in the form of cash, and the other half in the form of a phantom stock unit plan spread over time. This plan consists in liquidating in cash en over three years the countervalue of ordinary Cofinimmo shares subject to a phantom free award.

During its meeting of 06.02.2014, the Board of Directors decided (i) to spread the awarding of the variable remuneration for the year 2013 over a period of three years, and (ii) for half of the variable remuneration, to determine the final amount which will be awarded in 2015 and 2016 based on the evolution of the ordinary Cofinimmo share price from the provisional attribution date of 06.02.2014.

The spreading will be done over three years, i.e. 50% of the variable remuneration will be paid in 2014, 25% will be awarded in February 2015 and the remaining 25% in February 2016.

In order to determine the amount of the variable remuneration to be awarded in 2015 and 2016, half of the variable remuneration as determined on 06.02.2014 is converted into phantom stock units by dividing it by the fair market value of the ordinary share at that date.

At the moment of the final award, the said units will be converted into a cash amount by multiplying the number of stock units by the fair market value of the ordinary share of the company on the date of the final award, increased by the gross dividends awarded since the provisional award date.

A detailed description of the phantom stock unit plan can be viewed in Appendix IV of the Executive Committee Charter available on the company website www.cofinimmo.com.

For the financial year 2014, the granting of the variable remuneration will depend on the achievement of objectives weighed as follows:

- the net current result per share (40%);
- the cost/income ratio (10%);
- the legal debt ratio (10%);
- the management of important development projects (40%).

Stock option plan

The stock option plan 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 vision.

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

Upon 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"/"Wet van de economische herpleving" of 27.03.2009.

[1] Mr. Jean-Edouard Carbonnelle, Mr. Xavier Denis, Mr. Marc Hellemans and Mrs. Françoise Roels frequently attend the meetings of the Audit Committee and Mrs. Françoise Roels frequently attends the meetings of the Nomination, Remuneration and Corporate Governance Committee, but they are not members of these Committees.

Stock options can only be exercised after the expiry of the third calendar year following the year of granting. If the options have not been exercised at the end of the exercise period, 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 2014). In the event of the 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 the premature contract termination, except in the case of a departure following a retirement. Options which have not been vested are cancelled. In the event of the involuntary departure of a beneficiary for serious reasons, all stock options accepted but not exercised, whether vested or not, are cancelled.

These conditions governing the acquisition and exercise of options in the event of a departure, whether voluntary or involuntary, will 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 within the context of options being exercised are listed on Euronext Brussels; they are of the same type and carry the same rights than the Cofinimmo ordinary shares existing at the time of the offering. The shares are registered.

A detailed description of the stock options plan can be viewed in Appendix 2 of the Executive Committee Charter, available on the company website www.cofinimmo.com. Cofinimmo applies the IFRS 2 standard by recognising the fair value of the stock options on the date of granting according to the progressive acquisition method as vesting occurs (i.e. three years). The annual charge for the progressive acquisition is entered on the income statement under personnel costs.

Stock options	Exercise deadline	Exercise price	Fair value at the granting date
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
2013 scheme	16.06.2023	€88.12	€49.59

Savings and provident scheme

The savings and provident scheme is designed to reduce, to the extent possible, the differential between resources prior to and following retirement. The complementary 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) the payment of a lump sum benefit to the insured person on reaching the retirement age, (ii) the payment of a lump sum death benefit, in the event that the insured person dies before the retirement age, to the beneficiaries of the insured person (plus an additional sum in the case of death due to an accident), (iii) the payment of an invalidity benefit in the case of an accident or illness (other than work-related), and (iv) the exemption from insurance premiums in the case of an 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 first assigned to the "Death" component and the outstanding amount to the "Retirement" component. The 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 amount to €3,796.45 for the CEO and €8,270.04 for the other members of the Executive Committee. Cofinimmo provides them with a company vehicle which annual cost for the company does not exceed €15,000 (excluding fuel). The company reimburses them for all professional expenses incurred within the context of their function. The members of the Executive Committee also have a mobile phone at their disposal. The remuneration attributed in this way to the members of the Executive Committee covers all the services they provide within the Cofinimmo Group.

REMUNERATION OF THE EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2013

	CEO[1]	OTHER MEMBERS OF THE EXECUTIVE COMMITTEE[1]
Fixed remuneration (in €)	349,300	680,000
Variable remuneration for the financial year (in €)		
Total amount:	157,185	306,000
in cash		140,750
in pension promises	78,593	55,000
in phantom free shares	78,593	110,250
Savings and provident scheme (in €)	62,000	186,000
Other benefits[2] (in €)	33,348	88,583
TOTAL REMUNERATION (in €)	**601,833**	**1,260,583**

STOCK OPTION PLAN[3]

Number of stock options granted and accepted[4]	Plan 2013	Plan 2012	Plan 2011	Plan 2010	Plan 2009	Plan 2008	Plan 2007	Plan 2006
Jean-Edouard Carbonnelle	2,050	1,600	1,600	1,350	1,350	1,350	1,350	1,350
Xavier Denis	0	0	-/-	-/-	-/-	-/-	-/-	-/-
Marc Hellemans	500	-/-	-/-	-/-	-/-	-/-	-/-	-/-
Françoise Roels	0	0	1,600	1,350	1,000	1,000	1,000	1,000

PHANTOM STOCK UNIT PLAN

Number of phantom free shares awarded	Plan 2013
Jean-Edouard Carbonnelle	900
Xavier Denis	580
Marc Hellemans	0
Françoise Roels	683

[1] Under self-employed status. Total cost for the company.
[2] Medical cover, company vehicle, mobile phone, other insurances, own expenses.
[3] The 2014 stock option plan will be decided by the Board of Directors in its April 2014 meeting.
[4] -/- means the person concerned was not yet a member of the Executive Committee on the day of the granting of the stock options.

CONTRACTUAL TERMS OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

With a view to entrusting the responsibility for the day-to-day management to the Directors who are members of the Executive Committee, the company has concluded a permanent service contract with them. This agreement is concluded for an unspecified period. The Directors have the 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 operations 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 a 24-month advance notice in the event that the company initiates the termination or to a three-month advance notice in the event that a Director member of the Executive Committee initiates the termination, or else by payment of an equivalent indemnity calculated on the basis of the emoluments prevailing at the time of the termination. In the event that the company is the subject of a takeover and that, 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 of 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 the management agreements signed with the above-mentioned Directors members of the Executive Committee in 2007. Shareholders' approval is therefore not required on this point, in accordance with the same Article.

The 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, as they stipulates that the contract can be terminated subject to a 12-month advance notice in the event the company initiates the termination or to a three-month advance notice in the event that Mr. Xavier Denis or Mr. Marc Hellemans initiate the termination, or else by payment of an equivalent indemnity calculated on the basis of the emoluments prevailing at the time of termination.

If the Directors members of the Executive Committee are 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. Afterwards, they will receive an incapacity allowance (paid by an insurance company) equal to 70% of their total remuneration.

Concerning the resignation of Mr. Marc Hellemans, the departure conditions provided for in his permanent service contract were applied. A notice period of three months was observed before his contract was terminated and the rules of the stock option plan were applied without exception.

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 collective investment undertaking – prepare special reports at the request of the Financial Services and Markets Authority (FSMA).

The Auditor is SC s.f.d. SCRL/BV o.v.v.e. CVBA Deloitte, Company Auditors, represented by Mr. Frank Verhaegen, auditor certified by the Financial Services and Markets Authority (FSMA), with registered offices located in 1831 Diegem, Berkenlaan 8B.

The fixed remuneration of the Auditor Deloitte, Company Auditors, for the review and the certification of Cofinimmo's company and consolidated accounts amounted to €116,700 (excluding VAT). Its fees for the certification of the company accounts of Cofinimmo's subsidiaries came to €130,610 (excluding VAT). The fees of the Deloitte Group for its fiscal research and support assignments amounted to €64,975 (excluding VAT) during the financial year and mainly consist in verifying the economic and financial data relative to acquisitions within the meaning of Article 133 §7 of the Company Code. Furthermore, the fees of the Auditor for the certification of the accounts of the French subsidiaries of the Group came to €50,660 (excluding VAT). The one-to-one rule was observed with regard to the auditor's fees.

DEPOSITORY BANK

The function of depository bank is no longer required by the Sicafi/Bevak regulation since the Royal Decree of 07.12.2010 relating to Sicafis/Bevaks.

REAL ESTATE EXPERTISE

The real estate experts designated by the Group to certify the overall value of its property portfolio are:

- DTZ;
- PricewaterhouseCoopers;
- Jones Lang LaSalle.

The terms of office of certain real estate experts expired at 31.12.2013, except for the property of distribution networks in France, and the healthcare real estate in the Netherlands, for which the terms of office of the real estate experts will expire at 31.12.2014.

In compliance with Article 6 of the Royal Decree of 07.12.2010 concerning Sicafis/Bevaks, which stipulates that the experts cannot be in charge of the valuation of a property asset for longer than a period of three years, Cofinimmo proceeded to the rotation of the experts at 01.01.2014, by:

- rotating the portfolio between the experts (legal entities) for the offices and the healthcare real estate in Belgium;
- rotating the physical persons representing the experts (legal entities) for the property of distribution networks in Belgium and in the Netherlands, and for the healthcare real estate in France.

Terms of office of the real estate experts at 01.01.2014

DTZ

SEGMENT	NUMBER OF ASSETS UNDER THE TERM OF OFFICE	LOCATION	PHYSICAL PERSONS	BEGINNING OF TERM	END OF TERM
Offices	47	Belgium	Christophe Ackermans	01.01.2014	31.12.2016
Healthcare real estate	39	Belgium	Christophe Ackermans	01.01.2014	31.12.2016
Healthcare real estate	51	France	Jean-Philippe Carmarans	01.01.2014	31.12.2016
Healthcare real estate	3	Netherlands	Jean-Philippe Carmarans	01.01.2012	31.12.2014
Property of distribution networks – Cofinimur I	277	France	Philippe Dorion and Jérôme Salomon	01.01.2012	31.12.2014
Property of distribution networks - Pubstone	246	Netherlands	Christophe Ackermans	01.01.2014	31.12.2016
Property of distribution networks - Pubstone	811	Belgium	Christophe Ackermans	01.01.2014	31.12.2016

PricewaterhouseCoopers

SEGMENT	NUMBER OF ASSETS UNDER THE TERM OF OFFICE	LOCATION	PHYSICAL PERSONS	BEGINNING OF TERM	END OF TERM
Offices	9	Belgium	Ann Smolders and Jean-Paul Ducarme	01.01.2014	31.12.2016
Healthcare real estate	31	Belgium	Ann Smolders and Jean-Paul Ducarme	01.01.2014	31.12.2016

Jones Lang LaSalle

SEGMENT	NUMBER OF ASSETS UNDER THE TERM OF OFFICE	LOCATION	PHYSICAL PERSONS	BEGINNING OF TERM	END OF TERM
Offices	9	Belgium	Rod Scrivener	01.01.2014	31.12.2016
Healthcare real estate	6	France	Marie Martins	01.01.2014	31.12.2016

The **DTZ** Group, through its subsidiaries in Belgium, in France and in the Netherlands, is responsible for the property valuation of the most important share of the portfolio.

In Belgium, the valuation is entrusted to the company Winssinger & Associates SA/NV (with registered offices located Chaussée de La Hulpe/Ter Hulpsesteenweg 166 in 1170 Brussels). It is registered with the Register of Legal Entities of Brussels under the number 0422 118 165 and is represented by Mr. Christophe Ackermans.

In France, the valuation is entrusted to DTZ Eurexi SA (with registered offices located 8 rue de l'Hôtel de Ville, 92 200 Neuilly-sur-seine, France). It is registered with the Trade and Companies Register of Nanterre under the number 332 11 574 and is represented by Mr. Jean-Philippe Carmarans, Mr. Philippe Dorion and Mr. Jérôme Salomon, depending on the valued portfolio.

In the Netherlands, the valuation is entrusted to DTZ Zadelhoff BV (with registered offices located Apollolaan 150, 1077 BG Amsterdam, Netherlands). It is registered under the number NL 006 645 628 B01 and is represented by Mr. Christophe Ackermans and Mr. Jean-Philippe Carmarans, depending on the valued portfolio.

PricewaterhouseCoopers is responsible for the property valuation of offices and healthcare real estate in Belgium through its subsidiary PriceWaterhouseCoopers Enterprise Advisory SCRL/CVBA (with registered offices located Woluwedal 18, 1932 Sint-Stevens-Woluwe). It is registered under the Register of Legal Entities of Brussels under the number 0415 622 333 and is represented by Mrs. Ann Smolders and Mr. Jean-Paul Ducarme.

Jones Lang LaSalle is responsible for the property valuation of offices in Belgium and healthcare real estate in France.

In Belgium, the valuation is entrusted to Jones Lang Lasalle SPRL/BVBA (with registered offices located Avenue Marnix/Marnixlaan 23, 1000 Brussels). It is registered under the Register of Legal Entities of Brussels under the number 0403 376 874 and is represented by Mr. Rod Scrivener.

In France, the valuation is entrusted to Jones Lang LaSalle Expertises SAS (with registered offices located 40-42 rue La Boétie, 75008 Paris, France). It is registered with the Trade and Companies Register of Paris under the number 444 628 150 and is represented by Mrs. Marie Martins.

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 constitutes the accounting value of the buildings on 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. The transaction must be carried out at the value determined by the experts where the other party is a promotor of the Sicafi/Bevak (Cofinimmo has no such promotor), or any company with which the Sicafi/Bevak is linked by a participating interest or where any of the above-mentioned parties gains any advantage from the transaction.

The valuation of a property consists in determining its value on a specific date, i.e. the price at which the property is likely to be exchanged between well-informed acquirers and sellers who 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 the VAT, if the acquisition is subject to the VAT.

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

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

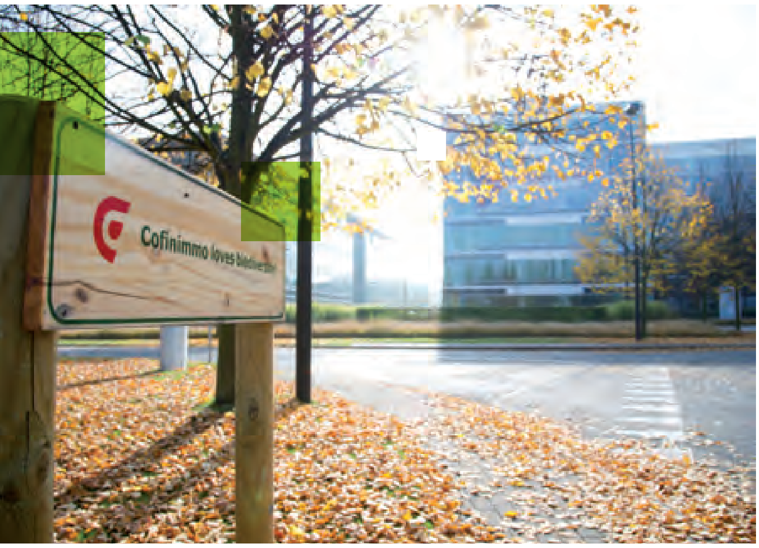
The experts' valuation depends in particular on the:

- 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 of the rents on the 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 €1,0 million (excluding VAT) in 2013.

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY



Leopold Square – Brussels

Garden Square – Wilrijk (Belgium)

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 the mere minimum or legal obligations.

Improving the living and working environments, reducing the ecological footprint, building in a sustainable manner and optimising the use of spaces: those are the commitments of all of Cofinimmo's employees.

The Board of Directors supports them in the deployment of realistic and effective projects.

The Corporate Social Responsibility (CSR) policy of Cofinimmo comes under the responsibility of the Green Committee, which objective is to continuously identify and assess all the factors contributing to sustainable development. This Committee is composed of ten people representing, on the one hand, the departments involved in the property management of the Group's portfolio, all business segments combined (Property Management, Project Management, Property Services), and, on the other hand, the legal, communication and human resources departments.

The Committee's responsibilities include:

- proposing specific, economically reasonable measures to improve the environmental performances of the company, its portfolio and, by extension, the spaces occupied by its tenants;
- developing initiatives to better incorporate CSR into the Group's strategy;
- ensuring that the Group complies with domestic and international legal environmental requirements;
- communicating the Group's accomplishments to all stakeholders.

In 2013, Cofinimmo also appointed a full-time Environmental Manager. Her 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.

Concrete examples of the application of the CSR policy can be found in this Annual Financial Report, both in the descriptions of each segment and in the following scoreboard.

SCOREBOARD

This table details Cofinimmo's accomplishments in relation to the previous years' goals and lays out the company's new goals for 2014 and beyond.

ENVIRONMENT

Goals	Accomplishments	Scope	Comple-tion date	Progress
General				
Formalisation of the materiality matrix	Formalisation of the materiality matrix, which is a map that lists the issues related to the company's corporate social responsibility policy in order of importance. This matrix is validated externally by stakeholders (tenants, suppliers, investors, etc.).	Cofinimmo	2014	New
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 energy performance E-level of 12 and a thermal insulation K-level of 19. The town-planning and environmental permits required for the redevelopment of the Science/Wetenschap 15-17 building were granted in January 2014. This project won the "2011 Exemplary Building" competition of the Brussels Capital Region and is considered a passive building. Construction will begin as soon as a pre-letting has been agreed upon.	Global portfolio	2015	Ongoing
Improvement of the budgetary process related to sustainability	Improvement of the monitoring of the budget allocated to improving the environmental performance of buildings.	Global portfolio	2014	25%
Implementation of global energy accounting	An energy accounting software was implemented. The software compiles all the consumption data for the common areas of the buildings managed by Cofinimmo Services, as well as some private consumption data.	Offices	2013	100%
Expanding the energy accounting to the healthcare real estate segment	In order to have a more thorough understanding of its portfolio, Cofinimmo will expand the data collection to include the healthcare real estate segment. Operators of healthcare properties will have a choice as to whether or not participate in this data collection process.	Healthcare real estate	2018	New
Energy consumption reporting in accordance with the recommendations of the European Public Real Estate Association (EPRA)	Data was collected in order to obtain the private consumption data of tenants whose meters are not managed by Cofinimmo Services.	Offices	2013	100%
Energy consumption reporting for property of distribution networks	Collection of consumption data in the property of distribution networks segment on the basis of a sample (+/-5%).	Property of distribution networks	2014	New
Obtaining an external statement of assurance for the indicators published in the Annual Financial Report	Obtaining an external statement of assurance for the indicators published in the 2013 Annual Financial Report. The indicators in question are the 11 GRI indicators recommended by the European Public Real Estate Association: energy consumption, water, CO_2 emissions, etc.	Cofinimmo	2013	100%
Measurement and monitoring of the energy performance of the existing offices 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 consumptions and quicker responses to adjust energy-intensive technical installations.	Offices	2018	5%
« Nearly Zero Emissions » buildings	Properties built in the Brussels Capital Region will have to be passive as from 2015. This obligation applies to all types of buildings: offices, housing, 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	New
Renewal of the ISO 14001:2004 Environmental Management System certification for the global office portfolio under management and for the Project Management	Renewal of the ISO 14001:2004 certification after three years of existence, as stipulated by the standard. The details of Cofinimmo's commitments can be found in its environmental policy, which is available on the website www.cofinimmo.be.	Offices	2014	New

ENVIRONMENT

Goals	Accomplishments	Scope	Completion date	Progress
Promoting the Green Charter	The Green Charter 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 by sharing consumption data, implementing initiatives to reduce consumption, sorting waste more efficiently, etc. In 2013, the number of signatories rose to 19 tenants, representing 15% of the office space. In 2014, the Green Charter will be systematically proposed each time a lease is offered to a new tenant. Existing tenants who were not yet contacted regarding this matter in 2013 will be contacted.	Offices	Ongoing	
BREEAM-In-Use certification	In 2013, the certification of seven buildings was extended. In 2014, new certification of three buildings.	Offices	2014	New
Use of sustainable materials in renovations or new constructions	Materials selected based on their NIBE (Nederlands Instituut voor Bouwbiologie en Ecologie) sustainability rating. No hazardous materials used. Carpeting that is 100% recycled is placed in all surface renovations except if the new tenant explicitly rejects this proposal. In 2013, this represented a surface area of approximately 7,055m².	Offices	Ongoing	
Support of mobility projects with a positive environmental impact: shared electric vehicles	Providing shared electric vehicles as an alternative mobility solution for existing buildings: the project launched in 2013 is being extended into 2014.	Offices	2013-2014	50%
Audit regarding the accessibility of the buildings for disabled people	Three buildings were audited in 2013. The audit will be expanded to five buildings in 2014.	Offices	2013-2018	7%
Obtaining a label regarding the accessibility for disabled people			2014	New
Headquarters management				
Reduction of CO_2 emissions of leased vehicles	The ongoing implementation of the car policy introduced in 2010 has resulted in a 17% reduction of the average CO_2 emissions (manufacturer data) of leased vehicles. 45% of the fleet meets the 2015 target set by the European Commission of 130g CO_2/km.	Headquarters	2015	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 to 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 and that the sources of CO_2 emissions were clearly identified in 2010, this update of the carbon report has been postponed until 2015.	Headquarters	2015	New
Electronic reception of invoices from suppliers	Launch of the electronic invoice reception system, allowing invoices to be sent to the internal electronic approval circuit without having to be scanned beforehand.	Headquarters	2014	50%
Accessibility of the headquarters for disabled people	Creation of sanitary facilities accessible to disabled people.	Headquarters	2013	100%
Raising the awareness of tenants and partners				
Inclusion of a specific clause concerning the adoption of sustainable practices by subcontractors as a selection criterion in contracts and tender calls	The environmental policy has been sent to the main suppliers. Cofinimmo encourages these suppliers to adopt environmentally friendly behaviour.	Offices	2012-2014	25%

Goals	Accomplishments	Scope	Completion date	Progress
ENVIRONMENT				
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	2011-2015	50%
Communication				
Sustainable Development Report	Cofinimmo's 2012 Sustainable Development Report received a Silver Sustainability Award from EPRA. In 2014, the company will continue to follow EPRA's Best Practices in its sustainable development communication. These Best Practices include a number of performance indicators common to the GRI.		2012	
Improving communication by participating in surveys conducted by independent rating agencies in terms of sustainable development	In 2013, Cofinimmo focused on two major surveys: • Carbon Disclosure Project: In 2013, Cofinimmo scored 81% (vs. 47% in 2012) for the "disclosure" section, which was higher than the average for the real estate sector (71%). For the "performance" section, the company scored a "C" (on a scale of A to E), which was the average for the sector. Cofinimmo was not scored for this section in 2012, as a minimum score of 50% was required for the "disclosure" section. • Global Real Estate Sustainability Benchmark: the score remained unchanged at 38% from 2012 to 2013, i.e. slightly less than the average of 42%. In 2014, Cofinimmo will continue its efforts to improve its score.	Cofinimmo	2013	100%
HUMAN RESOURCES				
Setting an individual objective for each employee that is in line with the company's sustainable development strategy	The individual objective linked to sustainable development reflects the desire to develop the company's culture by promoting this dimension of the strategy.	Cofinimmo	2013	80%
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 website, temporary workers, 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 them to benefit from the diversity of talents and skills. Team-coaching sessions and social or sports activities promote teamwork in the company.	Cofinimmo	Ongoing	

Bourget 42 – Brussels

Science/Wetenschap 15-17 - Brussels

Goals	Accomplishments	Scope	Comple-tion date	Progress
Expansion of reliable, consistent and instructive internal communication	Several tools are used (newsletters, intranet, emails, lunch meetings, briefing breakfasts, targeted distribution of minutes, etc.) to disseminate a clear, transparent and understandable message. On the intranet, there is a tab dedicated to each department, to each large project. During the past few years, the tool was made even more user-friendly. Special attention 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				
Roll-out of the company's community action strategy	Operation "Thermos" for the homeless in Brussels and participation in both the mobility week and the week for waste reduction. These actions will be repeated in 2014.	Cofinimmo	2013	100%
Cofinimmo's representation in associations dealing with issues related to sustainable development and corporate social responsibility	Cofinimmo is a member of Business & Society, Union Professionnelle du Secteur Immobilier/ Beroepsvereniging van de Vastgoedsector (UPSI/ BVS), Royal Institution of Chartered Surveyors (RICS), Urban Land Institute (ULI), European Public Real Estate Association (EPRA), KAURI.	Cofinimmo	Ongoing	

Souverain/Vorst 23-25 – Brussels

ENVIRONMENTAL POLICY

The company's role is twofold: on the one hand, to protect the natural resources affected by its activity as manager of an important and diversified property portfolio, and, on the other hand, with regard to the activity of its own staff, behave as a responsible company and reduce its ecological footprint in a lasting manner.

The company's role in improving the environmental efficiency of the property portfolio varies from segment to segment, depending on the type of investment:

- at the acquisition stage, by choosing buildings with an acceptable level of sustainability;
- during construction, by setting ambitious sustainability criteria;
- during large-scale renovations, by improving the energy performances;
- when managing buildings, by ensuring a better control of consumptions.

When Cofinimmo does not control a part of the life cycle of a building, as is the case of healthcare and distribution network properties, the company acts as a consultant and strives to raise awareness.

ISO 14001:2004[1]

Cofinimmo's Environmental Management System has been ISO 14001:2004 certified since 2006, and its scope was expanded in 2010 to include the management of its office portfolio and 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 in this regard are:

- compliance with environmental regulations and other requirements;
- continual improvement;
- prevention of pollution.

HEADQUARTERS MANAGEMENT

The success of a sustainable development policy depends first and foremost on employee awareness and developing the company's culture. Improving headquarters management is a key element. The most important issues are:

MOBILITY WITHIN THE COMPANY

As travel represents approximately 70% of its carbon footprint, Cofinimmo pursues year after year initiatives in terms of mobility: reducing the average CO_2 emissions of the vehicle fleet, raising awareness by publishing fuel consumption data, providing a shared electric vehicle, promoting carpooling and alternative modes of transportation, etc.

WASTE MANAGEMENT AND PAPER MANAGEMENT

Cofinimmo encourages its staff to reduce and sort waste.

The company encourages the sending and processing of documents electronically in order to reduce the volume of printed material: electronic approval of invoices, electronic archiving of documents, centralisation and reduction of the number of printers, digital payslips, reduction of the number of paper copies of this Annual Financial Report.

[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.

HUMAN RESOURCES

In the medium term, Cofinimmo 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. In the longer term, conscious of its responsibility, the company is devoted to ensuring that employees approaching retirement find their jobs challenging, but 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 collectively.

MANPOWER

On 31.12.2013, Cofinimmo employed 113[1] employees (average age 39 years), of whom 52% are university graduates and 28% are post-graduates. In full-time equivalent, this represents 106.8 people. 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 69% female and 31% male employees. In 2013, nine staff members were taken on, with six departures and two long-term absences. Absenteeism remains at less than 2% of the total number of days worked.

DIVERSITY

Cofinimmo initially obtained the Diversity Label in 2010 and now works to maintain its 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 (generative individual coaching and team coaching);
- that of the company's external positioning, by continuing actions involving networking and gathering testimonies on the issue of diversity.

REMUNERATION

The remuneration packages offered by Cofinimmo are determined by reference to the market remuneration for similar posts. 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 €392,730 in 2013. 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 2013, a total of 3,320 stock options were granted, representing a fair value of €363,900 (see Note 43).

NURTURING TALENT

Year after year, Cofinimmo pursues its efforts to nurture talent, aware 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 (IIP) label, Cofinimmo has, for six years, been underlining the essential deployment of knowledge. The Human Resources department, along with the line managers and staff, draws up a personal development plan covering languages, information and communication technologies, technical subjects and soft skills[2]. In tandem with the more traditional training courses, the company offers its staff, in a targeted manner, the opportunity to pursue longer-term training at post-graduate level, both in Belgium and, more exceptionally, abroad.

Special attention is devoted to the manager coaching and leadership aspects. Each year, managers develop their skills in these areas, enabling them to meet the needs and expectations of their staff.

In 2013, almost 80% of staff took one or more training courses, representing a total of 4,116 hours and a budget corresponding to close to 2% of the gross payroll, breaking down evenly among all employees (men/women/young/old, etc.). Out of a total of 515 days of training courses taken by employees, 26 were dedicated to the different themes of corporate responsibility, diversity management, the environment, the energy performance of buildings and sustainable development.

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[3] status. Wishing to maintain the label in the coming years, Cofinimmo continues 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, feed-back and reward processes; individual and team coaching; training culture; work/life balance; accountability; etc. Cofinimmo's objective is to achieve the 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 the end of the year, 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.

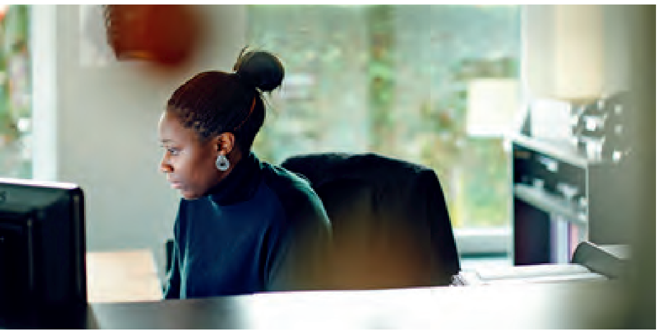
INTERNAL COMMUNICATION BY MANAGEMENT

Regularly and openly, management undertakes proactive, dynamic communication with all its staff. In this it presents:

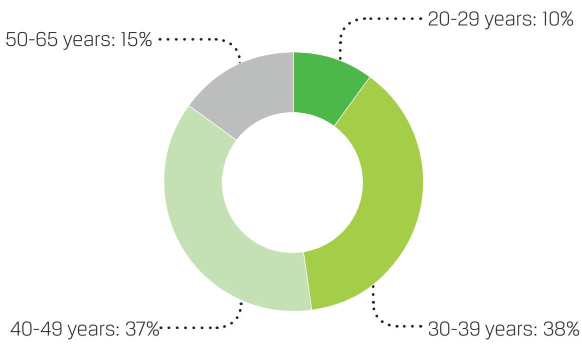
- the Group strategy and its reorientations and the chain reaction which the strategic choices have at the level of the individual objectives;
- the annual and half-yearly results, as well as the forecasts for the coming years;
- the significant acquisitions and sales.

To achieve this, although it gives preference to dialogue and meetings, it also takes advantage of tools that allow each of its staff to have access to all of the essential information for understanding the company and its activities. Cofinimmo in this way encourages the sharing of information between its various entities. This interdepartmental interaction reflects its desire to cultivate a true team spirit, one of its three corporate values.

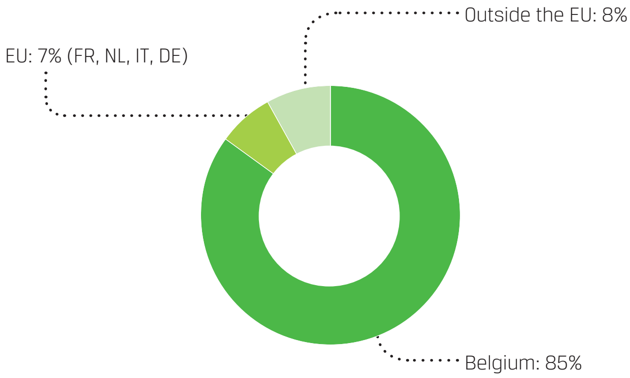
[1] Including two employees in the Netherlands.
[2] Communication, speaking in public, conflict management, etc.
[3] IIP has four levels of assessment (Basic, Bronze, Silver and Gold), each defined by an ever higher threshold of employee satisfaction and development.



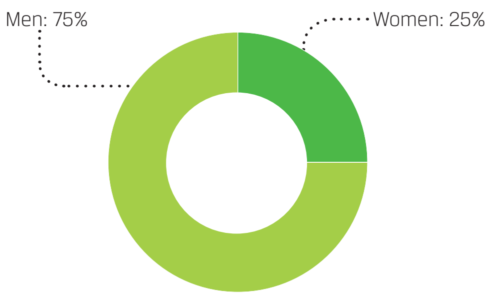
Staff members by age group



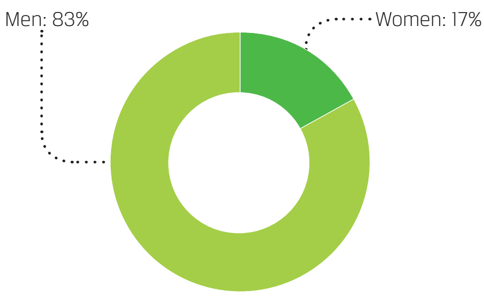
Nationalities of employees



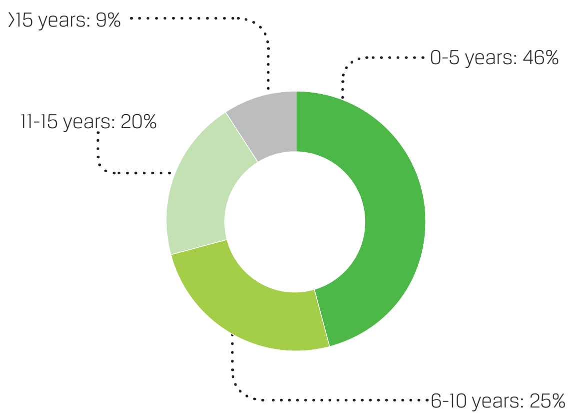
Men/women on the Executive Committee



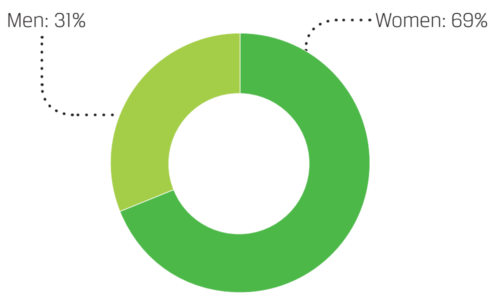
Men/women on the Board of Directors



Seniority



Men/women



KEY PERFORMANCE INDICATORS

DATA COMPLIANT WITH THE EPRA REFERENCE DOCUMENTS

SCOPE

The data are calculated based on information Cofinimmo has as owner and Cofinimmo Services as manager of its property portfolio, as well as information obtained from the buildings' occupants.

They concern the offices portfolio only, i.e. approximately 768,124m² over a total of 1,853,467m².

REPORT OF THE AUDITOR

Certain environmental KPIs (marked with a ✓) were audited by Deloitte (see Report of the Auditor on page 109).

This audit enabled to better align the methodology for collecting the data and their processing. Moreover, more data were obtained in 2012, which explains the differences versus the previous Annual Financial Report.

The KPIs chosen by EPRA are a selection of the Global Reporting Initiative (GRI) KPIs considered as relevant for the real estate sector.

GROSS AND STANDARDISED RESULTS

The conclusions below concern the 2012-2013 like-for-like analysis of the results. Each indicator covers approximately 95% of the office portfolio.

On a like-for-like basis, there is a 4.6% increase of greenhouse gas emissions, which can be split up as follows:

- a 2.7% increase in electricity consumption;
- a 10.1% increase in gross gas consumption.

Nevertheless, in order to objectively compare the changes in the consumptions, climate conditions need to be taken into account from one year to another.

To assess the harshness of the climate, standardised consumptions are usually compared based on Degrees-Days (DD). The colder it is, the higher the number of DD. The average value of DD for an area (for the last 30 years) is called "Normal Degrees-Days" (NDD).

Standardised consumption = observed consumption x NDD of the area / DD of the area during the observation period

The DD 15/15 in Uccle/Ukkel (Brussels) for 2012 stand at 1,914.7°.

The DD 15/15 in Uccle/Ukkel (Brussels) for 2013 stand at 2,137.7°.

The normal DD 15/15 stand at 2,087.6°.

Therefore, the like-for-like standardised gas consumption of 2012 becomes 81,715MWh and that of 2013 becomes 80,587MWh. The gas consumption at constant climate thus decreased by 1.4%.

Aware of the importance of consumption optimisation, in 2014, Cofinimmo will use an energy accounting software implemented recently. The goal is to measure energy consumptions faster.

Total consumption of direct energy coming from fuels (MWh/year)

Based on the GRI EN3 indicator

Total direct energy consumed coming from fuels (gas, fuel oil, biogas, etc.).

✓	Gas consumption			Relative consumption	
	2012 MWh	2013 MWh	△	2012 kWh/m²	2013 kWh/m²
Multi-tenant cover (no. of buildings)	53	**52**			
Single-tenant cover (no. of buildings)	32	**33**			
Multi-tenants (1)	33,331	**35,445**	6.3%	111	**121**
Single-tenants (2)	44,068	**48,050**	9.0%	99	**109**
Headquarters	483	**532**	10.1%	125	**137**
TOTAL (1)+(2)	**77,399**	**83,496**	**7.9%**	**104**	**114**
Like-for-like 2012-2013 (83 buildings)	74,947	**82,521**	10.1%	103	**113**

Notes

1 The used fuel values concern heating gas for 100%. The consumption of fuel oil was not taken into account.

2 The indicated values represent the total consumption of the building, without a distinction being made between private and common areas.

3 Cofinimmo has no influence on the private consumption of the buildings' tenants. It can only act on the consumption of the common technical equipment of multi-tenant buildings of which the Property Management is taken care of by Cofinimmo Services.

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

Total consumption of direct energy coming from fuels (MWh/year) depending on the building's age

	Gas consumption 2012 MWh	Gas consumption 2013 MWh	△	Relative consumption 2012 kWh/m²	Relative consumption 2013 kWh/m²
0 - 5 years (**2012**: 14 buildings; **2013**: 10 buildings)	9,046	**4,398**	-51.4%	79	**77**
6 - 10 years (**2012**: 13 buildings; **2013**: 18 buildings)	15,353	**23,989**	56.3%	76	**91**
11 - 15 years (**2012**: 31 buildings; **2013**: 25 buildings)	18,326	**16,795**	-8.4%	102	**119**
> 16 years (**2012**: 27 buildings; **2013**: 32 buildings)	34,674	**38,314**	10.5%	140	**141**
TOTAL	**77,399**	**83,496**	**7.9%**		

Like-for-like standardised direct energy consumption (MWh/year)

	Standardised gas consumption 2012 MWh	Standardised gas consumption 2013 MWh	△	Relative consumption 2012 kWh/m²	Relative consumption 2013 kWh/m²
Multi-tenant (1)	34,275	**34,615**	1.0%	117	**118**
Single-tenant (2)	47,440	**45,972**	-3.1%	109	**105**
Headquarters	526	**519**	-1.4%	136	**134**
TOTAL (1)+(2)	**81,715**	**80,587**	**-1.4%**	**112**	**111**

Notes

1 The DD 15/15 in Uccle/Ukkel (Brussels) for 2012 stand at 1,914.7°.

2 The DD 15/15 in Uccle/Ukkel (Brussels) for 2013 stand at 2,137.7°.

3 The NDD 15/15 in Uccle/Ukkel (Brussels) stand at 2,087.6°.

Total consumtion of energy coming from district heating or cooling systems (kWh/year)

This indicator is not applicable, Cofinimmo's office buildings not being powered by such systems.

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 purchased from an electricity supplier).

	Electricity consumption			Relative consumption	
	2012 MWh	2013 MWh	△	2012 kWh/m²	2013 kWh/m²
Multi-tenant cover (no. of buildings)	56	**55**			
Single-tenant cover (no. of buildings)	33	**31**			
Multi-tenant (1)=(2)+(3)	32,701	**31,857**	-2.6%	121	**121**
Private (2)	13,579	**11,911**	-12.3%	60	**56**
Common (3)	19,122	**19,947**	4.3%	60	**65**
Single-tenant (4)	67,483	**66,932**	-0.8%	151	**152**
Headquarters	319	**348**	8.8%	83	**90**
TOTAL (1)+(4)	**100,185**	**98,789**	**-1.4%**	**113**	**116**
Like-for-like 2012-2013 (86 buildings)	84,560	**86,878**	2.7%	113	**116**

Notes

1 The values mentioned for single-tenant buildings represent the building's total consumption, without a distinction being made between private and common areas.

2 The values mentioned for the private areas of multi-tenant buildings are partial: 99% of the rented spaces in 2012; 98% in 2013.

3 The values mentioned for the common areas of multi-tenant buildings concern 100% of the buildings in 2012 and 2013.

4 Cofinimmo has no influence on the private consumption of the buildings' tenants. It can only act on the consumption of the common technical equipment of multi-tenant buildings of which the Property Management is taken care of by Cofinimmo Services.

5 The like-for-like analysis is conducted on the consumptions of the common technical 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	
	2012 MWh	2013 MWh	△	2012 kWh/m²	2013 kWh/m²
0 - 5 years (**2012**: 18 buildings; **2013**: 12 buildings)	8,516	**3,431**	-59.7%	63	**51**
6 - 10 years (**2012**: 13 buildings; **2013**: 19 buildings)	29,187	**36,639**	25.5%	144	**135**
11 - 15 years (**2012**: 31 buildings; **2013**: 25 buildings)	14,836	**13,261**	-10.6%	83	**94**
> 16 years (**2012**: 27 buildings; **2013**: 30 buildings)	34,067	**33,547**	-1.5%	137	**125**
TOTAL	**86,605**	**86,878**	**0.3%**		

Notes

1 The analysis according to the building's age is conducted on the consumptions of the common technical equipment of multi-tenant buildings and all the consumptions of single-tenant buildings.

Relative energy consumption (kWh/m²/year)

Based on the GRI CRE1 indicator

Ratio between the total energies consumed, from all sources, 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, and energy from fuels.

	Relative consumption		
	2012 kWh/m²	2013 kWh/m²	△
Electricity cover (no. of buildings)	89	**86**	
Gas cover (no. of buildings)	85	**85**	
Multi-tenant (1)	171	**186**	8.8%
Single-tenant (2)	250	**261**	4.5%
Headquarters	207	**227**	9.6%
TOTAL (1)+(2)	**217**	**230**	**5.9%**
Like-for-like 2012-2013 (electricity: 86 buildings; gas: 83 buildings)	216	**229**	6.3%

Notes

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

Relative energy consumption (kWh/m²/year) according to the building's age

	Relative consumption		
	2012 kWh/m²	2013 kWh/m²	△
0 - 5 years	142	**129**	-9.2%
6 - 10 years	220	**226**	2.7%
11 - 15 years	185	**213**	15.3%
> 16 years	277	**266**	-4.1%

Total direct and indirect greenhouse gas emissions (tons of CO_2/year)

Based on the GRI EN16 indicator

Electricity: indirect greenhouse gas emission coming from the purchase of electricity, district heating or cooling, per year.

Gas: greenhouse gas emission coming from the on-site use of fuels, per year.

Total: total quantity, direct or indirect, of greenhouse gas emissions.

	CO_2 emissions						
	2012			2013			△
	Electricity tons CO_2	Gas tons CO_2	Total tons CO_2	Electricity tons CO_2	Gas tons CO_2	Total tons CO_2	
Cover (no. of buildings)	89	85		**86**	**85**		
Multi-tenant (1)	21,256	8,366	29,622	**20,707**	**8,897**	**29,604**	-0.1%
Single-tenant (2)	43,864	11,061	54,925	**43,506**	**12,061**	**55,566**	1.2%
Headquarters	208	121	329	**226**	**133**	**359**	9.3%
TOTAL (1)+(2)	**65,120**	**19,427**	**84,547**	**64,213**	**20,957**	**85,170**	**0.7%**
Like-for-like 2012-2013	54,964	18,812	73,775	**56,471**	**20,713**	**77,184**	4.6%

Notes

1 The like-for-like analysis is conducted on the consumptions of the common technical 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 KPI "total consumption of energy coming from fuels".

3 The conversion rates used are the following:
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 stands at 260g/kWh for electricity (source: ADEME) and 251g/kWh for gas (source: CWaPE).

4 Cofinimmo has no influence on the CO_2 emissions related to 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						
	2012			2013			△
	Electricity tons CO_2	Gas tons CO_2	Total tons CO_2	Electricity tons CO_2	Gas tons CO_2	Total tons CO_2	
0 - 5 years	5,535	2,271	7,806	**2,230**	**1,104**	**3,334**	-57.3%
6 - 10 years	18,971	3,854	22,825	**23,816**	**6,021**	**29,837**	30.7%
11 - 15 years	9,643	4,600	14,243	**8,620**	**4,215**	**12,835**	-9.9%
> 16 years	22,143	8,703	30,846	**21,805**	**9,617**	**31,422**	1.9%
TOTAL	**56,293**	**19,427**	**75,721**	**56,471**	**20,957**	**77,428**	**2.3%**

Notes

1 The analysis according to the building's age is conducted on the consumptions of the common technical equipment of multi-tenant buildings and all the consumptions of single-tenant buildings.

Relative greenhouse gas emissions (kg CO_2/m^2/year)

Based on the GRI CRE3 indicator

Total quantity of direct and indirect greenhouse gas emissions per square metre and per year.

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

	Relative CO_2 emissions						
	2012			2013			△
	Electricity kg CO_2/m^2	Gas kg CO_2/m^2	Total kg CO_2/m^2	Electricity kg CO_2/m^2	Gas kg CO_2/m^2	Total kg CO_2/m^2	
Cover (no. of buildings)	89	85		**86**	**85**		
Multi-tenant (1)	39	28	67	**42**	**30**	**72**	8.2%
Single-tenant (2)	98	25	123	**99**	**27**	**126**	2.8%
Headquarters	54	31	85	**58**	**34**	**93**	9.3%
TOTAL (1)+(2)	**74**	**26**	**100**	**75**	**29**	**104**	**4.4%**
Like-for-like 2012-2013	76	21	97	**75**	**28**	**104**	7.0%

Notes

1 The like-for-like analysis is conducted on the consumptions of the common technical 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 KPI "total consumption of energy coming from fuels".

3 The conversion rates used are the following:
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 stands at 260g/kWh for electricity (source: ADEME) and 251g/kWh for gas (source: CWaPE).

4 Cofinimmo has no influence on the CO_2 emissions related to 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

	Water consumption			Relative consumption	
	2012 m^3	2013 m^3	△	2012 m^3/m^2	2013 m^3/m^2
Multi-tenant cover (no. of buildings)	45	**45**			
Single-tenant cover (no. of buildings)	26	**24**			
Multi-tenant (1)	80,887	**77,220**	-4.5%	0.31	**0.31**
Single-tenant (2)	151,649	**143,692**	-5.2%	0.38	**0.41**
Headquarters	460	**514**	11.7%	0.12	**0.13**
TOTAL (1)+(2)	**232,536**	**220,912**	**-5.0%**	**0.35**	**0.37**
Like-for-like 2012-2013 (64 buildings)	200,061	**207,344**	3.6%	0.35	**0.37**

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 installations, sanitation systems and the kitchenettes.

4 Cofinimmo's influence is limited to the common installations of the multi-tenant buildings of which the Property Management is taken care of by Cofinimmo Services.

Total water consumption per supply source (m³/year) according to the building's age

	Water consumption 2012 m³	Water consumption 2013 m³	△	Relative consumption 2012 m³/m²	Relative consumption 2013 m³/m²
0 - 5 years (**2012**: 15 buildings; **2013**: 12 buildings)	23,017	**16,652**	-27.7%	0.19	**0.25**
6 - 10 years (**2012**: 11 buildings; **2013**: 14 buildings)	73,806	**79,943**	8.3%	0.40	**0.36**
11 - 15 years (**2012**: 29 buildings; **2013**: 24 buildings)	47,271	**42,579**	-9.9%	0.30	**0.33**
> 16 years (**2012**: 16 buildings; **2013**: 19 buildings)	88,442	**81,738**	-7.6%	0.47	**0.46**
TOTAL	**232,536**	**220,912**	**-5.0%**		

Total weight of waste collected by treatment canal (tons/year)

Based on the GRI EN22 indicator

Quantity of waste collected by treatment canal: re-use, recycling, composting, incineration, burying, etc.

	Waste 2012 tons Recycled	Waste 2012 tons Incinerated	Waste 2012 tons Other	Waste 2013 tons Recycled	Waste 2013 tons Incinerated	Waste 2013 tons Other
Cover (no. of buildings)		62			**67**	
Multi-tenant (1)	479	542	-	**387**	**487**	**-**
Single-tenant (2)	77	136	-	**91**	**108**	**-**
Headquarters	12	7	-	**5**	**5**	**-**
TOTAL (1)+(2)	**556**	**678**	**-**	**477**	**595**	**-**
Like-for-like 2012-2013 (62 buildings)	556	678	-	**439**	**568**	**-**

Notes

1 Waste is collected at its source according to type: paper, cardboard, plastic, cans, glass, etc.

2 The distribution of waste per treatment canal is based on the type of waste.

Percentage of waste collected by treatment canal (% of total weight)

Based on the GRI EN22 indicator

Share of waste collected by treatment canal: re-use, recycling, composting, incineration, burying, etc.

	Waste 2012 Recycled	Waste 2012 Incinerated	Waste 2012 Other	Waste 2013 Recycled	Waste 2013 Incinerated	Waste 2013 Other
Cover (no. of buildings)		62			**67**	
TOTAL	**45%**	**55%**	**0%**	**45%**	**55%**	**0%**

STATUTORY AUDITOR'S REPORT ON THE LIMITED REVIEW PERFORMED ON SELECTED ENVIRONMENTAL PERFORMANCE INDICATORS PUBLISHED IN THE ANNUAL FINANCIAL REPORT OF COFINIMMO SA/NV AS OF 31.12.2013

TO THE BOARD OF DIRECTORS

As statutory auditor we have been engaged to perform limited review procedures to express a limited assurance on selected environmental performance indicators ("the Data") published in the Annual Financial Report of Cofinimmo SA/NV for the year ended 31.12.2013 ("the Annual Financial Report"). The environmental performance indicators have been defined following the best practices recommendations of the "European Public Real Estate Association" (EPRA) regarding sustainable development reporting (EPRA BPR on Sustainability Reporting). The Data have been selected by Cofinimmo SA/NV and are identified with the symbol ✓ in the tables as mentioned on pages 102 to 108 of the Annual Financial Report.

The scope of our work has been limited to the Data covering the year 2013 and including only the environmental performance indicators of the buildings of Cofinimmo SA/NV used as office space. The limited review was performed on the data gathered by Cofinimmo SA/NV and retained in the reporting scope of the Annual Financial Report. Our conclusion as formulated below covers therefore only these Data and not all indicators presented or any other information included in the chapter "Corporate Social Responsibility" of the Annual Financial Report.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors of Cofinimmo SA/NV is responsible for the Data and the references made to it presented in the Annual Financial Report as well as for the declaration that its reporting meets the requirements of the "EPRA BPR on Sustainability Reporting", as described in chapter "Corporate Social Responsibility" of the Annual Financial Report.

This responsibility includes the selection and application of appropriate methods for the preparation of the Data, for ensuring the reliability of the underlying information and for the use of assumptions and reasonable estimations. Furthermore, the Board of Directors is also responsible for the design, implementation and maintenance of systems and procedures relevant for the preparation of the Data.

The choices made by the Board of Directors, the scope of the chapter "Corporate Social Responsibility" of the Annual Financial Report and the reporting policies, including any inherent limitations that could affect the reliability of the information are set out on page 102 of the Annual Financial Report.

NATURE AND SCOPE OF WORKS

Our responsibility is to express an independent conclusion on the Data based on our limited review. Our assurance report has been made in accordance with the terms of our engagement letter.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Information".

We planned and performed the procedures deemed necessary for expressing a limited assurance on the fact that the Data are not materially misstated. A limited assurance engagement provides less assurance than an audit.

The scope of our work included, amongst others, the following procedures:

- Assessing and testing the design and operating effectiveness of the systems and procedures used for data-gathering, classification, consolidation and validation, and that for the methods used for calculating and estimating the 2013 environmental performance indicators identified with the symbol ✓ in the tables as mentioned on pages 102 to 108 of the Annual Financial Report;
- Conducting interviews with responsible officers;
- Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of these data.

CONCLUSION

Based on our limited review, as described in this Report, nothing has come to our attention that causes us to believe that the Data related to Cofinimmo SA/NV identified with the symbol ✓ in the tables as mentioned on pages 102 to 108 of the Annual Financial Report have not been prepared, in all material respects, in accordance with EPRA Best Practices Recommendations on Sustainability Reporting.

Diegem, 14.03.2014

The Statutory Auditor
DELOITTE Réviseurs d'Entreprises/Bedrijfsrevisoren
SC s.f.d. SCRL/BV o.v.v.e. CVBA
Represented by

Frank Verhaegen **Pierre-Hugues Bonnefoy**

COFINIMMO IN THE STOCK MARKET

Cofinimmo offers four instruments listed on the stock market and offering different risk, liquidity and yield profiles. They are described in this chapter.

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.

At 31.12.2013, Cofinimmo's market capitalisation amounted to €1.52 billion.

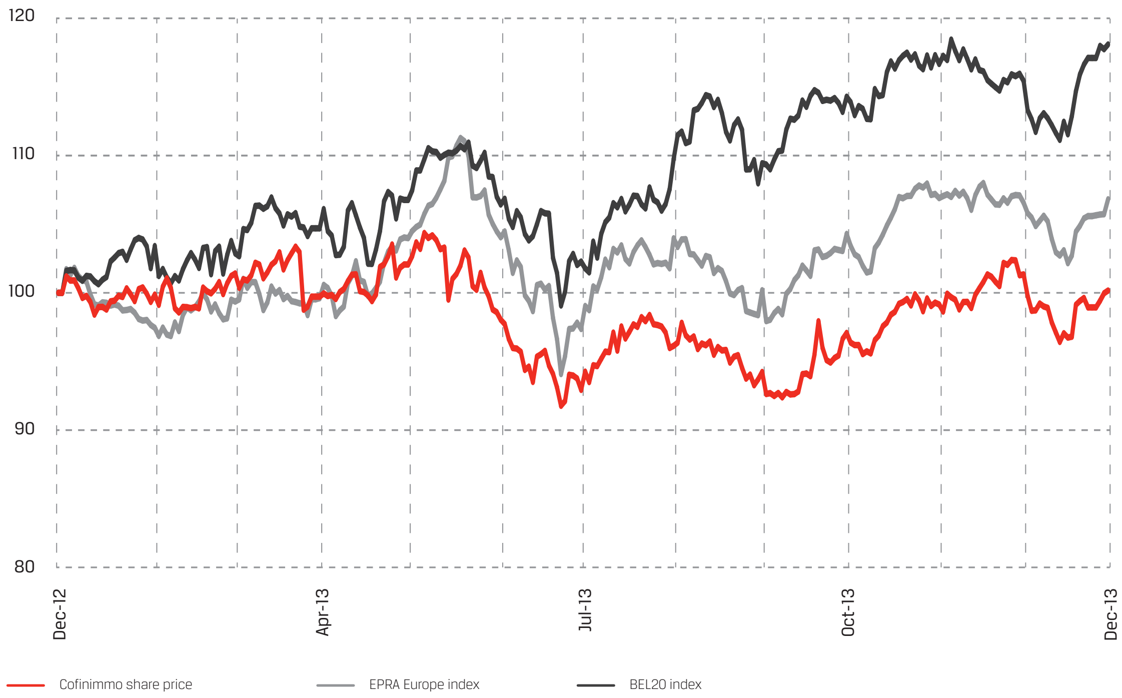
STOCK MARKET CONTEXT AND TREND IN THE COFINIMMO SHARE

In an environment characterised by an accommodating monetary policy supporting low interest rates, the share market performed well in 2013. The EPRA Europe and BEL20 indexes closed with respective average increases of 6.8% and 18.1%.

During the first half of 2013, the Cofinimmo share price fluctuated between €82.2 and €93.5. The Cofinimmo share ended the year 2013 with a closing price of €89.8. The average annual share price for the year 2013 stands at €88.3, i.e. 2.2% lower on average than the net asset value (in fair value)[1].

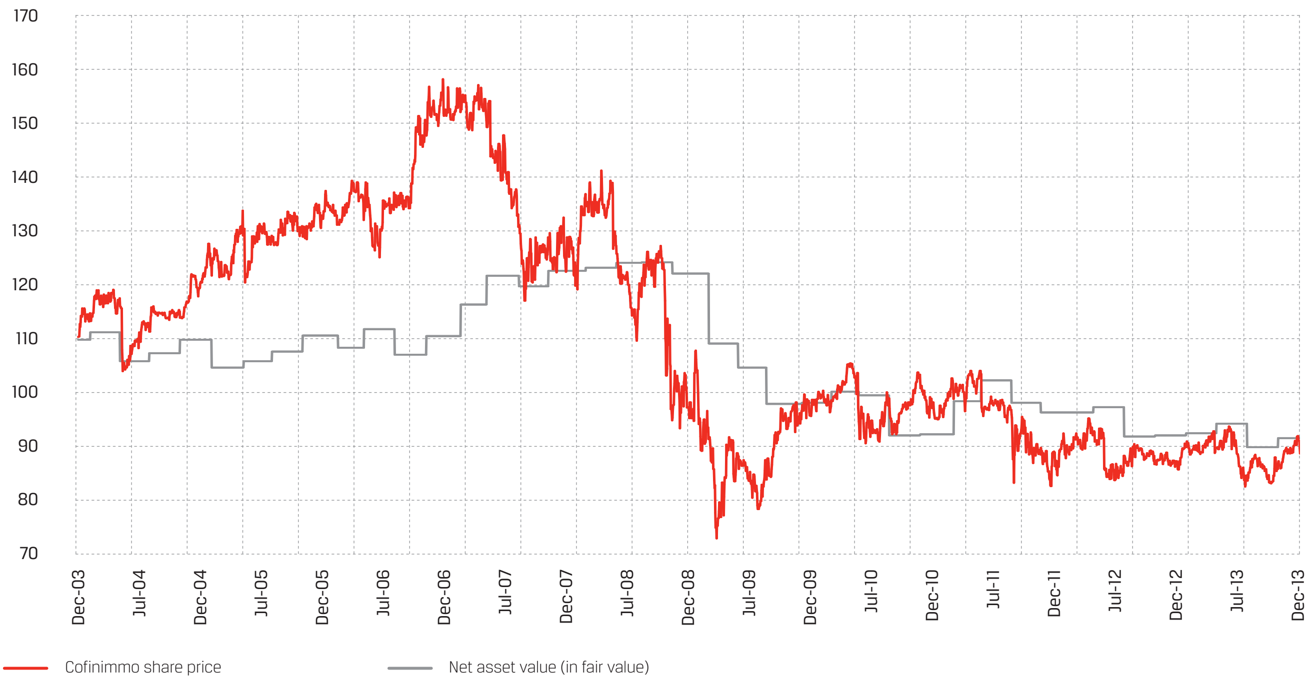
The graph below illustrates the Cofinimmo share performance in 2013 (without applying any adjustment on the 2012 dividend payment date) in relation to the BEL20 and EPRA Europe indexes. The Cofinimmo share posted a positive performance of 0.17%.

PERFORMANCE OF THE COFINIMMO SHARE ON THE STOCK MARKET IN 2013



[1] The net asset value (in fair value) stood at €91.79 at 31.12.2013.

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



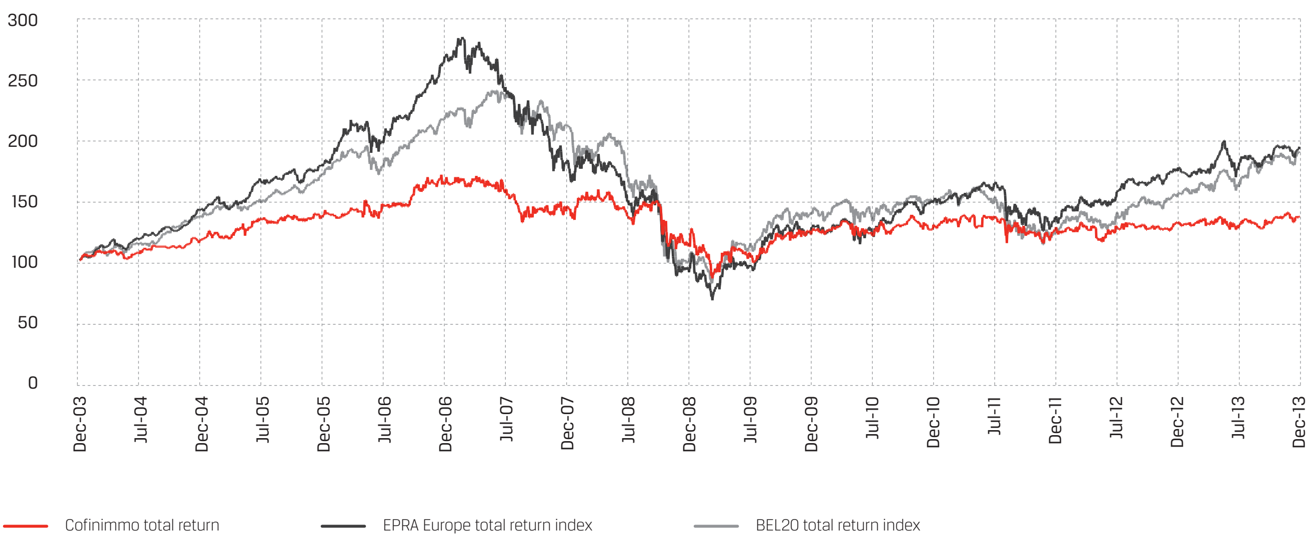
TOTAL RETURNS (IN %)

The total return for the shareholder is measured by reference to the evolution of the share price and includes the distribution of the dividend or any other distribution realised or paid by the company.

Assuming the reinvestment of the 2012 dividend made available for payment in 2013, the Cofinimmo share achieved a return of 7.5% over 2013.

The graph below illustrates the stock market performances of the Cofinimmo share compared to the BEL20 and EPRA Europe indexes over the past ten years, dividend return included. During this period, the Cofinimmo share generated a return of 36.3%, i.e. an annual average return of 2.9%. The BEL20 and EPRA Europe indexes recorded variations of 88.7% and 92.6% respectively, which corresponds to average annual yields of 5.9% and 6.8%.

TOTAL RETURNS



SHAREHOLDERS/INVESTORS PROFILE

Cofinimmo has a diversified investors profile, comprising on the one hand retail investors based mainly in Belgium, and on the other hand institutional investors spread namely over Belgium, France, Switzerland, the Netherlands, the United Kingdom and the United States. At 31.12.2013, no shareholder crossed the threshold of 5% which requests a notification.

COFINIMMO SHARE LIQUIDITY

In 2013, Cofinimmo continued its efforts to enhance the liquidity of its share. It participated in 30 roadshows and conferences throughout the year, and the company invested in campaigns aimed at both institutional and retails investors.

With a market capitalisation of its ordinary shares standing at €1.52 billion and an average daily volume of €3.3 million or just over 37,000 shares, Cofinimmo's liquidity level is sufficient to keep it on the radar screen of major institutional investors.

DIVIDEND

At the Ordinary General Shareholders' Meeting of 14.05.2014, the Board of Directors will offer a dividend in line with the forecast published in the 2012 Annual Financial Report. It amounts to €6.00 gross per ordinary share, which corresponds to a gross yield of 6.8% against the average share price of the ordinary share during the financial year 2013. In accordance with the Articles of Association of the company, the dividend of the preference shares, on the other hand, is fixed at €6.37 gross (see also the chapter "Standing Document" of this Annual Financial report).

WITHHOLDING TAX

Since 01.01.2013, the applicable withholding tax on distributed dividends amounts to 25%.

No withholding tax is deducted for non-resident investors that are exempted from all income taxes in their country of residence, that have a non-profit-making activity and which corporate purpose solely consists in managing and investing funds collected for legal or supplementary pensions[1].

ISIN BE0003593044	2013	2012	2011
Share price (in €)			
Highest	93.50	95.00	103.90
Lowest	82.23	83.38	82.30
At close	89.75	89.60	90.82
Average	88.26	88.40	94.80
Dividend yield[2]	**7.36%**	**7.35%**	**6.86%**
Gross return[3] (over 12 months)	**7.53%**	**6.01%**	**0.09%**
Dividend[4] (in €)			
Gross	6.00[5]	6.50	6.50
Net	4.75[5]	4.88	5.14
Volume			
Average daily volume	37,975	33,584	34,683
Annual volume	9,911,464	8,765,448	9,017,465
Number of shares entitled to a share in the consolidated results of the financial year	**16,954,002**	**16,007,572**	**14,126,279**
Market capitalisation at the end of the period (x €1,000)	**1,521,570**	**1,470,688**	**1,365,960**
Free float zone[6]	**90%**	**90%**	**90%**
Velocity[6]	**58.46%**	**53.37%**	**59.24%**
Adjusted velocity[6]	**64.96%**	**57.22%**	**63.83%**
Pay-out ratio[7]	**88.50%**	**85.41%**	**87.25%**

[1] The Belgian Law provides for other exemptions than the one mentioned here and that the beneficiaries of the dividends can rely on depending on their status and the conditions that must be met to benefit from these exemptions. Moreover, the agreements to prevent double taxation provide for reductions of withholdings at source on dividends.

[2] Gross dividend distributed in 2013 on the average annual share price.

[3] Appreciation of the share price + dividend yield.

[4] Dividends are subject to a 25% withholding tax.

[5] Forecast.

[6] According to the Euronext method.

[7] In the net current result - Group share, excluding IAS 39 impact.

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 one for one.

During the financial year 2013, 715 preference shares were converted into ordinary shares. At 31.12.2013, 688,682 non-converted preference shares are still outstanding.

In 2019, Cofinimmo will have the possibility to purchase the non-converted shares at their issue price (also see the section "Capital structure" under the chapter "Corporate Governance Statement" of this Annual Financial Report).

	ISIN BE0003811289 (COFP1)		ISIN BE0003813301 (COFP2)	
	2013	2012	2013	2012
Share price (in €)				
At close	95.00	95.00	78.00	82.51
Average	95.00	98.55	84.71	82.32
Dividend yield[1]	**6.71%**	**6.46%**	**7.52%**	**7.74%**
Gross return[2] (over 12 months)	**6.71%**	**8.06%**	**-1.89%**	**15.58%**
Dividend[3] (in €)				
Gross	6.37[4]	6.37	6.37[4]	6.37
Net	4.78[4]	4.78	4.78[4]	4.78
Volume				
Average daily volume[5]	0	28	66	91
Annual volume	0	139	1,061	2,909
Number of shares	**395,148**	**395,198**	**293,534**	**294,199**
Market capitalisation at the end of the period (x €1,000)	**37,539**	**37,544**	**22,896**	**24,274**

THE CONVERTIBLE BONDS

Cofinimmo issued two bonds convertible into ordinary shares:

ISIN BE0002176429 (Cofinimmo SA/NV 2011-2016)	2013	2012	2011
Market price (in %)			
At close	102.75	102.30	93.19
Average	102.92	98.53	97.40
Yield to maturity (12-month average)	**0.54%**	**2.27%**	**2.44%**
Effective yield at issue	**3.13%**	**3.13%**	**3.13%**
Interest coupon (in %)			
Gross (per €116.6)	3.13	3.13	3.13
Net (per €116.6)	2.34	2.34	2.47
Number of securities	**1,486,332**	**1,486,332**	**1,486,332**

ISIN BE6254178062 (Cofinimmo SA/NV 2013-2018)	2013	2012	2011
Market price (in €)			
At close	110.56	N/A	N/A
Average	109.59	N/A	N/A
Yield to maturity (12-month average)	**1.54%**	**N/A**	**N/A**
Effective yield at issue	**2.00%**	**N/A**	**N/A**
Interest coupon (in %)			
Gross (per €108.17)	2.00	N/A	N/A
Net (per €108.17)	1.50	N/A	N/A
Number of securities	**1,764,268**	**N/A**	**N/A**

[1] Gross dividend on the average annual share price.
[2] Appreciation of the share price + dividend yield.
[3] Dividends are subject to a 25% withholding tax.
[4] Forecast.
[5] Average calculated based on the number of trading days during which a volume was recorded.

THE NON-CONVERTIBLE BONDS

Cofinimmo issued four non-convertible bonds:

ISIN XS0193197505 (Cofinimmo Luxemburg SA 2004-2014)	**2013**	**2012**	**2011**
Market price (in %)			
At close	101.98	104.12	103.06
Average	103.28	103.71	103.10
Yield to maturity (12-month average)	**1.71%**	**3.63%**	**4.46%**
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	3.94	4.15
Number of securities	**1,000,000**	**1,000,000**	**1,000,000**

ISIN BE0002171370 (Cofinimmo SA/NV 2009-2014)	**2013**	**2012**	**2011**
Market price (in %)			
At close	102.95	103.46	102.42
Average	104.07	103.08	102.11
Yield to maturity (12-month average)	**2.58%**	**4.31%**	**4.86%**
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	3.75	3.95
Number of securities	**100,000**	**100,000**	**100,000**

ISIN BE6241505401 (Cofinimmo SA/NV 2012-2020)	**2013**	**2012**	**2011**
Market price (in %)			
At close	100.13	97.25	N/A
Average	100.33	96.69	N/A
Yield to maturity (12-month average)	**3.49%**	**4.10%**	**N/A**
Effective yield at issue	**3.55%**	**3.55%**	**N/A**
Interest coupon (in %)			
Gross (per €100,000)	3.55	3.55	N/A
Net (per €100,000)	2.66	2.66	N/A
Number of securities	**1,400**	**1,400**	**N/A**

ISIN BE6258604675 (Cofinimmo SA/NV 2013-2017)	**2013**	**2012**	**2011**
Market price (in %)			
At close	99.90	N/A	N/A
Average	99.94	N/A	N/A
Yield to maturity (12-month average)	**2.80%**	**N/A**	**N/A**
Effective yield at issue	**2.80%**	**N/A**	**N/A**
Interest coupon (in %)			
Gross (per €100,000)	2.78	N/A	N/A
Net (per €100,000)	2.09	N/A	N/A
Number of securities	**500**	**N/A**	**N/A**


Park Lane – Diegem (Belgium)


Park Lane – Diegem (Belgium)

SHAREHOLDERS' STRUCTURE[1] (at 31.12.2013)

Company	Number of ordinary shares	%	Number of preference shares	%	Total number of shares (voting rights)	%
Number of issued shares	16,954,002	100.00	688,682	100.00	17,642,684	100.00
Cofinimmo Group (own shares)	48,917	0.29	0	0.00	48,917	0.28
Free float[2]	16,905,085	99.71	688,682	100.00	17,593,767	99.72

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

AGENDA OF THE SHAREHOLDER

Interim statement: results at 31.03.2014	**25.04.2014**
Ordinary General Shareholders' Meeting for 2013	**14.05.2014**
2013 Dividend payment date (ordinary and preference shares)[3]	
Coupon detachment date (Ex date)[4]	19.05.2014
Record date[5]	21.05.2014
Dividend payment date	from 26.05.2014
Financial service	Bank Degroof (principal paying agent) or any other financial institution
Coupons	
Ordinary share	Coupon No. 24
Preference share	Coupons No. 12 (COFP2) and No. 13 (COFP1)
Half-yearly Financial Report: results at 30.06.2014	**01.08.2014**
Interim statement: results at 30.09.2014	**07.11.2014**
Annual press release: results at 31.12.2014	**06.02.2015**

[1] Situation based on the declarations of important participations received under the Law of 02.05.2007. Any changes communicated since 31.12.2012 have been published in accordance with the provisions of this same Law and can 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.
[3] Subject to the approval of the Ordinary General Meeting of 14.05.2014.
[4] Date from which the stock exchange trading takes place without any entitlement to the future dividend payment.
[5] Date on which positions are recorded in order to identify shareholders entitled to the dividend.

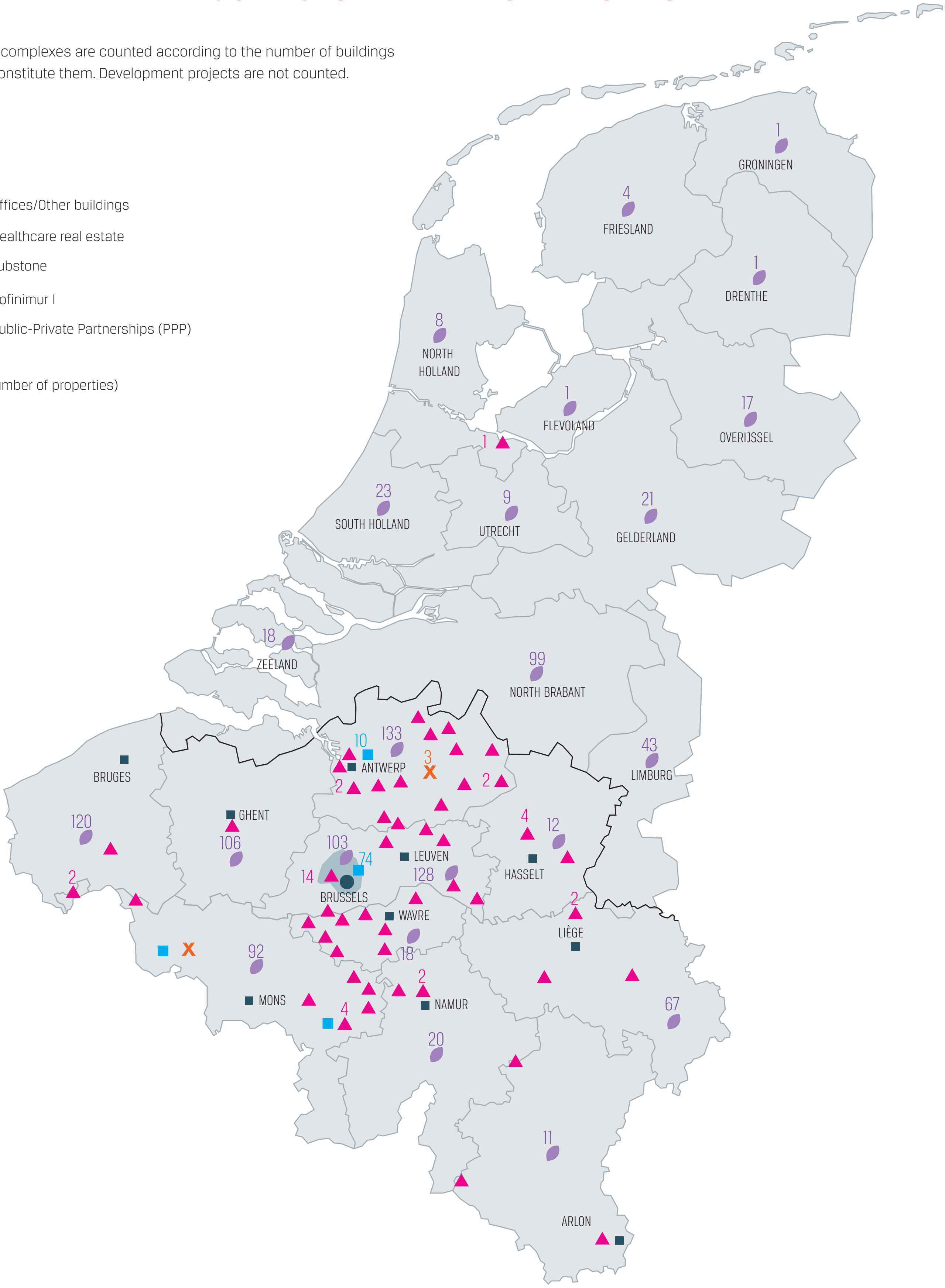
PROPERTY REPORT

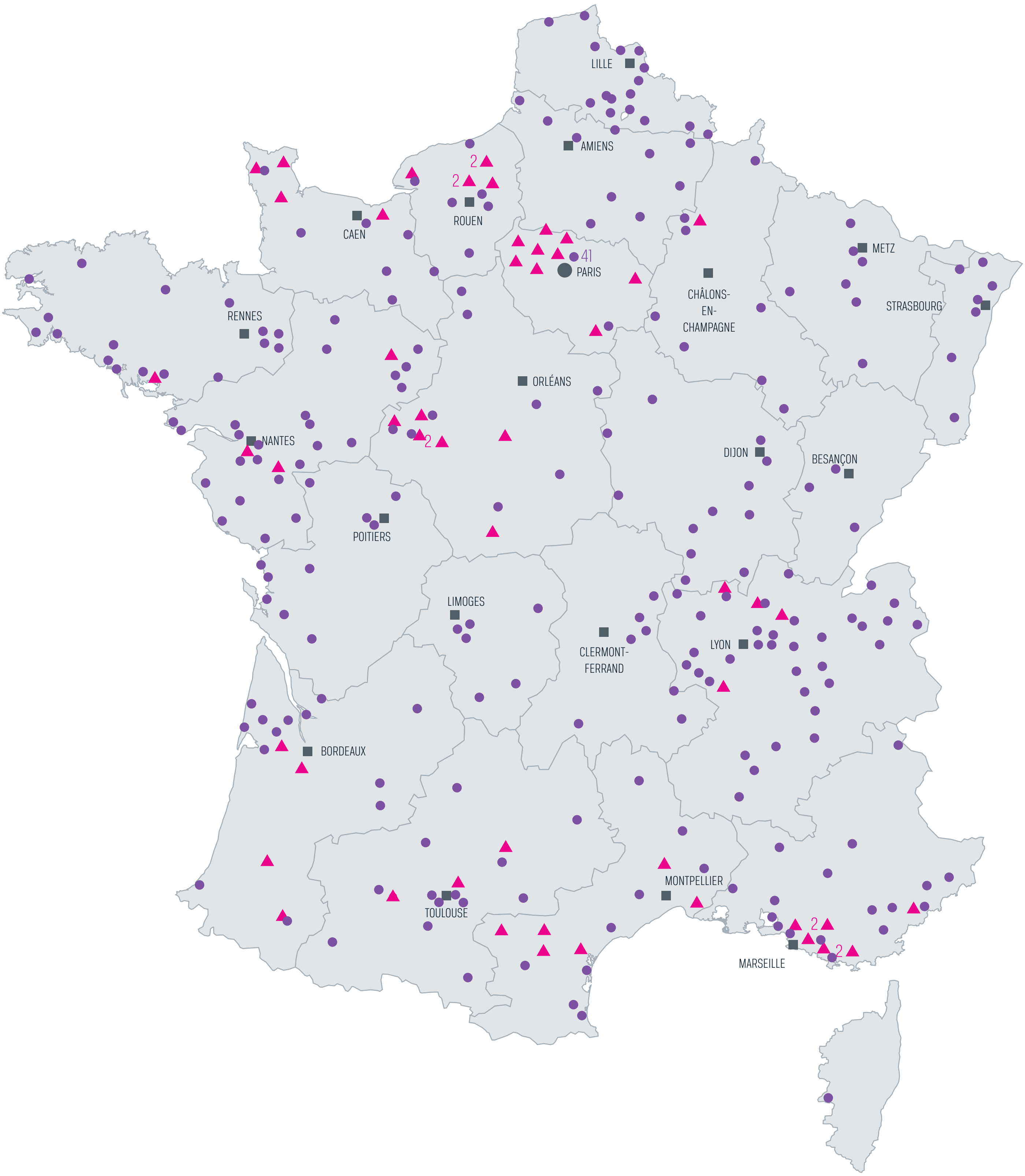
GEOGRAPHIC LOCATION OF ALL THE ASSETS OF THE PORTFOLIO

Office complexes are counted according to the number of buildings that constitute them. Development projects are not counted.

x Offices/Other buildings
x Healthcare real estate
x Pubstone
x Cofinimur I
x Public-Private Partnerships (PPP)

(x = number of properties)





LILLE
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PARIS
CHÂLONS-EN-CHAMPAGNE
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DIJON
BESANÇON
POITIERS
LIMOGES
CLERMONT-FERRAND
LYON
BORDEAUX
TOULOUSE
MONTPELLIER
MARSEILLE
2
2

MARKET CHARACTERISTICS

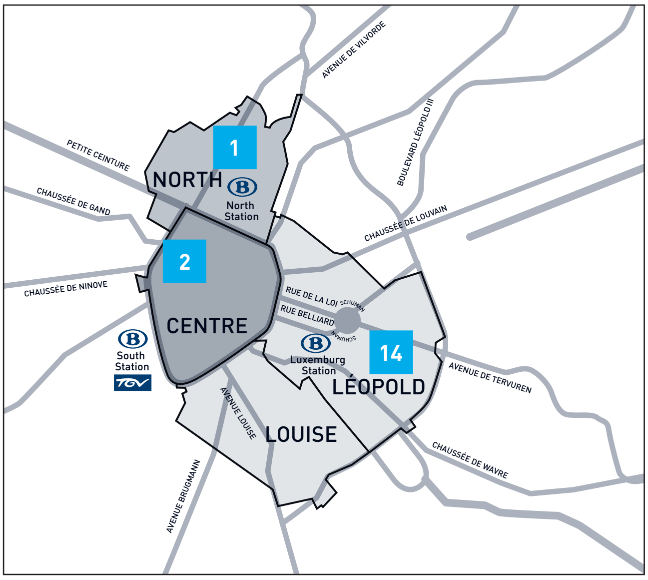
OFFICES

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 subdistricts, Brussels Centre, the Leopold District, Brussels North and the Louise District, constitutes the epicenter 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.

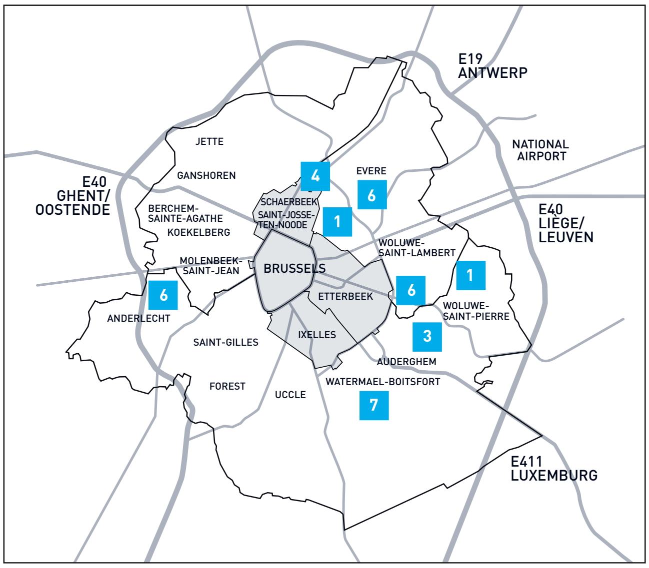
The Leopold District is the European heart of the city. It is centered on the Schuman roundabout, the rue Belliard/Belliardstraat and the rue de la Loi/Wetstraat, and accommodates all the European institutions as well as numerous delegations, representations and associations working closely with them. 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 neighboring Place du Luxembourg/Luxemburgplein 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/Louizalaan, still one of the city's most prestigious avenues. The offices are mainly 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.

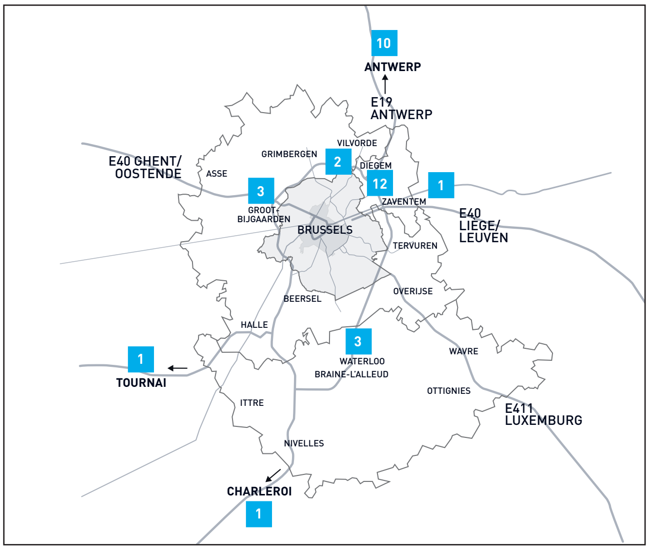
Within the CBD, the take-up of office space is generally based on long-term rental contracts (nine to 27 years). The caliber and stability of the tenants means that this area enjoys the lowest vacancy rate, while rent levels here are the highest in the capital. Nevertheless, in 2013, the low take-up 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



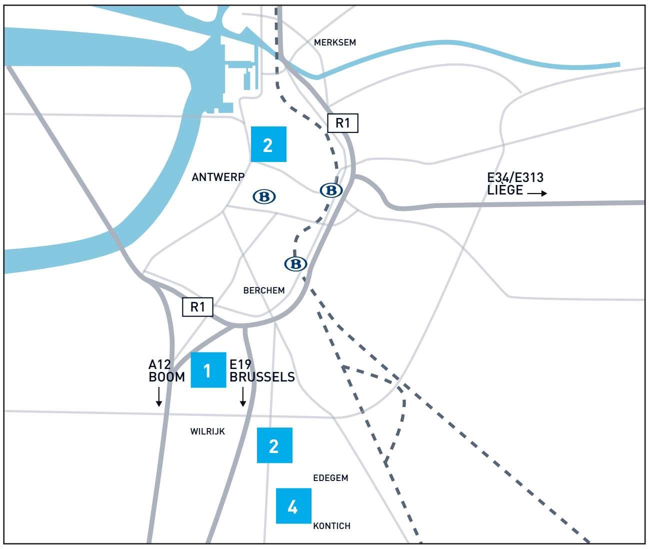
This district encompasses the remaining territory of the 19 municipalities of the Brussels Capital Region. It offers an excellent working environment due to its residential setting and green space, easy access and the presence of multiple shopping facilities. The tenants in this area are generally medium to large private companies, willing to conclude classic three-six-nine-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 vacancy rate 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 and come from all activity sectors.

HEALTHCARE REAL ESTATE

The healthcare real estate market is not characterised by local submarkets with differing tenant and lease profiles as is the case for offices. For the entire Cofinimmo healthcare 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. the city centre or a desirable setting (e.g riverside or at sea) influence the letting potential or the possibility for reclassification in the event of the operator's departure.

PROPERTY OF DISTRIBUTION NETWORKS

Pubstone: cafés/restaurants

The entire Pubstone portfolio is rented to AB InBev. The properties in prime locations (i.e. in the hyper centre or town centre) offer the best redevelopment potential if they are vacated, whether as restaurants or as retail units in busy shopping areas.

Cofinimur I: insurance agencies

The entire Cofinimur I portfolio is left to MAAF, a subsidiary of the French insurance group Covéa. The assets 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 the ownership and the residual value. For these properties, the item "Contractual rents" comprises the reconstitution of lease payments sold and discounted and, where appropriate, the share of unsold rents[1];
- the various projects and renovations in progress.

This table does not include the properties which are the subject of a finance lease and for which the lessees benefit from a purchase option at the end of the lease, i.e. the Antwerp courthouse, the Antwerp fire station, the HEKLA police station and the Nelson Mandela student housing residence in Brussels. The rental situation of these buildings is described on the following page.

The table also does not include the buildings held by subsidiaries of the Group which are accounted for under the equity method, i.e. the EHPAD Les Musiciens, acquired via a joint venture between Cofinimmo and Orpea.

All the properties of the consolidated portfolio are held by Cofinimmo SA/NV, with the exception of those asterisked (*) which are held (wholly or partially) by one of its subsidiaries (see also pages 182 to 185).

For pictures and detailed descriptions of all the properties, reference is made to the company website www.cofinimmo.com.

[1] Also see Note 20.

Inventory of buildings excluding investment properties

Property	Superstructure (m²)	Contractual rent[1] (x €1,000)	Occupancy rate	Tenant
Financial assets				
Courthouse - Antwerp	72,131	1,366	100%	Buildings Agency
Fire station - Antwerp	23,585	189	100%	City of Antwerp
Police station - HEKLA zone	4,805	N/A	100%	Federal Police
Depage student housing residence - Brussels	3,196	355[2]	100%	Université Libre de Brussels (ULB – Brussels University)
Nelson Mandela student housing residence - Brussels	8,088	81	100%	Université Libre de Brussels (ULB – Brussels University)
Assets held in joint ventures				
EHPAD Les Musiciens - France	4,264	1,324	100%	Orpea France
Prison - Leuze-en-Hainaut[3]	N/A	N/A	N/A	N/A

Inventory of property assets

Segment	Acquisition price (x €1,000,000)	Insured value[4] (x €1,000,000)	Fair value (x €1,000,000)	Gross rental yield (in %)
Offices	2,020.8	1,784.6	1,524.8	7.77
Healthcare real estate	988.4		1,228.2	6.31
Property of distribution networks	535.6		532.8	6.61
Other	56.1	21.0	61.1	7.06
TOTAL	**3,600.9**	**1,805.6**	**3,347.0**	**7.03**

In the case of healthcare real estate and property of distribution networks, the insurances are contractually taken by the tenants. The portfolio is thus 100% insured.

Review of the consolidated property portfolio

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 2013[5]	Estimated Rental Value (ERV)
NORTH GALAXY	33/37 Boulevard Albert II/Albert II-laan 1000 Brussels	2005	105,420	17,131[6]	100%	17,131
SOUVERAIN/VORST 23-25	23/25 Boulevard du Souverain/Vorstlaan 1170 Brussels	S/V25: 1970 S/V23: 1987	56,891	11,514	100%	10,437
EGMONT I	36 Rue du Pépin/Kernstraat 1000 Brussels	1997	36,616	2,430[6]	100%	2,430
BOURGET 42	42 Avenue du Bourget/Bourgetlaan 1130 Brussels	2001	25,756	4,447	86%	3,940
GEORGIN 2	2 Avenue Jacques Georgin/Jacques Georginlaan - 1030 Brussels	2006	17,439	3,105	100%	2,665
TERVUEREN/ TERVUREN 270-272	270/272 Avenue de Tervueren/ Tervurenlaan - 1150 Brussels	2013	19,043	1,978	56%	3,623
SERENITAS	2/6 Avenue Van Nieuwenhuyse/Van Nieuwenhuyselaan - 1160 Brussels	1995	19,823	3,454	93%	3,041
ALBERT I[er] 4 - CHARLEROI	Rue Albert 1[er], 4 6000 Charleroi	2004	19,189	2,686	100%	2,180
COCKX 8-10	8/10 Rue Jules Cockx/Jules Cockxlaan 1160 Brussels	2008	16,557	2,529	86%	2,763
DAMIAAN - TREMELO	Pater Damiaanstraat, 39 3120 Tremelo	2003 (2012)	20,274	2,432	100%	2,215
Other			1,516,459	172,678	96%	169,770
TOTAL			**1,853,467**	**224,385**	**95.43%**	**220,196**

1 Non-assigned part of the rents, which varies between 4% and 100%.
2 Contractual rent from 10.09.2013 to 31.12.2013.
3 The prison of Leuze-en-Hainaut is under development.
4 This amount does not include the insurances taken during works, nor those relating to finance leases. The insured value comprises the full value, land excluded, of the office buildings of which the receivables were sold, whereas the fair value of these buildings only represents the residual value of the building after the sale of its receivables.
5 The occupancy rate is calculated as follows: contractual rents divided by rents + ERV on unlet spaces.
6 Writeback of lease payments sold and discounted.

Overview of the property portfolio on an individual basis

Property	Year of construction/ last renovation (extension)	Superstructure (in m²)	A Contractual rents (x €1,000)	C=A/B[1] Occupancy rate 2013	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value (x €1,000)
OFFICES		**519,385**	**78,980**	**89%**	**89,042**	**80,513**
Brussels Leopold & Louise Districts		**69,198**	**14,251**	**94%**	**15,176**	**13,694**
Arts/Kunst 19H	1998	11,099	2,187	100%	2,187	2,268
Arts/Kunst 47-49	2009	6,915	1,414	100%	1,414	1,123
Auderghem/Oudergem 22-28	2002	5,853	1,046	78%	1,346	1,244
Guimard 10-12	1995	10,796	2,751	100%	2,751	2,103
Loi/Wet 57	2000	10,279	1,896	100%	1,896	1,891
Loi/Wet 227	2009	5,885	1,406	90%	1,560	1,228
Montoyer 14	2006	3,807	791	100%	791	732
Square de Meeûs/de Meeûs Square 23	2010	8,807	1,567	77%	2,026	2,026
Trône/Troon 98	1986	5,757	1,195	99%	1,207	1,079
Brussels Decentralised		**279,791**	**41,886**	**86%**	**48,566**	**43,782**
Bourget 40*	1998	14,641	1,959	85%	2,293	1,905
Bourget 42	2001	25,756	4,447	86%	5,143	3,940
Bourget 44	2001	14,085	2,198	94%	2,346	2,076
Bourget 50	1998	5,134	720	90%	799	729
Brand Whitlock 87/93	1991	6,066	531	54%	989	909
Cockx 8-10 (Omega Court)*	2008	16,557	2,529	86%	2,926	2,763
Colonel/Kolonel Bourg 105	2001	2,634	201	62%	324	326
Colonel/Kolonel Bourg 122	2006	4,129	626	95%	658	623
Corner Building	2011	3,440	186	33%	573	556
Georgin 2	2006	17,439	3,105	100%	3,105	2,665
Herrmann Debroux 44-46	1992	9,666	1,339	86%	1,562	1,557
Moulin à Papier/Papiermolen 55	2009	3,499	489	94%	519	468
Paepsem Business Park	1992	26,520	2,135	80%	2,684	2,499
Serenitas	1995	19,823	3,454	93%	3,696	3,041
Souverain/Vorst 23-25	S/V25: 1970 S/V23: 1987	56,891	11,514	100%	11,514	10,437
Souverain/Vorst 24	1997	3,897	745	100%	745	675
Souverain/Vorst 36	2000	8,310	1,181	84%	1,413	1,338
Tervueren/Tervuren 270-272	2013	19,043	1,978	56%	3,530	3,623
Woluwe 102	2009	8,090	1,399	100%	1,405	1,385
Woluwe 106-108	1996	7,018	2	0%	1,064	1,064
Woluwe 58 (+ parking Saint Lambert/Sint Lambertus)	2001	3,868	736	100%	736	708
Woluwe 62	1997	3,285	411	76%	541	494
Brussels Periphery		**77,685**	**9,844**	**88%**	**11,208**	**10,190**
Leuvensesteenweg 325	1975 (2006)	6,292	346	70%	495	425
Noordkustlaan 16 A-B-C (West-End)	2009	10,022	1,696	89%	1,911	1,780
Park Hill*	2000	16,675	2,025	86%	2,367	2,172
Park Lane	2000	35,480	5,038	89%	5,666	5,086
Woluwelaan 151	1997	9,216	740	96%	770	727
Brussels Satellites		**8,232**	**1,112**	**86%**	**1,296**	**1,286**
Waterloo Office Park I	2004	2,360	354	94%	378	370
Waterloo Office Park J	2004	2,360	388	99%	393	364
Waterloo Office Park L	2004	3,512	370	71%	525	552

[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 2013	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value (x €1,000)
Antwerp Periphery		**36,582**	**4,868**	**88%**	**5,536**	**5,074**
AMCA - Avenue Building	2010	9,404	1,334	86%	1,552	1,526
AMCA - London Tower	2010	3,530	429	75%	574	543
Garden Square	1989	7,464	879	89%	989	875
Prins Boudewijnlaan 41	1989	6,022	842	87%	970	809
Prins Boudewijnlaan 43	1980	6,007	825	94%	881	815
Veldkant 35	1998	4,155	559	98%	569	505
Other Regions		**47,897**	**7,019**	**97%**	**7,261**	**6,487**
Albert Ier 4 - Charleroi	2004	19,189	2,686	100%	2,686	2,180
Mechelen Station - Mechelen	2002	28,708	4,333	95%	4,574	4,307
Offices which receivables have been sold		**208,145**	**26,236**	**100%**	**26,280**	**26,280**
Brussels Centre		**158,298**	**20,558**	**100%**	**20,558**	**20,558**
Egmont I*	1997	36,616	2,430	100%	2,430	2,430
Egmont II*	2006	16,262	996	100%	996	996
North Galaxy*	2005	105,420	17,131	100%	17,131	17,131
Brussels Decentralised		**20,199**	**1,751**	**100%**	**1,752**	**1,752**
Colonel/Kolonel Bourg 124	2002	4,137	185	99%	186	186
Everegreen	1996	16,062	1,566	100%	1,566	1,566
Brussels Leopold & Louise Districts		**26,188**	**3,355**	**99%**	**3,398**	**3,398**
Loi/Wet 56	2008	9,484	1,247	98%	1,266	1,266
Luxembourg/Luxemburg 40	2007	7,522	816	100%	816	816
Nerviens/Nerviërs 105	2008	9,182	1,211	100%	1,211	1,211
Square de Meeûs/de Meeûs Square 23 (+ parking)	2010		81	77%	104	104
Other Regions		**3,460**	**572**	**100%**	**572**	**572**
Maire 19 - Tournai	1997	3,460	572	100%	572	572
Healthcare real estate		**643,755**	**76,585**	**99%**	**77,145**	**74,079**
Belgium		**403,636**	**47,665**	**100%**	**47,665**	**44,228**
Operator: Anima Care		**6,752**	**693**	**100%**	**693**	**656**
Zevenbronnen - Walshoutem	2001 (2012)	6,752	693	100%	693	656
Operator: Armonea		**165,506**	**18,621**	**100%**	**18,621**	**17,031**
Binnenhof - Merksplas	2008	3,775	420	100%	420	414
Dageraad - Antwerp	2013	5,020	776	100%	776	704
De Wyngaert - Rotselaar	2008 (2010)	6,878	754	100%	754	700
Den Brem - Rijkevorsel	2006	4,063	526	100%	526	494
Domein Wommelgheem - Wommelgem	2002	6,836	746	100%	746	684
Douce Quiétude - Aye	2007	4,635	437	100%	437	375
Euroster - Messancy	2004	6,392	1,144	100%	1,144	921
Heiberg - Beerse	2006 (2011)	13,568	1,355	100%	1,355	1,082

[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 2013	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value (x €1,000)
Hemelrijk - Mol	2009	9,362	986	100%	986	938
Heydehof - Hoboken	2009	2,751	346	100%	346	301
Hof Ter Dennen - Vosselaar*	1982 (2008)	3,280	441	100%	441	376
La Clairière - Comines - Warneton	1998	2,533	258	100%	258	242
Laarsveld - Geel	2006 (2009)	5,591	828	100%	828	762
Laarsveld Serviceflats - Geel	2009	809	54	100%	54	65
Le Castel - Brussels	2005	5,893	476	100%	476	459
Le Menil - Braine-l'Alleud	1991	5,430	567	100%	567	512
Les Trois Couronnes - Esneux	2005	4,519	532	100%	532	498
L'orchidée - Ittre	2003 (2013)	3,634	558	100%	558	558
L'Orée du Bois - Warneton	2004	5,387	581	100%	581	532
Milleghem - Ranst	2009 (2010)	6,943	745	100%	745	730
Nethehof - Balen	2004 (2011)	6,471	614	100%	614	574
Nieuwe Seigneurie - Rumbeke*	2011	3,391	525	100%	525	472
Résidence du Parc - Biez	1977 (2013)	12,039	635	100%	635	620
Sebrechts - Brussels	1992	8,148	1,046	100%	1,046	938
't Smeedeshof - Oud-Turnhout	2003 (2012)	15,191	1,814	100%	1,814	1,698
Vogelzang - Herentals	2009 (2010)	8,044	928	100%	928	871
Vondelhof - Boutersem	2005 (2009)	4,923	528	100%	528	509
Operator: Calidus		**6,063**	**711**	**100%**	**711**	**661**
Weverbos - Gentbrugge	2011	6,063	711	100%	711	661
Operator: Le Noble Age		**6,891**	**1,106**	**100%**	**1,106**	**1,021**
Parkside - Brussels	1990 (2013)	6,891	1,106	100%	1,106	1,021
Operator: Orpea Belgium		**24,775**	**3,369**	**100%**	**3,369**	**2,994**
L'Adret - Gosselies	1980	4,800	449	100%	449	408
Linthout - Brussels	1992	2,837	443	100%	443	411
Lucie Lambert - Buizingen	2004	8,314	1,425	100%	1,425	1,181
Rinsdelle - Brussels	2001	3,054	532	100%	532	484
Top Senior - Tubize	1989	3,570	351	100%	351	355
Vigneron - Ransart	1989	2,200	169	100%	169	155
Operator: Senior Assist		**65,543**	**6,837**	**100%**	**6,837**	**6,309**
7 Voyes - Vedrin*	1997 (2013)	4,172	373	100%	373	421
Bellevue - Brussels*	2010 (2011)	7,926	1,379	100%	1,379	1,148
Borsbeekhof - Borgerhout*	1994	6,005	800	100%	800	687
Brise d'Automne - Ransart*	1992	2,816	199	100%	199	210
Claire de Vie - Liège*	1999	3,055	214	100%	214	211
Farnientane - Fexhe-Slins*	1999	2,507	191	100%	191	174
Le Chenoy - Ottignies*	1997	4,300	432	100%	432	406
Le Colvert - Céroux-Mousty*	1994	2,992	295	100%	295	306
Le Grand Cerf - Spa*	1999	1,880	148	100%	148	139
Les Charmilles - Sambreville*	1999	2,763	262	100%	262	256
Les Jours Heureux - Lodelinsart*	2001	3,412	324	100%	324	309
Maison Saint Ignace - Brussels*	1995	8,345	796	100%	796	730
Paal - Koersel*	2003	7,017	547	100%	547	557
Résidence du Parc - Nivelles*	2002	4,324	420	100%	420	390

[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 2013	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value (x €1,000)
Saint Charles - Bouillon*	2005	2,100	127	100%	127	135
Sittelles - Chastre*	2004	1,929	328	100%	328	232
Operator: Senior Living Group		**128,106**	**16,329**	**100%**	**16,329**	**15,556**
Arcus - Brussels	2008 (2009)	10,719	1,724	100%	1,724	1,630
Béthanie - Saint Servais	2005	4,780	473	100%	473	381
Damiaan - Tremelo	2003 (2012)	20,274	2,432	100%	2,432	2,215
La Cambre/Ter Kameren - Brussels	1982	13,023	1,827	100%	1,827	1,694
Nootelaer - Keerbergen	1998 (2011)	1,528	211	100%	211	192
Paloke - Brussels	2001	11,262	1,263	100%	1,263	1,155
Prinsenpark - Genk	2006 (2013)	11,035	1,310	100%	1,310	1,310
Progrès - La Louvière*	2000	4,852	476	100%	476	421
Romana - Brussels	1995	4,375	828	100%	828	828
Seigneurie du Val - Mouscron	1995 (2008)	6,797	1,088	100%	1,088	1,088
Ten Prins - Brussels	1972 (2011)	3,342	498	100%	498	476
Van Zande - Brussels	2008	3,463	394	100%	394	362
Zonnetij - Aartselaar	2006 (2013)	7,817	781	100%	781	781
Zonneweelde - Keerbergen	1998 (2012)	6,106	721	100%	721	721
Zonneweelde - Rijmenam	2002	9,644	1,352	100%	1,352	1,352
Zonnewende - Aartselaar	1978 (2009)	9,089	951	100%	951	951
France		**234,298**	**28,066**	**98%**	**28,626**	**29,007**
Operator: Inicéa		**18,336**	**1,881**	**100%**	**1,881**	**2,475**
Champgault - Esvres-sur-Indre*	1972 (1982)	2,200	169	100%	169	150
Domaine de Vontes - Esvres-sur-Indre*	1967	6,352	210	100%	210	750
Horizon 33 - Cambes*	1972 (2009)	3,288	347	100%	347	375
Pays de Seine - Bois-le-Roi*	2004 (2010)	6,496	1,156	100%	1,156	1,200
Operator: Korian		**151,627**	**17,305**	**97%**	**17,865**	**19,015**
Astrée - Saint-Etienne*	2006	3,936	417	100%	417	430
Brocéliande - Caen*	2003	4,914	680	100%	680	600
Canal de l'Ourcq - Paris*	2004	4,550	869	100%	869	800
Centre de Soins de Suite - Sartrouville*	1960	3,546	358	100%	358	575
Chamtou - Chambray-lès-Tours*	1989	4,000	575	100%	575	400
Château de la Vernède - Conques-sur-Orbiel*	1992 (1998)	3,789	493	100%	493	850
Estrain - Siouville-Hague*	1976 (2004)	8,750	653	100%	653	1,400
Frontenac - Bram*	1990	3,006	207	100%	207	250
Gleteins - Jassans-Riottier*	1990 (1994)	2,500	255	100%	255	400
Grand Maison - L'Union*	1992 (2009)	6,338	734	100%	734	625
L'Ermitage - Louvier*	2007	4,013	460	100%	460	375
La Goélette - Equeurdreville*	2009	4,709	646	100%	646	430
Le Bois Clément - La Ferté-Gaucher*	2002	3,466	536	100%	536	475
Le Clos du Mûrier - Fondettes*	2008	4,510	549	100%	549	450
Le Jardin des Plantes - Rouen*	2004	3,000	257	100%	257	260
Les Amarantes - Tours*	1996	4,208	462	100%	462	550
Les Blés d'Or - Castelnau-de-Levis*	1989	3,695	469	100%	469	475

[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 2013	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value (x €1,000)
Les Hauts d'Andilly - Andilly*	2008	3,069	468	100%	468	350
Les Hauts de Jardy - Vaucresson*	2008	4,373	697	100%	697	900
Les Hauts de l'Abbaye - Montivilliers*	2008	4,572	505	100%	505	480
Les Jardins de l'Andelle - Perriers-sur-Andelle*	2009	3,348	422	100%	422	350
Les Lubérons - Le Puy-Sainte-Réparade*	1990	4,217	459	100%	459	390
Les Oliviers - Le Puy-Sainte-Réparade*	1990	4,130	456	100%	456	430
Lo Solelh - Béziers*	2010 (2013)	2,760	500	100%	500	430
Meunières - Lunel*	1988	4,275	693	100%	693	300
Montpribat - Monfort-en-Chalosse*	1972 (1999)	5,364	600	100%	600	580
Pompignane - Montpellier*	1972	6,201	828	100%	828	850
Pont - Bézons*	1988 (1999)	2,500	205	100%	205	550
Rougemont - Le Mans*	2006	5,986	400	100%	400	550
Saint Gabriel - Gradignan*	2008	6,274	725	100%	725	675
Sainte Baume - Nans-Les-Pins*	1970 (2002)	5,100	537	100%	537	700
Villa Eyras - Hyères*	1991	7,636	646	100%	646	625
Villa Saint Dominique - Rouen*	1989	4,149		0%	560	560
William Harvey - Saint-Martin-d'Aubigny*	1989	4,744	544	100%	544	950
Operator: Medica		**21,653**	**2,894**	**100%**	**2,894**	**2,522**
Automne - Reims*	1990	4,203	616	100%	616	626
Automne - Sarzeau*	1994	2,482	422	100%	422	402
Automne - Villars-les-Dombes*	1992	2,889	389	100%	389	376
Bruyères - Letra*	2009	5,374	711	100%	711	441
Debussy - Carnoux-en-Provence*	1996	3,591	352	100%	352	428
Oliviers - Cannes La Bocca*	2004	3,114	404	100%	404	248
Operator: Orpea France		**39,696**	**5,759**	**100%**	**5,759**	**4,805**
Belloy - Belloy*	1991 (2009)	2,559	444	100%	444	350
Cuxac - Cuxac-Cabardès*	1989	2,803	392	100%	392	170
Haut Cluzeau - Chasseneuil*	2007	2,512	393	100%	393	325
Hélio Marin - Hyères*	1975	12,957	1,719	100%	1,719	1,450
La Jonchère - Rueil-Malmaison*	2007	3,731	757	100%	757	800
La Ravine - Louviers*	2000 (2010)	3,600	629	100%	629	500
La Salette - Marseille*	1956	3,582	596	100%	596	500
Las Peyrères - Simorre*	1969	1,895	154	100%	154	100
Le Clos Saint Sébastien - Saint-Sébastien-sur-Loire*	2005	3,697	548	100%	548	450
Villa Napoli - Jurançon*	1950	2,360	128	100%	128	160
Operator: Mutualité de la Vienne		**1,286**	**114**	**100%**	**114**	**90**
Lac - Moncontour*	1991	1,286	114	100%	114	90
Operator: VP Investissements		**1,700**	**113**	**100%**	**113**	**100**
La Gaillardière - Vierzon*	1962 (1990)	1,700	113	100%	113	100

[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 2013	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value (x €1,000)
Netherlands		**5,821**	**854**	**100%**	**854**	**844**
Operator: Bergman Clinics		**5,821**	**854**	**100%**	**854**	**844**
Bergman - Naarden*	2010	5,821	854	100%	854	844
Property of distribution networks		**423,043**	**38,153**	**100%**	**38,238**	**35,472**
Pubstone		**363,470**	**30,262**	**100%**	**30,262**	**27,306**
Pubstone Belgium (810 properties)*		**316,267**	**19,963**	**100%**	**19,963**	**18,374**
Brussels		40,758	3,602	100%	3,602	3,362
Flanders		200,052	11,930	100%	11,930	11,360
Wallonia		75,458	4,430	100%	4,430	3,652
Pubstone Netherlands (245 properties)*		**47,203**	**10,299**	**100%**	**10,299**	**8,932**
Cofinimur I (278 properties)*		**59,572**	**7,892**	**99%**	**7,976**	**8,167**
Other		**23,026**	**4,285**	**100%**	**4,285**	**3,426**
Antwerp Periphery		**61**				
Noorderplaats (AMCA)	2010	61				
Brussels Decentralised		**7,196**	**2,462**	**100%**	**2,462**	**1,865**
Sombre/Donker 56	2004 (2013)	7,196	2,462	100%	2,462	1,865
Brussels Periphery		**6,124**	**569**	**100%**	**569**	**390**
Mercurius 30	2001	6,124	569	100%	569	390
Other regions		**9,645**	**1,254**	**100%**	**1,254**	**1,170**
Kroonveldlaan 30 - Dendermonde	2012	9,645	1,254	100%	1,254	1,170
TOTAL INVESTMENT PROPERTIES & OFFICES WHICH RECEIVABLES HAVE BEEN SOLD		**1,817,353**	**224,240**	**95.43%**	**234,990**	**219,770**
Land reserve offices			**121**		**121**	**143**
Brussels Centre & North			**3**		**3**	**3**
De Ligne			3		3	3
Meiboom 16-18			0		0	0
Pacheco 34			0		0	0
Brussels Leopold & Louise Districts			**0**		**0**	**0**
Montoyer 40			0		0	0
Louise/Louiza 140			0		0	0
Brussels Decentralised			**3**		**3**	**3**
Twin House			3		3	3
Brussels Periphery			**110**		**110**	**132**
Keiberg Park			0		0	0
Kouterveld 6			110		110	132
Woluwe Garden 26-30			0		0	0

[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 2013	B Rent + ERV on unlet (x €1,000)	Estimated Rental Value (x €1,000)
Antwerp Periphery			**3**		**3**	**3**
Prins Boudewijnlaan 24A			3		3	3
Antwerp Singel			**2**		**2**	**2**
Lemanstraat 27			1		1	1
Plantin & Moretus			0		0	0
Quinten			0		0	0
Regent			0		0	0
Royal House			0		0	0
Uitbreidingstraat 2-8			1		1	1
Uitbreidingstraat 10-16			0		0	0
Projects and renovations offices		**36,114**			**345**	**345**
Livingstone I						
Livingstone II*		18,392			345	345
Science/Wetenschap 15-17		17,722				
Woluwe 34*						
Projects and renovations healthcare real estate						
Belgium						
Couverture - Aalst*						
Mouterij - Aalst*						
Noordduin - Kosijde						
Suzanna Wesley - Brussels						
Vishay - Brussels						
Pays-Bas						
Bergman - Ede*						
Bergman - Rijswijk*						
Land reserve healthcare real estate			**24**		**24**	**24**
Diamant - Brussels			2		2	2
L'Orée du Bois - Warneton			22		22	22
TOTAL PORTFOLIO		**1,853,467**	**224,385**	**95.43%**	**235,480**	**220,282**

[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 31.12.2013 with a view to finalising its financial statements at that date.

DTZ Winssinger & Associates (DTZ) and PricewaterhouseCoopers Entreprise Advisory cvba/scrl (PwC) have each separately valued approximately half the portfolio of offices and other[1] properties.

DTZ Winssinger and PwC have each separately valued part of the portfolio of healthcare real estate in Belgium.

DTZ Eurexi and Jones Lang LaSalle France have each separately valued part of the portfolio of healthcare real estate in France.

The portfolio of healthcare real estate in the Netherlands has been valued by DTZ Zadelhof.

The property portfolios of distribution networks in Belgium and the Netherlands have been valued by DTZ Winssinger and DTZ Zadelhof, respectively.

The property portfolio of distribution netwroks 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.

THE OFFICE MARKET

The market for offices becomes again attractive for investors in 2013.

An increase in invested volumes of almost 50% is noticeable over the last year. The Belair transaction (80,000m² offices) purchased at a price of about €300 million by a German (Hannover Leasing) and Chinese consortium (Gingko Tree Investment, sovereign fund) has obviously influenced the picture, but it is not the only factor involved. Several other major transactions have taken place, such as GDF Suez, AMCA, Blue Tower, Loi/Wet 15, Royal/Koning 60-68, Montoyer 47, etc. Most of them have been completed at rather hard yields, pushing values upwards. At the end of the year, there was even one transaction in Brussels signed at a yield below 5% on a new building with a long-term lease. For more standard leases, the prime yield is estimated to be below the threshold of 6%.

This renewed interest for the office investment market comes for the vast majority from local players (some 75%) and from German funds (15%), even though the latter do a lot of arbitrages (purchase and sale). For the first time, Asian investors reached the podium. One should however bear in mind that this is linked to one single transaction and it will be interesting to observe whether they maintain their presence in the future.

Among local investors, mainly insurance companies take the lion's share. Insurance companies are driven by their long-term commitments and by their objectives to cover these commitments over the same long term by reinvesting the premiums cashed in top-quality products, with long-term leases secured by first-ranking tenants. Sicafis/Bevaks are encouraged by the very low interest rates that are still prevailing on the market and that make their financing cost attractive, even with respect to increasingly hard yields.

The rental market remains tough and very competitive. The take-up in 2013 has been less encouraging than in 2012 and the level falls somewhat below the one of 2011, with somewhat more than 325,000m². The vacancy rate, which falls from 10.4% to 10.1%, shows a more favourable evolution, thanks notably to the attitude of the banks in the last years that refuse to finance projects that are not preleased. The pipeline of speculative projects hence considerably dropped, which is positive for the existing stock.

THE HEALTHCARE REAL ESTATE MARKET

The fair value of Cofinimmo's healthcare real estate portfolio amounts currently up to €1,228 billion, representing a slight increase compared to the portfolio value in 2012. The healthcare sector represents ±37% of the total value of Cofinimmo's portfolio.

After an exceptional year 2012 with a total of more than €260 million invested, the year 2013 has registered an important decrease in terms of volumes invested as only €100 million were recorded. The investments in nursing homes added up to 5% of the total volume invested on the Belgian market of commercial real estate against 14% in 2012.

In 2013, Cofinimmo has also been active on the market by investing ±€40 million in extensions and redevelopments of nursing homes in Belgium. Apart from a relatively low investment level in 2013, this sector continues to generate interest since it provides stable and secure income in the long term. The trends of the nursing home operators to outsource the aspects related to real estate in order to focus on their core business has also been confirmed in 2013 and is expected to continue in the coming years.

This sector could be negatively impacted by various factors including the complexity and the financial constraints in the nursing home sector, which requires specialised knowledge and specific skills, resulting in relatively important barriers for new potential players to enter the sector. We should also mention that the sixth reform of the Federal State adopted in 2013 brings uncertainty on the nursing home sector as the skills in elderly healthcare become a regional matter. Differences in governance could therefore emerge in the future between the communities, which probably has led to a more cautious behavior on the part of investors, waiting for clarifications on the intentions and ambitions of each community. If the

[1] The category "Other" includes semi-industrial buildings, a leisure infrastructure and a police station.

2014 elections quickly lead to the creation of a government, these uncertainties could disappear in the coming months and it would contribute to boost investments in the nursing home sector. Finally the yields tightening and the increasing bed prices have led some investors to explore investment possibilities abroad. This is the case for Cofinimmo, which has acquired clinics in the Netherlands.

Although, recent demographic previsions made by the Federal Planning Bureau confirm the population growth and the expected reversal of the age pyramid in Belgium over the next 20 to 40 years. These factors are the main future growth reasons in the sector of nursing homes as nearly 30% of the population should be aged over 60 years in 2050 and nearly 10% over 80 years. According to the scenarios, the required growth in terms of available beds should amount between 1,800 and 3,500 beds a year to compensate the growing demand. However, over the past ten years, the annual increase turned at a rate under 1,000 beds a year, mainly because of limitation imposed by the Federal Government in the matter of the number of bed accreditations. The pressure between the demand and the limited supply results in occupancy rates close to 100%.

2014 should be an important year for the nursing home sector as the reform of the state should bring some answers to uncertainties having heavily affected the sector in 2013. Investors such as Cofinimmo wish indeed to continue investing in this sector. Cofinimmo has set the ambition to reach a value of 40% in this sector in the years to come.

PROPERTY OF DISTRIBUTION NETWORKS (PUBSTONE AND COFINIMUR I)

The distribution network properties represent today about 16% of Cofinimo's real estate portfolio which intends to maintain this share stable over the next two to three years. Cofinimmo's subsidiaries, Pubstone for the cafés and restaurant sector and Cofinimur I for the retail and agencies sector, represent a diversified risk profile between commercial real estate and investment properties with redevelopment potential into residential functions (Pubstone) or local agencies (Cofinimur I).

The two portfolios have remained relatively stable throughout 2013, as Cofinimmo decided to sell some non-core assets of the two aforementioned subsidiaries. The fair value of assets held in the distribution network portfolio reaches €533 million and slightly appreciated during the year.

Cofinimmo seeks investments in this sector characterised by long-term leases with relatively low rental income and fairly attractive acquisition prices per square metre. Sale and leaseback operations for assets with attractive locations, allowing a multiplicity of future uses are preferred. However assets from this part of the portfolio could also be sold on an individual basis to small local investors.

OPINION

We confirm that our valuation has been done in accordance with national and international market practices and standards (International Valuation Standards issued by the International Valuation Standards Council, the Red Book of the Royal Institute of Chartered Surveyors, Global Edition March 2012) and their application procedures, in particular for the assessment of Belgian real estate investment funds (Sicafis/Bevaks).

The market 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 the following methods:

METHOD OF ESTIMATED RENTAL VALUE CAPITALISATION (ERV CAPITALISATION)

This method consists in capitalising the estimated rental value of the property by using a capitalisation rate ('yield') in line with the investment market. The choice of the capitalisation rate used is linked to the capitalisation rates applied in the real estate investment market, which takes into account the property location, the quality of the buildings and that of the tenant, and the quality and duration of the lease at the valuation date. The rate corresponds to the rate anticipated by potential investors at the valuation date. To determine the estimated rental value, one takes into account the market data, the location of the property and the quality of the building.

The resulting value must be adjusted if the passing rent generates operational income higher or lower than the estimated market value used for capitalisation. The valuation takes into consideration the charges that will need to be incurred in the near future.

DISCOUNTED CASH FLOW METHOD (DCF)

Under this method, it is required to assess the net rental income generated by the property on a yearly basis for a specific period and discounted at today's value. The projection period generally varies between 10 and 18 years. At the end of the period, a residual value is calculated using a capitalisation rate that takes into account the anticipated condition of the building at the end of the projection period, discounted at today's value.

RESIDUAL VALUE METHOD

The value of a project is determined by defining the development potential on site. This implies that the intended use of the project is known or foreseeable in a qualitative (planning) and quantitative manner (number of square metres that can be developed, future rents, etc.). The value is obtained by deducting the costs upon completion of the project from its anticipated value.

APPROACH BY MARKET COMPARABLES

This method is based on the principle that a potential purchaser will not pay more for the acquisition of a property than the price recently paid on the market for similar properties.

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 analysed in depth by the valuers.

INVESTMENT VALUE AND SALE VALUE (FAIR VALUE)

Taking into account the two opinions, the investment value (transaction costs not deducted) of Cofinimmo's total real estate portfolio as of 31.12.2013 is estimated at €3,478,873,000.

Taking into account the two opinions, the likely sale value, after the deduction of the transaction transfer costs, of Cofinimmo's total real estate portfolio as of 31.12.2013, corresponding to the fair market value under IAS/IFRS, is estimated at €3,347,009,000.

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 6.70% of the investment value.

If the properties were to be let in full, the yield would increase to 7.03%.

Investment properties have an occupancy rate of 95.43%.

The contractually passing rent and the estimated rental value on the empty spaces (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 6.93% above the estimated fair rental value for the whole portfolio at this date.

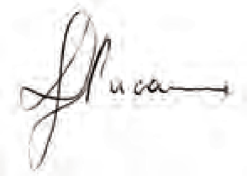
The assets are broken down as follows:

	Investment Value	Fair Value	% Fair Value
Offices	1,562,931,000	1,524,811,000	45.6%
Healthcare real estate	578,554,000	532,818,000	15.9%
Property of distribution networks	1,274,725,000	1,228,245,000	36.7%
Others	62,663,000	61,135,000	1.8%
TOTAL	**3,478,873,000**	**3,347,009,000**	**100%**

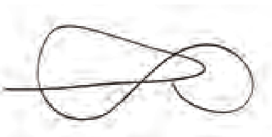
PWC OPINION

The investment value of the part of Cofinimmo's real estate portfolio valued by PwC is estimated as of 31.12.2013 at €852,044,000 and the likely sale value (after the deduction of the transaction costs) is estimated at €831,262,000, corresponding to the fair market value under IAS/IFRS.

Jean-Paul DUCARME FRICS
Director PwC



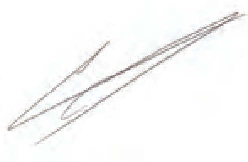
Ann SMOLDERS
Partner PwC



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 31.12.2013 at €2,626,829,000 and the likely sale value (after deduction of transaction costs) at €2,515,747,000, corresponding to the fair market value under IAS/IFRS.

Jean-Philippe Carmarans, MRICS
DTZ, International Director



ANNUAL ACCOUNTS

CONSOLIDATED ACCOUNTS

Consolidated global result (income statement)

(x €1,000)	Notes	2013	2012
A. NET RESULT			
Rents	5	197,455	192,280
Cost of rent-free periods	5	-2,479	-1,673
Client incentives	5	-631	-803
Indemnities for early termination of leases	5	846	12,620
Writeback of lease payments sold and discounted	5	25,276	22,994
Rental-related expenses	5	-6	-67
Net rental income	4, 5	220,461	225,351
Recovery of property charges	6	101	756
Recovery income of charges and taxes normally payable by the tenant on let properties	7	48,826	41,581
Costs payable by the tenant and borne by the landlord on rental damage and refurbishment at end of lease	6	-1,277	-1,766
Rental charges and taxes normally payable by the tenant on let properties	7	-51,202	-43,549
Property result		216,909	222,373
Technical costs	8	-5,114	-6,243
Commercial costs	9	-956	-1,091
Taxes and charges on unlet properties		-4,075	-3,826
Property management costs	10	-14,258	-15,011
Property charges		-24,403	-26,171
Property operating result		192,506	196,202
Corporate management costs	10	-6,887	-7,363
Operating result before result on the portfolio		185,619	188,839
Gains or losses on disposals of investment properties and other non-financial assets	4, 11	147	1,414
Changes in the fair value of investment properties	4, 12, 21	-26,260	12,197
Other result on the portfolio	4, 13	-22,683	-11,442
Operating result		136,823	191,008
Financial income	14	5,723	5,559
Net interest charges	15	-66,043	-64,208
Other financial charges	16	-929	-884
Changes in the fair value of financial assets and liabilities	17	-13,686	-24,344
Financial result		-74,935	-83,877
Share in the result of associated companies and joint ventures		1,537	433
Pre-tax result		63,425	107,564
Corporate tax	18	-2,179	-4,273
Exit tax	18	618	-596
Taxes		-1,561	-4,869
Net result		61,864	102,695
Minority interests	42	-3,127	-4,623
NET RESULT – GROUP SHARE	31	**58,737**	**98,072**
NET CURRENT RESULT – GROUP SHARE[1]	31	**104,924**	**97,486**
RESULT ON THE PORTFOLIO – GROUP SHARE[2]	31	**-46,187**	**586**

[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 the 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 disposals of investment properties and other non-financial assets", "Changes in the 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.

Consolidated global result (income statement)

(x €1,000)	Notes	2013	2012
B. OTHER ELEMENTS OF THE GLOBAL RESULT RECYCLABLE UNDER THE INCOME STATEMENT			
Impact on the fair value of estimated transfer duties resulting from the hypothetical disposal of investment properties		-1,461	-2,550
Changes in the effective part of the fair value of authorised cash flow hedging instruments	23	36,787	-50,375
Impact of the recycling under the income statement of hedging instruments which relationship with the hedged risk was terminated	17	20,501	
Other elements of the global result recyclable under the income statement		55,827	-52,925
Minority interests		35	8
OTHER ELEMENTS OF THE GLOBAL RESULT – GROUP SHARE		**55,862**	**-52,917**
C. GLOBAL RESULT		117,691	49,770
Minority interests	42	-3,092	-4,615
GLOBAL RESULT - GROUP SHARE		**114,599**	**45,155**

Result per share – Group share

(in €)	Notes	2013	2012
Net current result	31	5.96	6.09
Result on the portfolio	31	-2.62	0.03
Net result	31	3.34	6.12

Consolidated financial position (balance sheet)

(x €1,000)	Notes	31.12.2013	31.12.2012
Non-current assets		**3,565,180**	**3,533,691**
Goodwill	4, 19	129,356	150,356
Intangible assets	22	753	605
Investment properties	4, 20	3,338,709	3,297,900
Other tangible assets	22	677	856
Non-current financial assets	23	20,941	24,672
Finance lease receivables	24	67,449	53,397
Trade receivables and other non-current assets		40	97
Participations in associated companies and joint ventures	42	7,255	5,808
Current assets		**105,263**	**108,797**
Assets held for sale	4, 25	8,300	10,670
Current financial assets	23	2,782	6,501
Finance lease receivables	24	1,236	2,973
Trade receivables	26	25,698	22,636
Tax receivables and other current assets	27	24,304	29,142
Cash and cash equivalents		15,969	3,041
Deferred charges and accrued income	28	26,974	33,834
TOTAL ASSETS		3,670,443	3,642,488

Shareholders' equity		**1,681,462**	**1,542,292**
Shareholders' equity attributable to the shareholders of the parent company		1,614,937	1,476,029
Capital	29	942,825	857,822
Share premium account	29	372,110	329,592
Reserves	30	241,265	190,543
Net result of the financial year	31	58,737	98,072
Minority interests	42	66,525	66,263
Liabilities		**1,988,981**	**2,100,196**
Non-current liabilities		1,412,904	1,566,005
Provisions	33	18,180	20,493
Non-current financial debts	23	1,266,665	1,388,883
Other non-current financial liabilities	23	93,304	120,835
Deferred taxes	34	34,755	35,794
Current liabilities		576,077	534,191
Current financial debts	23	455,509	351,203
Other current financial liabilities	23	21,921	81,959
Trade debts and other current debts	35	64,680	64,560
Deferred charges and accrued income	36	33,967	36,469
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,670,443	3,642,488

Calculation of the debt ratio

(x €1,000)		2013	2012
Non-current financial debts		1,266,665	1,388,883
Other non-current financial liabilities (except for hedging instruments)	+	54	35
Current financial debts	+	455,509	351,203
Trade debts and other current debts	+	64,680	64,560
Total debt	=	**1,786,908**	**1,804,681**
Total assets		3,670,443	3,642,488
Hedging instruments	-	13,999	25,580
Total assets (except for hedging instruments)	/	**3,656,444**	**3,616,908**
DEBT RATIO	=	48.87%	49.90%

Consolidated cash flow statement

(x €1,000)	Notes	2013	2012
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**3,041**	**10,207**
Operating activities			
Net result of the period		58,737	98,072
Adjustments for interest charges and income		61,002	59,429
Adjustments for gains and losses on disposals of property assets		-147	-304
Adjustments for gains and losses on disposals of financial assets			-348
Adjustments for non-cash charges and income	37	35,273	2,617
Changes in working capital requirements	38	-1,898	-9,285
CASH FLOW RESULTING FROM OPERATING ACTIVITIES		**152,967**	**150,181**
Investment activities			
Investments in intangible assets and other tangible assets		-584	-461
Acquisitions of investment properties	39	-7,847	-15,497
Extensions of investment properties	39	-27,270	-33,237
Investments in investment properties	39	-19,916	-7,100
Acquisitions of consolidated subsidiaries	42		-14,573
Acquisitions of subsidiaries accounted for under the equity method	42		-5,661
Disposals of investment properties	39	6,562	2,394
Disposals of assets held for sales	39	1,993	925
Payment of exit tax		-1,201	-11,314
Finance lease receivables		-11,117	3,033
CASH FLOW RESULTING FROM INVESTMENT ACTIVITIES		**-59,380**	**-81,491**
Financing activities			
Disposals of own shares		91,686	37,681
Dividends paid to shareholders		-67,335	-67,671
Repurchase of minority interests	42		-17,441
New minority interests	42	277	5,000
Coupons paid to minorities	42	-273	-85
Coupons paid to MCB-holders	42	-2,727	-1,379
Increase of financial debts		229 153	260,201
Decrease of financial debts		-245,027	-222,707
Financial income received		5,367	5,593
Financial charges paid		-66,368	-63,665
Other cash flows from financing activities		-25,412[1]	-11,383
CASH FLOW RESULTING FROM FINANCING ACTIVITIES		**-80,659**	**-75,856**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**15,969**	**3,041**

[1] This amount mainly comprises the total cost of the restructuration of the interest rate hedging scheme. For more details, see the chapter "Management of Financial Resources" of this Annual Financial Report.

Consolidated statement of changes in shareholders' equity

(x €1,000)	Capital	Share premium account	Reserves[1]	Net result of the financial year	**Share-holders' equity Parent company**	Minority interests	**Share-holders' equity**
AT 01.01.2012	**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 recognised in the global result			-52,916	98,072	**45,155**	4,615	**49,770**
Cash flow hedging[2]			-50,375		**-50,375**		**-50,375**
Impact on the fair value of estimated transfer duties resulting from the hypothetical disposal of investment properties			-2,542		**-2,542**	-8	**-2,550**
Result of the period				98,072	**98,072**	4,623	**102,695**
New minority interests						8,678	**8,678**
Other			-381		**-381**	-223	**-604**
SUBTOTAL	**814,228**	**312,330**	**281,031**	**98,072**	**1,505,661**	**67,727**	**1,573,388**
Issue of shares[3]	20,942	11,165			**32,107**		**32,107**
Acquisition/disposal of own shares	22,652	6,097	8,932		**37,681**		**37,681**
Dividends/Coupons			-99,420		**-99,420**	-1,464	**-100,884**
AT 31.12.2012	**857,822**	**329,592**	**190,543**	**98,072**	**1,476,029**	**66,263**	**1,542,292**
Appropriation of the 2012 net result			98,072	-98,072			
Elements recognised in the global result			55,862	58,737	**114,599**	3,092	**117,691**
Cash flow hedging[2]			57,288		**57,288**		**57,288**
Impact on the fair value of estimated transfer duties resulting from the hypothetical disposal of investment properties			-1,426		**-1,426**	-35	**-1,461**
Result of the period				58,737	**58,737**	3,127	**61,864**
Other			-42		**-42**	170	**128**
SUBTOTAL	**857,822**	**329,592**	**344,435**	**58,737**	**1,590,586**	**69,525**	**1,660,111**
Issue of shares[3]	28,368	15,504			**43,872**		**43,872**
Acquisition/disposal of own shares	56,635	27,014	8,037		**91,686**		**91,686**
Dividends/Coupons			-111,207		**-111,207**	-3,000	**-114,207**
AT 31.12.2013	**942,825**	**372,110**	**241,265**	**58,737**	**1,614,937**	**66,525**	**1,681,462**

[1] See Note 30.

[2] Recycling under the income statement included.

[3] Shares (capital + share premiums) issued in the context of intragroup mergers, without shares being awarded to third parties outside the Group, are directly eliminated during consolidation. The issued shares listed here are related to the optional dividend.

Detail of the reserves

(x €1,000)	Reserve for the positive/negative balance of changes in the fair value of investment properties	Reserve for the estimated transfer duties resulting from the hypothetical disposal of investment properties	Reserve for the balance of changes in the fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS
AT 01.01.2012	**-172,378**	**-67,276**	**-116,379**
Appropriation of the 2011 net result	22,576	-1,461	9,641
Elements directly recognised under shareholders' equity		-2,542	-50,375
Cash flow hedging			-50,375
Impact on the fair value of estimated transfer duties resulting from the hypothetical disposal of investment properties		-2,542	
Other	-257	-145	
SUBTOTAL	**-150,059**	**-71,424**	**-157,113**
Acquisition/disposal of own shares			
Dividends			
AT 31.12.2012	**-150,059**	**-71,424**	**-157,113**
Appropriation of the 2012 net result	5,858	-2,865	11,080
Elements directly recognised under shareholders' equity		-1,426	57,288
Cash flow hedging			57,288
Impact on the fair value of estimated transfer duties resulting from the hypothetical disposal of investment properties		-1,426	
Other	-221		
SUBTOTAL	**-144,422**	**-75,715**	**-88,745**
Acquisition/disposal of own shares			
Dividends			
AT 31.12.2013	**-144,422**	**-75,715**	**-88,745**

Reserve for the balance of changes in the fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	Distributable reserve	Non-distributable reserve	Legal reserve	**Total reserves**
-1,312	**570,989**	**2,111**	**35**	**215,790**
-167	87,673	277		**118,539**
				-52,917
				-50,375
				-2,542
	-1,903	297	1,627	**-381**
-1,479	**656,759**	**2,685**	**1,662**	**281,031**
	8,932			**8,932**
	-99,420			**-99,420**
-1,479	**566,271**	**2,685**	**1,662**	**190,543**
-13,421	97,165	255		**98,072**
				55,862
				57,288
				-1,426
-22,653	22,662	97	73	**-42**
-37,553	**686,098**	**3,037**	**1,735**	**344,435**
	8,037			**8,037**
	-111,207			**-111,207**
-37,553	**582,928**	**3,037**	**1,735**	**241,265**

NOTES TO THE CONSOLIDATED ACCOUNTS

NOTE 1. GENERAL INFORMATION

Cofinimmo SA/NV (the "Company") is a public Sicaf immobilière/ Vastgoedbevak (Société d'Investissement immobilière à Capital Fixe/ Vastgoedbeleggingsvennootschap met vast kapitaal - fixed capital real estate investment trust) organised under Belgian Law, with registered offices in 1200 Brussels (Boulevard de la Woluwe/Woluwedal, 58). The consolidated financial statements of the company for the financial year ended 31.12.2013 comprise the company and its subsidiaries (together referred to as the "Group"). The consolidation scope has changed since 31.12.2012. Two new subsidiaries were created in 2013. In addition, the Extraordinary General Meeting of 30.12.2013 approved the mergers by absorption of two subsidiaries, with a view to simplifying the organisation of the Group. The consolidation scope at 31.12.2013 is presented in Note 42 of this Annual Financial Report.

The consolidated and company financial statements were adopted by the Board of Directors on 20.03.2014 and will be submitted to the General Shareholders' Meeting of 14.05.2014. 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 of Directors.

The accounting principles and methods adopted for the preparation of the financial statements are identical to those used for the annual financial statements for the financial year 2012, except for what is mentionned in Note 2.

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.

In 2013, the Group applied the following new standards: IFRS 10, IFRS 12, IFRS 13, IAS 19R, and the adaptations of IAS 1. The Group has applied IFRS 12 in advance, with a more extensive presentation being its only impact.

Moreover, the Group has chosen not to anticipate the application of the following main standards and interpretations[1], or their modifications, issued before the authorisation date of publication of the annual accounts but not in force at the closing date: IAS 12, IAS 28, IAS 32, IFRS 9, IFRS 11.

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 of 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, convertible bonds issued 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.

Changes in the Group's participations in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The book value of the participations in subsidiaries, held by the Group or by third parties, are adjusted to reflect the changes in the respective levels of participation. 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 under equity.

II Jointly controlled entities

Jointly controlled entities are associated companies and joint ventures over which the Group has a joint control, established by a contractual agreement or following a distribution of shares amongst a limited number of shareholders. Under the equity accounting method, the consolidated income statement includes the Group's share in the result of associated companies and joint ventures. This share is calculated from the date on which the joint control commences until the date on which the joint control ceases. The jointly-controlled entities' financial statements cover the same accounting period as that of the company.

[1] No impact is expected from the application of these main standards. Moreover, the impact of IFRS 9 is not known yet, given that the standard is neither finalised, nor applicable.

III Transactions eliminated on consolidation

Intragroup balances and transactions, and any gains arising from intragroup 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 entities. 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 42 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 a business according to IFRS 3 - "Business combinations", the assets, liabilities and contingent liabilities of the business acquired are recorded at their fair value at the acquisition date. The goodwill represents the positive difference 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 under the income statement 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 on 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 under the income statement and first allocated in reduction of the possible goodwill and then to the other assets of the unit, proportionally to their book value. An impairment booked on 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 gain or loss on the disposal.

E. Translation of foreign currencies

I Foreign entities

There is no subsidiary which financial statements are denominated in a currency other than the euro at the closing 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 financial income or financial charges.

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 23.

Derivative financial instruments are recognised initially at cost and are revalued at their 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 closing 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 W below.

The accounting treatment depends on 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 truly effective in offsetting changes in the fair value or the 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 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 the 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 under the income statement. The hedged item is also stated at its fair value for the risk being hedged, with any gain or loss being recognised under the income statement.

II Cash flow hedges

Where a derivative financial instrument hedges the exposure to changes in cash flows that are attributable to a particular risk associated with a recognised asset or liability, a firm commitment or a highly likely forecasted transaction, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly under equity. The ineffective portion of the gain or loss on the hedging instrument is immediately recognised under the income statement.

When the firm commitment or the forecasted transaction subsequently results in the recognition of a financial asset or liability, the associated gains or losses that were recognised directly under equity are reclassified under the 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 (partially) terminated, the cumulative gain or loss at that point is (partially) recycled under the income statement.

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 their fair value.

External independent real estate experts determine the valuation of the property portfolio every three months. Any gain or loss arising, after the acquisition of a property, from a change in its fair value is recognised under 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 calculation method of the discounted 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 VAT.

A share of transfer taxes is deducted by the experts from the investment value of the investment properties to establish the fair value of the investment properties, as evidenced in their valuation report (see Note 20).

At the time of an acquisition, the transfer taxes incurred in the case of a hypothetical subsequent disposal are recorded directly under shareholders' equity; any adjustment made subsequently is booked under 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 subsequent accounting purposes.

H Development projects

Properties that are being built, renovated, developed or redeveloped for future use as investment properties are classified as development projects until the completion of the works, and stated at their fair value. This concerns nursing homes under construction or development (extensions) and empty office buildings which are under renovation or redevelopment. When the works are completed, the buildings are transferred from development projects to investment properties or assets held for sale if they are put up for sale. The fair value of the buildings which will undergo a renovation or redevelopment decreases as the end of the lease and the beginning of the works approaches.

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 Properties leased 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 lessor's obligations are essentially those under any lease: for instance, to ensure that space in a state of being occupied is available to the lessee during the entire term of the lease. This obligation is met by the lessor by bearing the maintenance costs (other than rental) and the insurance costs against fire and other damages;
- long leases which involve the assignment of a real right by the assignor to the assignee: in this case, the ownership passes temporarily to the assignee who will bear namely maintenance (other than rental) and insurance costs. Three contract types fall under this category: (a) the long lease ("bail emphytéotique/erfpachtovereenkomst") which must last a minimum of 27 years and a maximum of 99 years and can apply to land and/or constructions; (b) the building lease ("droit de superficie/recht van opstal") which may not exceed 50 years but has no minimum duration and (c) the usufruct right ("droit d'usufruit/recht van vruchtgebruik") which may not exceed 30 years and has no minimum duration and can apply to land with a construction or bare land. Under all these contracts, the assignor keeps a residual right in that it will recover the full ownership of the property at the end of the term of the assignment, including the ownership of the constructions erected by the assignee, with or without indemnity for these constructions, depending on the 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 a finance leases

Provided these leases meet the criteria of a finance lease under IAS 17 § 10, the Group as assignor will present them at their inception as a receivable for an amount equal to the net investment in the lease agreement. The difference between this 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 under 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 for the Group.

At each closing date, the residual right kept by the Group will be accounted for at its fair value. It will increase each year and will correspond, at the end of the lease, to the market value of the full ownership. These changes in the fair value will be accounted for under the item "Changes in the fair value of investment properties" of the income statement.

Conversely, if Cofinimmo is assignee in a financial lease as defined under IAS 17, it will recognise an asset at an amount equal to the fair value of the leased property or, if lower, at the discounted value of the minimum lease payments, the corresponding amount being recorded as a financial debt. Collected rents 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 amortisation 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 passing of time being recorded under the item "Changes in the fair value of investment properties" of the income statement.

III Sale of future lease payments under a long lease not qualifying as a finance lease

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 under the item "Writeback of lease payments sold and discounted" of the income statement.

The changes in the fair value of the property will be recorded separately under the item "Changes in the fair value of investment properties" of the income statement.

J. Other assets

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 its fair value. It appears under the item "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 of the property. All other expenditure is recorded as costs under the income statement (see S II).

III Depreciation

Investment properties, whether land or constructions, are not depreciated but recorded at their fair value (see G).

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 Impairment

The other assets are subject to an impairment test only if there is an indication showing that their book value will not be recoverable by their use or disposal.

K. Finance lease receivables

Finance lease receivables are valued based on their discounted value at the interest rate prevailing at the time of their issue. If they are indexed to an inflation index, this is not taken into account in the determination of the discounted value. If a derivative financial instrument provides hedging, the market interest rate for this instrument will serve as a reference rate for calculating the market value of the receivable 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 recorded under the income statement.

L. Cash and cash equivalents

Cash and cash equivalents comprise current accounts, 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 a deduction, net of tax, of 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 in deduction of the items "Capital" and "Share premium account". The proceeds on sales of own shares are directly included under equity without impacting 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 their initial recognition, interest-bearing borrowings are stated at their amortised cost, with any difference between cost and redemption value being recognised under the income statement over the period of the borrowings on an effective interest rate 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 cost. If, however, a fixed-rate borrowing is swapped into a floating-rate borrowing by virtue of a matching Interest Rate Swap derivative contract, in conformity with fair value hedge accounting (IAS 39 § 86), the change in the fair value of the Swap in the income statement is compensated by the adjustment of the book value of the fixed-rate borrowing (see F I).

The convertible borrowings are stated at their 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 the income statement.

P. Provisions

A provision is recognised in the balance sheet when the group has a legal or contractual obligation resulting from a past event, and if it is likely that resources 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 debts and other debts

Trade debts and other debts 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 income item. 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 under the income statement (item "rental income") 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 recognised as a revenue and the rent-free period spread over the firm term of the lease is then booked as an expense. Hence, an accrued income account is debited at the start of the lease for an amount corresponding to the rental income (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 discounted 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 under the income statement but not yet due. Therefore, in order to avoid this redundancy which would wrongfully swell the total of the balance sheet and of the shareholders' equity, the amount under the accrued income account is reversed against a charge booked under the item "Other result on the portfolio". Once the date of the first break option is passed, no charge is to be recorded under 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.

The concessions granted to tenants are, on their part, booked as charges over the firm term of the lease. They refer to incentives consisting of 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 Service costs

Service 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:

- expenditure on maintenance and repairs which does not add any extra functionality to or does not 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 rebuilding the building whereby, in most cases, the existing carcass work is re-used and state-of-the-art building techniques are applied; on completion of such renovation works, the property can be considered as new and expenditure is 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 capitalised 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 transaction costs

Commissions relating to property lettings are entered under current expenditure for the year, under the item "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 under current expenditure.

IV Financial result

The net financing costs comprise interests payable on borrowings, calculated using the effective interest rate method, and gains and losses on hedging instruments that are recognised under the income statement (see F). Interest income is recognised under the income statement as it accrues, taking into account the effective yield on the asset. Dividend income is recognised under the income statement on the date that the dividend is declared.

T. Income tax

The income tax of the financial year comprises the current tax. The income tax is recognised under the income statement except to the extent that it relates to items recognised directly under equity. The current tax is the expected tax payable on the taxable income of the past year, using the tax rate enacted at the closing date, and any adjustment to taxes payable in respect of previous years.

U. Exit tax and deferred taxes

The 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 an 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 under the income statement. When the approval or merger takes place, the provision becomes a debt and any difference is also recognised under 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 recognised on the unrealised gain of the investment property.

V. Stock options

Equity-settled share-based payments to employees and third parties providing similar services are measured at the fair value of the equity instruments at the date of granting. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 43.

W. Estimates, judgments and main sources of concern

I Fair value of the property 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, taking into account the market evolution and the characteristics of the property. In parallel to the work of the real estate experts, Cofinimmo proceeds with its own valuation of its assets with a view on their long-term operation by its teams. 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 23.

III Goodwill

Goodwills are calculated at the acquisition date as the positive difference between the acquisition cost and Cofinimmo's share in the net asset acquired. These goodwills are 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 19.

IV Transactions

When acquiring a portfolio through the purchase of company shares, the Group takes into account the percentage of shares held and the authority to appointing Directors for determining joint or overall control.

When a property portfolio meets the definition of a business combination as defined under IFRS 3, the Group restates 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 determined based on the value given by the real estate experts.

More details are given in Note 42.

[1] The data provided by Bloomberg result from price observations relating to actual transactions and the application to these observations of valuation models developed in the scientific literature (www.bloomberg.com).

NOTE 3. MANAGEMENT OF OPERATIONAL RISK

By operating risk, Cofinimmo means the risk of losses due to inadequacies in the company's procedures or failures in its management.

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 letting 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 the prevailing market conditions. Almost 100% of the lease contracts include a provision whereby rents are annually indexed. Before accepting a 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 of 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 0.053% of the total turnover over the period 1996-2013. An important 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 significantly lower than the level of the terminated contract.

Direct operating costs, on the other hand, 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 the works is outsourced;
- the vacancy level of office properties and the tenant turnover, which determine the level of expenses for unlet space, the letting fees, the refurbishment costs, the incentives granted to new clients, etc. which the active commercial management of the portfolio is designed to minimise.

The buildings for healthcare and accommodation of elderly people and the buildings of the distribution networks are almost occupied at 100%. The former are rented to opertor groups which solvency is analysed annually. The latter are let to large companies. The reletting or reconversion scenarios at the end of the lease are cautiously analysed and prepared in due time. The smaller buildings included in the distibution networks are sold when the tenant leaves.

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 the management of 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 €1,805.64 million[1], compared to a fair value of the investment properties of €1,498.04 million at 31.12.2013, including the value of the land. Cover has also been taken against vacancies resulting from these events. Moreover, Cofinimmo 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 23.

[1] This amount does not include the insurances taken during works, nor those that are contractually borne by the occupant (i.e. for healthcare real estate, the cafés/restaurants of the Pubstone portfolio as well as certain office buildings), nor those related to lease finance contracts. Furthermore, this amount does not include the MAAF buildings-related insurances (first rank insurance on all the freehold properties and second rank insurance on the co-owned properties) which are covered for the value of their reconstruction.

NOTE 4. SECTOR INFORMATION

In fair value, offices represent 45.6% of the portfolio, healthcare real estate 36.7%, property of distribution networks 15.9% and the other business sectors 1.8%.

The different property segments are described on pages 22 to 51.

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 €28 million presence in the office segment.

	OFFICES										HEALTHCARE	
(x €1,000)	Brussels CBD[1]		Brussels Decentralised		Brussels Periphery		Antwerp		Other Regions		Belgium	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
INCOME STATEMENT												
Net rental income	**38,060**	**47,452**	**41,295**	**42,299**	**10,463**	**10,896**	**4,627**	**4,378**	**7,932**	**7,659**	**46,400**	**42,471**
Property result after direct property costs	**34,430**	**43,588**	**35,336**	**36,341**	**8,699**	**9,488**	**4,220**	**3,444**	**7,282**	**7,261**	**46,232**	**42,192**
Property management costs												
Corporate management costs												
Gains or losses on disposals of investment properties and other non-financial assets	-865								169			
Changes in the fair value of investment properties	-21,935	-5,933	-17,314	-26,662	-2,327	1,254	-569	828	2,418	-4,195	6,415	17,199
Other result on the portfolio												
Operating result												
Financial result												
Share in the result of associated companies and joint ventures												
Taxes												**-259**
NET RESULT												
NET RESULT – GROUP SHARE												

	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
BALANCE SHEET												
Assets												
Goodwill												
Investment properties, including:	615,882	625,840	591,643	635,966	143,666	155,805	62,297	62,337	111,323	108,417	791,995	750,460
Development projects	67,313	66,344	9,613	5,031	331	2,278	450	446		60	44,026	57,698
Assets held for own use			9,146	9,150								
Assets held for sale												
Other assets												
TOTAL ASSETS												
Shareholders' equity and liabilities												
Shareholders' equity												
Shareholders' equity attributable to the shareholders of the parent company												
Minority interests												
Liabilities												
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES												

[1] Central Business District.

REAL ESTATE				PROPERTY OF DISTRIBUTION NETWORKS						OTHER		AMOUNTS NOT ALLOCATED		TOTAL	
France		Netherlands		Pubstone Belgium		Pubstone Netherlands		Cofinimur I France							
2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
28,524	**28,357**	**836**	**207**	**20,002**	**19,777**	**10,054**	**9,791**	**7,747**	**7,765**	**4,521**	**4,299**			**220,461**	**225,351**
28,481	**28,324**	**829**	**204**	**19,482**	**19,313**	**10,080**	**9,495**	**7,483**	**7,491**	**4,210**	**4,072**			**206,764**	**211,213**
												-14,258	-15,011	-14,258	-15,011
												-6,887	-7,363	-6,887	-7,363
267				629	219	-1		-143	85	91			1,110	147	1,414
2,906	9,541	537	393	886	11,781	386	-153	1,332	4,846	1,005	3,298			-26,260	12,197
				-19,000	-6,100	-2,312	-1,181					-1,371	-4,161	-22,683	-11,442
														136,823	**191,008**
												-74,935	**-83,877**	**-74,935**	**-83,877**
444	**220**									**1,093**	**213**			**1,537**	**433**
-51	**-280**			**262**	**-556**	**405**	**499**					**-2,177**	**-4,273**	**-1,561**	**-4,869**
														61,864	**102,695**
														58,737	**98,072**

2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
26,929	26,929			66,777	85,777	35,650	37,650							129,356	150,356
410,480	402,135	18,120	11,226	272,243	270,147	150,650	149,686	109,275	107,375	61,135	18,506			3,338,709	3,297,900
		6,870								1,930				130,533	131,857
														9,146	9,150
7,650	8,620							650	2,050					8,300	10,670
												194,078	183,562	194,078	183,562
														3,670,443	**3,642,488**
												1,681,462	1,542,292	1,681,462	1,542,292
												1,614,937	1,476,029	1,614,937	1,476,029
												66,525	66,263	66,525	66,263
												1,988,981	2,100,196	1,988,981	2,100,196
														3,670,443	**3,642,488**

NOTE 5. RENTAL INCOME AND RENTAL-RELATED EXPENSES

(x €1,000)	2013	2012
Rental income		
Gross potential income[1]	207,688	203,153
Vacancy[2]	-10,233	-10,873
Rents	**197,455**	**192,280**
Cost of rent-free periods	-2,479	-1,673
Client incentives	-631	-803
Indemnities for early termination of rental contracts[3]	846	12,620
SUBTOTAL	**195,191**	**202,424**
Writeback of lease payments sold and discounted	**25,276**	**22,994**
Rental-related expenses		
Rent payable on rented premises	-88	-49
Writedowns on trade receivables	-43	-58
Writeback of writedowns on trade receivables	125	40
TOTAL	**220,461**	**225,351**

As a reminder, 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 from operating leases appear under rental income.

The amount under the item "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 which 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 the fair value of these buildings is determined by the independent real estate expert and is taken as profit or loss under the item "Changes in the 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 and the interest element to the income statement. Hence, 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)	2013	2012
Rental income from operating leases	195,191	202,424
Interest income from finance leases	3,598	3,176
Capital receipts from finance leases	2,973	3,033
TOTAL	**201,762**	**208,633**

Total minimum future rents under non-cancellable operating leases and finance leases in effect at December 31st

(x €1,000)	2013	2012
Operating lease	**2,603,033**	**2,609,436**
Less than one year	221,103	217,422
Between one and five years	582,939	561,178
More than five years	1,798,991	1,830,836
Finance lease	**68,685**	**56,370**
Less than one year	1,236	2,973
Between one and five years	18,827	9,295
More than five years	48,622	44,102
TOTAL	**2,671,718**	**2,665,806**

[1] The gross potential income corresponds to the sum of the real rents received and the estimated rents attributed to unlet spaces.
[2] The vacancy is calculated on unlet spaces based on the rental value estimated by the independent real estate experts.
[3] Early termination compensations are recognised directly in full under the income statement, in accordance with IAS 17.50.

NOTE 6. NET REDECORATION EXPENSES

(x €1,000)	2013	2012
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	1,277	1,766
Recovery of property charges	-101	-756
TOTAL	**1,176**	**1,010**

The recovery of property charges exclusively comprises indemnities on rental damage.

NOTE 7. CHARGES AND TAXES NOT RECOVERED FROM THE TENANT ON LET PROPERTIES

(x €1,000)	2013	2012
Recovery income of charges and taxes normally payable by the tenant on let properties	**48,826**	**41,581**
Rebilling of rental charges invoiced to the landlord	20,098	17,007
Rebilling of withholding taxes and other taxes on let properties	28,728	24,574
Charges and taxes normally payable by the tenant on let properties	**-51,202**	**-43,549**
Rental charges invoiced to the landlord	-20,420	-17,341
Withholding taxes and other taxes on let properties	-30,782	-26,208
TOTAL	**-2,376**	**-1,968**

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 taxes or charges to be borne by the landlord.

The charges and taxes not recovered at 31.12.2013 mainly include charges of €1.2 million not recovered on the Livingstone I and II buildings.

NOTE 8. TECHNICAL COSTS

(x €1,000)	2013	2012
Recurrent technical costs	**5,202**	**5,097**
Repairs	4,719	4,452
Insurance premiums	483	645
Non-recurrent technical costs	**-88**	**1,146**
Major repairs (building companies, architects, engineering offices, etc.)[1]	307	1,061
Damage expenses	-395	85
Losses providing from disasters and subject to insurance cover	270	247
Insurance compensation for losses providing from disasters	-665	-162
TOTAL	**5,114**	**6,243**

NOTE 9. COMMERCIAL COSTS

(x €1,000)	2013	2012
Letting fees paid to real estate brokers	602	595
Advertising	23	178
Fees paid to lawyers and other experts	331	318
TOTAL	**956**	**1,091**

[1] Except for capital expenditures.

NOTE 10. MANAGEMENT COSTS

Management costs are split between property management costs and other costs.

Property management costs

These costs comprise the costs of the personnel responsible for this activity, the operational costs of the company headquarters and the fees paid to third parties. The management fees collected from tenants partially covering the costs of the Property Management activity are deducted.

The portfolio is managed in-house, except for the MAAF insurance agencies portfolio. The internal costs of property management are divided as follows:

(x €1,000)	2013	2012
Office charges	**1,579**	**1,978**
IT	813	991
Other	766	987
Fees paid to third parties	**3,069**	**3,488**
Recurrent	2,761	2,967
Real estate experts	965	971
Lawyers	75	392
Property management	263	586
Other	1,458	1,018
Non-recurrent	308	521
Mergers and acquisitions (other than business combinations)	308	521
Public relations, communication and advertising	**619**	**573**
Personnel expenses	**11,183**	**10,911**
Salaries	8,569	8,436
Social security	1,578	1,597
Pensions and other benefits	1,036	878
Fees earned	**-2,733**	**-2,584**
Management fees related to the lease contracts	-2,269	-2,345
Fees for additional services	-464	-239
Taxes and regulatory fees	**401**	**498**
Depreciation charges on office furniture	**140**	**147**
TOTAL	**14,258**	**15,011**

The fees of the real estate experts amounted to €1,003,505 for 2013, this figure including both recurrent and non-recurrent fees. 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

The corporate management costs cover the overhead costs 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 shareholders who invest indirectly in a property portfolio. Certain costs of studies relating to the Group's expansion also come under this category.

(x €1,000)	2013	2012
Office charges	**341**	**404**
IT	116	144
Other	225	260
Fees paid to third parties	**761**	**828**
Recurrent	715	803
Lawyers	148	195
Auditors	322	428
Other	245	180
Non-recurrent	46	25
Public relations, communication and advertising	**685**	**561**
Personnel expenses	**3,691**	**4,171**
Salaries	3,007	3,543
Social security	371	456
Pensions and other benefits	313	172
Taxes and regulatory fees	**1,409**	**1,399**
TOTAL	**6,887**	**7,363**

Group insurance

The group insurance subscribed by Cofinimmo (under the defined contribution form) for its employees and the members of its Executive Committee, has the following objectives:

- payment of a life benefit to the affiliate at retirement;
- payment of a death benefit to the beneficiaries of the affiliate in case of death before retirement;
- payment of a disability pension in case of accident or long-term illness other than professional;
- waiver of premiums in the same cases.

In order to protect workers, the Law on the Supplementary Pensions defines a guaranteed minimum return required on the "Life" share of premiums.

This minimum return amounts to 3.75% of the gross premiums for the personal contributions and to 3.25% of the premiums for the employer's contributions.

The rate guaranteed by the insurer stands at 2.25% since 2013.

Cofinimmo therefore covers part of the rates guaranteed by the Law on Supplementary Pensions. If necessary, additional amounts must be brought under the reserves to reach the guaranteed returns for the services given. No provision was booked at 31.12.2013, the return deficit not being material.

Emoluments of the Auditor

The fixed emoluments of Deloitte, Company Auditors for reviewing and certifying Cofinimmo's company and consolidated accounts amounted to €116,700 (excluding VAT). Its emoluments for certifying the company accounts of Cofinimmo's subsidiaries amounted to €130,610 (excluding VAT) and are calculated per company based on their effective performances.

The fees of the Degroof Bank as financial service provider for the payment of the dividend coupons are to be found under the item "Other" of "Fees paid to third parties". It is a fixed amount for their annual services.

(x €1,000)	2013	2012
Emoluments of the Company Auditor	**312**	**347**
Emoluments for the execution of a mandate of Company Auditor	247	255
Emoluments for exceptional services or special assignments within the Group	65	92
Other certification assignments	24	60
Other assignments external to the auditing duties	41	32
Emoluments of people with whom the Auditor is connected	**70**	**34**
Emoluments for exceptional services or special assignments within the Group	70	34
Tax advisory duties	70	34
TOTAL	**382**	**381**

The emoluments of the Company Auditors, other than Deloitte, appointed for the Group's French companies amounted to k€51 (excluding VAT).

NOTE 11. GAINS OR LOSSES ON DISPOSALS OF INVESTMENT PROPERTIES AND OTHER NON-FINANCIAL ASSETS

(x €1,000)	2013	2012
Disposal of investment properties		
Net disposal of properties (selling price - transaction costs)	21,699	3,319
Investment value of properties sold	-21,589	-3,016
Fair value of properties sold	-20,909	-2,800
Writeback of the impact on the fair value of estimated transfer duties resulting from the hypothetical disposal of investment properties	-680	-216
Other	37	763
SUBTOTAL	**147**	**1,066**
Disposal of other non-financial assets		
Gain on disposal of remaining MCBs		348
SUBTOTAL		**348**
TOTAL	**147**	**1,414**

The future hypothetical transaction costs and transfer duties are deducted directly from the shareholders' equity 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 or loss effectively made.

NOTE 12. CHANGES IN THE FAIR VALUE OF INVESTMENT PROPERTIES

(x €1,000)	2013	2012
Positive changes in the fair value of investment properties	26,659	93,875
Negative changes in the fair value of investment properties	-52,919	- 81,678
TOTAL	**-26,260**	**12,197**

The breakdown of the changes in the fair value of properties is presented in Note 21.

NOTE 13. OTHER RESULT ON THE PORTFOLIO

(x €1,000)	2013	2012
Changes in the deferred taxes[1]	-312	-181
Writeback of rents already earned but not expired	-2,071	-2,644
Changes in the fair value of other non-financial assets	-5	
Goodwill impairment[2]	-21,000	-7,100
Other	705	-1,517
TOTAL	**-22,683**	**-11,442**

The writeback of already earned rents not expired, recognised during the period, results from the application of the accounting method detailed in Note 2, paragraph R.

NOTE 14. FINANCIAL INCOME

(x €1,000)	2013	2012
Interests and dividends received[3]	1,772	2,290
Interest receipts from finance leases and similar receivables	3,598	3,176
Other financial income	353	93
TOTAL	**5,723**	**5,559**

NOTE 15. NET INTEREST CHARGES

(x €1,000)	2013	2012
Nominal interests on loans at amortised cost	**30,251**	**25,156**
Bilateral loans - floating rate	7,174	8,876
Syndicated loans - floating rate	272	778
Commercial papers - floating rate	902	2,966
Investment credits - floating or fixed rate	1,262	1,544
Bonds - fixed rate	16,709	7,286
Other interest charges[4]	3,932	3,706
Nominal interests on loans at fair value through the net result	**35,792**	**39,052**
Convertible bonds	7,423	5,436
Authorised hedging instruments qualifying for hedge accounting	23,187	28,948
Authorised hedging instruments not qualifying for hedge accounting	5,182	4,668
TOTAL	**66,043**	**64,208**

The effective interest charges on loans correspond to an average effective interest rate on loans of 3.92% (2012: 4.11%[5]). The effective charges without taking into account the hedging instruments stands at 2.23%. This percentage can be split up between 2.70% for the borrowings at fair value and 2.14% for the borrowings at amortised cost.

[1] See Note 34.
[2] See Note 19.
[3] The amount of dividends received is nil at 31.12.2013.
[4] This amount is made up of k€3,087 of fees on unused credit and k€845 of fees on credit line drawings.
[5] Until the end of 2012, the calculation of the average interest rate on borrowings included the depreciation costs of hedging instruments pertaining to the period. As a result of the restructuration of the hedging scheme during 2013, the method used for the calculation of the average interest rate on borrowings has been reviewed and no longer includes these costs. If this calculation method had been applied at 31.12.2012, the average interest rate on borrowings would have stood at 3.77% instead of 4.11%.

NOTE 16. OTHER FINANCIAL CHARGES

(x €1,000)	2013	2012
Bank fees and other commissions	357	493
Interests on advance payments	272	8
Other	300	383
TOTAL	**929**	**884**

NOTE 17. CHANGES IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(x €1,000)	2013	2012
Authorised hedging instruments qualifying for hedge accounting	643[1]	11,080
Authorised hedging instruments not qualifying for hedge accounting	13,153[2]	-18,536
Convertible bonds	-5,026	-15,793
Impact of the recycling under the income statement of hedging instruments which relationship with the hedged risk was terminated	-20,501	
Other	-1,955	-1,095
TOTAL	**-13,686**	**-24,344**

Only the changes in the ineffective part of the fair value of cash flow hedging instruments, as well as the changes in the fair value of trading instruments, are taken into account here. The changes in the effective part of the fair value of cash flow hedging instruments are booked directly under equity.

When a relationship between a cash flow hedging instrument and the hedged risk is terminated (even partially), the cumulated gain or loss at that date, until then deferred under equity, is recycled under the income statement.

NOTE 18. CORPORATE TAX AND EXIT TAX

(x €1,000)	2013	2012
CORPORATE TAX	**2,179**	**4,273**
Parent company	**378**	**1,417**
Pre-tax result	56,601	98,208
Result exempted from income tax due to the Sicafi/Bevak regime	-56,601	-98,208
Taxable result from non-deductible costs	3,721	3,710
Tax at rate of 33.99%	1,265	1,261
Other	-887	156
Subsidiaries	**1,801**	**2,856**
EXIT TAX - SUBSIDIARIES	**-618**	**596**

The non-deductible costs mainly comprise the office tax in the Brussels Capital Region. The item "Other" mainly comprises taxes related to merged companies. With the exception of the institutional Sicafis/Bevaks, the Belgian subsidiaries do not benefit from the Sicafi/Bevak regime. The Dutch subsidiary Pubstone Properties BV does not benefit from the FBI regime.

[1] The gross amounts are respectively an income of k€2,051 and a charge of k€1,408.
[2] The gross amounts are respectively an income of k€15,715 and a charge of k€2,562.

NOTE 19. 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 2008 Annual Financial Report) 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 for the property assets at the acquisition (on which the price paid for the shares was based) and the fair value of these property assets (being expressed after deduction of the transfer duties standing at 10.0% or 12.5% in Belgium and at 6.0% in the Netherlands);
- the deferred tax corresponding to the theoretical assumption required under IAS/IFRS of an immediate disposal of all the properties at the 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 Investissements et Services (CIS)

Cofinimmo's acquisition of 100% of the shares of Cofinimmo Investissements et Services (CIS) SA (formerly Cofinimmo France SA) on 20.03.2008 generated a goodwill for Cofinimmo resulting from the positive difference between the acquisition cost and the fair value of the net asset acquired. More specifically, 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 these property assets (being expressed after deduction of the transfer duties standing at 1.8% and 6.2% in France).

Changes in the goodwill

(x €1,000)	Pubstone Belgium	Pubstone Netherlands	CIS France	Total
Cost				
AT 01.01.2013	100,157	39,250	26,929	166,336
AT 31.12.2013	**100,157**	**39,250**	**26,929**	**166,336**
Writedowns				
AT 01.01.2013	14,380	1,600		15,980
Writedowns recorded during the financial year	19,000	2,000		21,000
AT 31.12.2013	**33,380**	**3,600**		**36,980**
Book value				
AT 01.01.2013	85,777	37,650	26,929	150,356
AT 31.12.2013	**66,777**	**35,650**	**26,929**	**129,356**

Impairment test

At the end of the financial year 2013, the goodwill was subject to an impairment test (executed on the groups of properties to which it was allocated per country), by comparing the fair value of the properties plus the goodwill to their value in use.

The fair value of the buildings is the value of the portfolio as established by the 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 main assumptions the indexation rate, the discount rate and the buildings' estimated end-of-lease disposal value. These assumptions are based on market observations taking into account investors' expectations, particularly regarding revenue growth and market risk premium. For further information, see the Report of the Real Estate Experts of this Annual Financial Report.

The value in use is established by the Group according to expected future net cash flows based on the rents stipulated in the tenants' leases, the expenses to maintain and manage the property portfolio, and the expected gains from disposals. The main assumptions are the indexation rate, the discount rate, an attrition rate (number of buildings and corresponding volume of revenues for which the tenant will terminate the lease, year after year), as well as the buildings' end-of-lease disposal 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 the buildings as established by the independent real estate experts and the value in use as 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 and the differences can be justified.

For 2013, the result of this test (illustrated in the table below) gives an impairment of k€19,000 on the goodwill of Pubstone Belgium and an impairment of k€2,000 on the goodwill of Pubstone Netherlands. For CIS France, no impairment was recorded. During the financial year 2013, the fair values of these three entities recorded positive changes of respectively k€886, k€386 and k€2,906.

Assumptions used in the calculation of the value in use of Pubstone

A projection of future net cash flows was drawn up for the remaining duration of the lease bearing on the rents less the maintenance costs, investments and operating expenses, as well as the proceeds from asset disposalss.

During this remaining period, an attrition rate is taken into account based on the terms of the lease signed with AB InBev. The buildings 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 per square meter of the portfolio determined by the expert on 31.12.2013, plus a 20% margin as from the fourth year, and indexed. This margin is based on the realised gains observed on the sale of cafés/restaurants since the acquisition of the Pubstone portfolio. The disposal of cafés/restaurants realised at market conditions similar to the asumptions taken into account for the calculation of the value in use, i.e. that only the cafés/restaurants vacated by AB InBev are sold, showed a 30% gain versus the last value of the real estate expert. Out of caution, no margin is taken into account during the first three years and the 20% margin taken into account afterwards is lower than the average margin observed since the acquisition of the portfolio.

The indexation considered for these cash flows stands at 2% per year.

The discount rate used amounts to 6.50%.

Assumptions used in the calculation of the value in use of Cofinimmo Investissements et Services

A projection of future net cash flows was drawn up over 27 years. The assumption adopted is the renewal of all the leases during a 27-year period from the acquisition date.

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 portfolio valuation at 31.12.2013, which are considered sustainable in the long term in terms of the profitability of the activity of the operating tenant.

At the 28th year, a residual value is calculated per property.

The indexation considered for these cash flows stands at 2% per year.

The discount rate used amounts to 6.50%.

(x €1,000)

Building group	Goodwill	Net book value[1]	Value in use	Impairment
Pubstone Belgium	85,777	358,019	339,020	-19,000
Pubstone Netherlands	37,650	188,300	186,300	-2,000
CIS France	26,929	247,090	247,090[2]	
TOTAL	**150,356**	**793,410**	**772,410**	**-21,000**

Sensitivity analysis of the value in use when the main variables of the impairment test vary

Change in the value in use (%)

Building group	Changes in inflation		Changes in discount rate		Changes in margin	
	+0.50%	-0.50%	+0.50%	-0.50%	+5.00%	-5.00%
Pubstone Belgium	6.27%	-5.78%	-5.95%	6.52%	1.69%	-1.69%
Pubstone Netherlands	6.29%	-5.80%	-5.96%	6.53%	1.50%	-1.50%
CIS France	6.72%	-6.14%	-5.90%	6.49%	/	/

Sensitivity analysis of the impairment when the main variables of the impairment test vary

Impairment (x €1,000)

Building group	Impairment booked	Changes in inflation		Changes in discount rate		Changes in margin	
		+0.50%	-0.50%	+0.50%	-0.50%	+5.00%	-5.00%
Pubstone Belgium	-19,000	0	-38,518	-39,114	0	-13,188	-24,669
Pubstone Netherlands	-2,000	0	-12,558	-12,869	0	0	-4,538
CIS France	0	0	-957	-332	0	/	/

NOTE 20. INVESTMENT PROPERTIES

(x €1,000)	**2013**	2012
Properties available for lease	3,199,030	3,156,893
Development projects	130,533	131,857
Assets held for own use	9,146	9,150
TOTAL	**3,338,709**[3]	**3,297,900**

The fair value of the portfolio, as determined by the independent experts, stands at k€3,347,009 at 31.12.2013. It includes investment properties for k€3,338,709 and assets held for sale for k€8,300.

[1] Including goodwill.

[2] As the value in use is greater than the net book value, the net book value is presented here.

[3] Including the fair value of buildings which receivables were sold, which stands at k€421,574.

Properties available for lease

(x €1,000)	2013	2012
AT 01.01	**3,156,893**	**3,110,678**
Capital expenditures	17,868	6,206
Acquisitions	528	43,413
Transfers from/to Assets held for sale	-410	-1,400
Transfers from/to Development projects	12,473	-58,509
Sales/Disposals (fair value of assets sold/disposed of)	-4,678	-1,974
Writeback of lease payments sold and discounted	25,276	22,994
Increase/Decrease in the fair value[1]	-8,920	35,485
AT 31.12	**3,199,030**	**3,156,893**

Development projects

(x €1,000)	2013	2012
AT 01.01	**131,857**	**57,752**
Investments	35,015	30,275
Acquisitions	6,883	6,698
Transfer from/to Properties available for lease	-12,473	58,509
Sales/Disposals (fair value of assets sold/disposed of)	-14,422	
Increase/Decrease in the fair value[1,2]	-16,327	-21,377
AT 31.12	**130,533**	**131,857**

Assets held for own use

(x €1,000)	2013	2012
AT 01.01	**9,150**	**9,130**
Increase/Decrease in the fair value[1]	-4	20
AT 31.12	**9,146**	**9,150**

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 (see methods below).

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 (transfer duties) is the fair value within the meaning of IAS 40.

In Belgium, the transfer of ownership of a property is subject to the payment of transfer duties. 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 transfers includes:

- sale of property assets: 12.5% for properties located in the Brussels Capital Region and in the Walloon Region, 10% for properties located in the Flemish Region;
- sale of property assets under the rules governing estate traders: 4.0% to 8.0%, depending on the Region;
- long lease agreement for property assets (up to 50 years for building leases and up to 99 years for long lease rights): 2.0%;
- sale of property assets where the purchaser is a public body (e.g. an entity of the European Union, the Federal Government, a regional government or a foreign government): tax exemption;
- contribution in kind of property assets against the issue of new shares in favour of the contributing party: tax exemption;
- sale of shares of a real estate company: no taxes;
- merger, split and other forms of company restructuring: no taxes, etc.

1 Note 21 reconciles the total change in the fair value of investment properties.

2 The decrease in value at 31.12.2013 comes mainly from the buildings Science/Wetenschap 15-17 (k€-7,653) and Livingstone I & II (k€-8,744). The value of these buildings was decreased because they are under renovation or require an important renovation.

The effective rate of the transfer duties 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 the independent real estate experts[1] who carry out the periodic valuation of the Belgian Sicafis'/Bevaks' assets were asked to compute a weighted average transaction cost percentage to apply on the Sicafis'/Bevaks' property 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 which took 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% apply, depending on the Region in which the property is located.

At 01.01.2004 (date of transition to IAS/IFRS), the transaction costs deducted from the investment value of the property portfolio amounted to €45.5 million and were recorded under a separate equity item entitled "Impact on the fair value of estimated transaction costs and transfer duties resulting from the hypothetical disposal of investment properties".

The 2.5% transaction costs have been applied to the subsequent acquisitions of buildings. At 31.12.2013, the difference between the investment value and the fair value of the global portfolio amounted to €131.86 million or €7.50 per share.

It is worth noting that the average gain in relation to the investment value realised on the disposals of assets operated since the changeover to the Sicafi/Bevak regime in 1996 stands at 9.78%. Since that date, Cofinimmo SA/NV has undertaken 127 asset disposals for a total of €1,437.44 million. This gain would have been 12.23% if the deduction of transaction costs and transfer duties had been recognised as from 1996.

The transfer duties applied to the buildings located in France and in the Netherlands amount to 6.06% and 6.03% respectively.

Determination of the valuation level of the fair value of the investment properties

The fair value of the investment properties in the balance sheet results exclusively from the portfolio's valuation by independent real estate experts.

To determine the fair value of the investment properties, the nature, characteristics and risks of these properties, as well as available market data, were examined:

Because of the state of market liquidity and the difficulty to find unquestionably comparable transaction data, the level of valuation, within the meaning of IFRS 13, of the fair value of the Cofinimmo buildings is 3, and this for the entire portfolio.

(x €1,000)	31.12.2013	31.12.2012
Asset category	**Level 3**[2]	**Level 3**[2]
Offices	**1,524,811**	**1,543,157**
Antwerp	61,847	61,749
Brussels CBD	548,569	559,496
Brussels Decentralised	582,029	600,248
Brussels Periphery/ Satellites	143,336	145,333
Other Regions	111,323	108,357
Offices under development	77,707	67,974
Healthcare real estate	**1,228,245**	**1,172,441**
Belgium	747,969	692,761
France and the Netherlands	429,380	421,981
Healthcare real estate under development	50,896	57,699
Property of distribution networks	**532,818**	**529,258**
Pubstone Belgium	272,243	270,147
Pubstone Netherlands	150,650	149,686
Cofinimur I France	109,925	109,425
Other	**61,135**	**63,715**
Other	61,135	63,715
TOTAL	**3,347,009**	**3,308,571**

[1] Cushman & Wakefield, de Crombrugghe & Partners, Winssinger & Associates, Stadim and Troostwijk-Roux.

[2] Under IFRS 13, the basis of the fair value valuations can be qualified as:
- Level 1: observable listed prices in active markets;
- Level 2: observable data other than the listed prices included in level 1;
- Level 3: unobservable data.

Valuation methods used

Based on a multi-criteria approach, the valuation methods used by the real estate experts are the following:

Discounted estimated rental value method

This method involves capitalising the property's estimated rental value by using a capitalisation rate (yield) in line with the real estate market. The choice of the capitalisation rate used depends essentially on the capitalisation 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. The rate corresponds to the rate anticipated by potential investors at the valuation date. The determination of the estimated rental value takes into account market data, the property's location, it's quality, the number of beds for healthcare assets and, if available, the tenant's financial data (EBITDAR).

The resulting value must be adjusted if the current rent generates an operating income above or below the estimated rental value used for the capitalisation. The valuation also takes into account the costs to be incurred in the near future.

Discounted cash flow method

This method requires an assessment of the net rental income generated by the property on an annual basis during a defined period. This flow is then discounted. The projection period generally varies between 10 and 18 years. At the end of this period, a residual value is calculated using the capitalisation rate on the terminal value, which takes into account the building's expected condition at the end of the projection period, discounted.

Market comparables method

This method is based on the principle that a potential buyer will not pay more for the acquisition of a property than the price recently paid on the market for the acquisition of a similar property.

Residual value method

The value of a project is determined by defining what can/will be developed on the site. This means that the purpose of the project is known or foreseeable in terms of quality (planning) and quantity (number of square meters that can be developed, future rents, etc.). The value is obtained by deducting the costs to completion of the project from its anticipated value.

Other considerations

If the fair value cannot be determined reliably, the properties are valued at the historical cost. In 2013, the fair value of all properties could be determined reliably so that no building was valued at historical cost.

In the event that the future selling price of a property is known at the valuation date, the properties are valued at the selling price.

For the buildings for which several valuation methods were used, the fair value is the average of the results of these methods.

During the year 2013, there was no transfer between level 1, level 2, and level 3. In addition, there was no change in valuation methods for the investment properties.

Changes in the fair value of investment properties, based on unobservable data

(x €1,000)	
FAIR VALUE AT 31.12.2012	**3,308,570**
Gains/losses recognised under the income statement	-26,260
Acquisitions	7,412
Extensions/redevelopments	39,474
Investments	13,446
Writeback of lease payments sold	25,276
Disposals	-20,909
Transfers of levels	
FAIR VALUE AT 31.12.2013	**3,347,009**

Quantitative information related to the determination of the fair value of investment properties, based on unobservable data (level 3)

The quantitative information in the following tables is taken from the different reports produced by the independent real estate experts. The figures are extreme values and the weighed average of the asumptions used in the determination of the fair value of investment properties. The lowest discount rates apply to specific situations.

(x €1,000)

Asset category	Fair value at 31.12.2013	Valuation method	Unobservable data (a)	Extreme values (weighted average)
OFFICES	**1,524,811**			
Antwerp	**61,847**	**Discounted estimated rental value**	Estimated rental value (ERV)	117 - 162 (142)€/m²
			Capitalisation rate	7.10% - 8.65% (8.11%)
Brussels CBD	**548,569**	**Discounted cash flow**	Estimated rental value (ERV)	195 - 277 (246)€/m²
			Discount rate	0.50% - 4.60% (3.44%)
			Capitalisation rate of the final net ERV	6.05% - 6.90% (6.44%)
			Inflation rate	2.00%
		Discounted estimated rental value	Estimated rental value (ERV)	162 - 277 (213)€/m²
			Capitalisation rate	5.30% - 7.20% (5.80%)
Brussels Decentralised	**582,029**	**Discounted cash flow**	Estimated rental value (ERV)	145 - 152 (148)€/m²
			Discount rate	1.55% - 8.00% (3.91%)
			Capitalisation rate of the final net ERV	6.40% - 8.00% (6.99%)
			Inflation rate	2.00%
		Discounted estimated rental value	Estimated rental value (ERV)	70 - 190 (160)€/m²
			Capitalisation rate	5.80% - 8.75% (7.32%)
Brussels Periphery/ Satellites	**143,336**	**Discounted estimated rental value**	Estimated rental value (ERV)	50 - 178 (138)€/m²
			Capitalisation rate	5.75% - 9.00% (7.80%)
Other Regions	**111,323**	**Discounted cash flow**	Estimated rental value (ERV)	114 - 141 (117)€/m²
			Discount rate	4.65% - 8.00% (5.78%)
			Capitalisation rate of the final net ERV	6.45% - 8.00% (6.65%)
			Inflation rate	2.00%
		Discounted estimated rental value	Estimated rental value (ERV)	114 - 141 (124)€/m²
			Capitalisation rate	5.70% - 7.25% (6.35%)
Offices under development	**77,707**	**Residual value**	Estimated rental value (ERV)	99 - 225 (192)€/m²
			Capitalisation rate of the final net ERV	5.76% - 9.35% (6.06%)
			Costs to completion	(b)
			Inflation rate	2.00%
HEALTHCARE REAL ESTATE	**1,228,245**			
Belgium	**747,969**	**Discounted cash flow**	Estimated rental value (ERV)	52 - 189 (116)€/m²
			Discount rate	6.25% - 7.70% (6.89%)
			Capitalisation rate of the final net ERV	6.75% - 9.25% (7.73%)
			Inflation rate	2.00%
		Discounted estimated rental value	Estimated rental value (ERV)	52 - 189 (116)€/m²
			Capitalisation rate	5.65% - 7.00% (6.11%)

(a) The net rental income is detailed in Note 5.
(b) The costs required for the completion of a property are specific to each project and depend on the degree of progress of the works.

Asset category	Fair value at 31.12.2013	Valuation method	Unobservable data (a)	Extreme values (weighted average)
France and the Netherlands	**429,380**	**Discounted cash flow**	Estimated rental value (ERV)	53 -224 (131)€/m²
			Discount rate	5.75% - 8.00% (5.77%)
			Capitalisation rate of the final net ERV	6.00% - 12.31% (7.11%)
			Inflation rate	1.75% - 2.12% (2.10%)
		Discounted estimated rental value	Estimated rental value (ERV)	53 - 224 (130)€/m²
			Capitalisation rate	3.32% - 25.35% (6.64%)
Healthcare real estate under development	**50,896**	**Residual value**	Estimated rental value (ERV)	80 - 198 (127)€/m²
			Capitalisation rate	5.00% - 7.25% (6.08%)
			Costs to completion	(b)
			Inflation rate	2.00%
PROPERTY OF DISTRIBUTION NETWORKS	**532,818**			
Pubstone Belgium	**272,243**	**Discounted cash flow**	Estimated rental value (ERV)	13 - 307 (77)€/m²
			Discount rate	6.85%
			Capitalisation rate of the final net ERV	7.10%
			Inflation rate	2.00%
		Discounted estimated rental value	Estimated rental value (ERV)	13 - 307 (77)€/m²
			Capitalisation rate	4.00% - 9.50% (6.15%)
Pubstone Netherlands	**150,650**	**Discounted estimated rental value**	Estimated rental value (ERV)	47 - 415 (205)€/m²
			Capitalisation rate	4.50% - 7.60% (5.82%)
Cofinimur I France	**109,925**	**Discounted cash flow**	Estimated rental value (ERV)	80 - 700 (147)€/m²
			Discount rate	6.00%
			Capitalisation rate of the final net ERV	4.91% - 14.07% (8.02%)
			Inflation rate	2.00%
		Discounted estimated rental value	Estimated rental value (ERV)	80 - 700 (147)€/m²
			Capitalisation rate	4.60% - 27.20% (7.00%)
OTHER	**61,135**			
Other	**61,135**	**Discounted cash flow**	Estimated rental value (ERV)	121 - 261 (209)€/m²
			Discount rate	6.05% - 6.50% (6.33%)
			Capitalisation rate of the final net ERV	7.25% - 7.75% (7.44%)
			Inflation rate	2.00%
		Discounted estimated rental value	Estimated rental value (ERV)	41 - 261 (194)€/m²
			Capitalisation rate	4.75% - 8.50% (6.07%)
TOTAL	**3,347,009**			

(a) The net rental income is detailed in Note 5.

(b) The costs required for the completion of a property are specific to each project and depend on the degree of progress of the works.

Sensitivity of the building's fair value to changes of the unobservable data

A 10% increase in the estimated rental value would give rise to an increase in the portfolio's fair value of k€158,953.

A 10% decrease in the estimated rental value would give rise to a decrease in the portfolio's fair value of k€166,870.

A 0.5% increase in the capitalisation rates would give rise to a decrease in the portfolio's fair value of k€175,945.

A 0.5% decrease in the capitalisation rates would give rise to an increase in the portfolio's fair value of k€205,926.

A ±0.5% change in the capitalisation rate and a ±10% change in the estimated rental values are reasonably foreseeable.

There are interrelations between the various rates and rental values, as they are partly determined by market conditions. As a general rule, a change in the estimated rental value assumptions (per square metre per year) is accompanied by a change in the capitalisation rates in the opposite direction.

This interrelation is not incorporated into the sensitivity analysis.

For investment properties under construction, the fair value is influenced by the realisation of the works on budget and on time.

Valuation process

In accordance with the legal provisions, the valuations of properties are performed on a quarterly basis based on the valuation reports prepared by independent and qualified experts.

The independent external experts are appointed for a period of three years after their approval by the Board of Directors, the Audit Committee and subject to the approval of the FSMA. The selection criteria include market knowledge, reputation, independence and application of professional standards.

The external experts determine:

- whether the fair value of a property can be determined reliably;
- which valuation method must be applied to each investment property;
- the assumptions made for the unobservable data used in the valuation methods.

The assumptions used for the valuation and any significant changes in value are discussed quarterly between management and the experts. Other outside sources are also examined.

Use of properties

Management considers the current use of the investment properties recognised at fair value in the balance sheet to be optimal taking into account the possibilities on the rental market and their technical characteristics.

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 located in Brussels which it 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 a rent reduction.

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 usufructs from these three buildings end 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 located 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 located in Brussels.

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. Indeed, 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.

NOTE 21. BREAKDOWN OF THE CHANGES IN THE FAIR VALUE OF INVESTMENT PROPERTIES

(x €1,000)	2013	2012
Properties available for lease	-8,920	35,485
Development projects	-16,327	-21,377
Assets held for own use	-4	20
Assets held for sale	-1,009	-1,931
TOTAL	**-26,260**	**12,197**

This section includes the change in the fair value of investment properties and assets held for sale.

The total portfolio is valued by the experts at 31.12.2013 based on a capitalisation rate of 7.03% applied to the contractual rents increased by the estimated rental value on unlet space (see the Report of the Real Estate Experts).

NOTE 22. INTANGIBLE ASSETS AND OTHER TANGIBLE ASSETS

(x €1,000)	Intangible assets		Other tangible assets	
	2013	2012	2013	2012
AT 01.01	**605**	**745**	**856**	**966**
Acquisitions of the financial year	**477**	**293**	**107**	**163**
IT software	477	293		
Office fixtures and fittings			107	163
Depreciation of the financial year	**329**	**433**	**282**	**273**
IT software	329	433		
Office fixtures and fittings			282	273
Disposals of the financial year			**4**	
Office fixtures and fittings			4	
AT 31.12	**753**	**605**	**677**	**856**

The intangible assets and other tangible assets are exclusively assets held for own use.

The depreciation rates used depend on the duration of the economic life:

- fixtures: 10% to 12.5%;
- IT hardware: 25%;
- IT software: 25%.

NOTE 23. FINANCIAL INSTRUMENTS

A. CATEGORIES AND DESIGNATION OF FINANCIAL INSTRUMENTS

(x €1,000)	31.12.2012					
	Designated in a hedging relationship	Designated at fair value through the net result	Held for trading	Loans, receivables and financial liabilities at amortised cost	Fair value	Fair value qualification
Non-current financial assets						
Hedging instruments						
CAPs	8,009				8,009	Level 2
FLOORs						
IRS		11,069			11,069	Level 2
Credits and receivables						
Loans to associated companies				5,594	5,594	Level 2
Non-current finance lease receivables				53,396	81,112	Level 2
Trade receivables and other non-current assets				97	97	Level 2
Current financial assets						
Hedging instruments						
CAPs	15				15	Level 2
FLOORs						
IRS			6,486		6,486	Level 2
Credits and receivables						
Loans to associated companies						
Current finance lease receivables				2,973	4,516	Level 2
Trade receivables				22,636	22,636	Level 2
Cash and cash equivalents				3,041	3,041	Level 2
TOTAL	**8,024**	**11,069**	**6,486**	**87,737**	**142,575**	
Non-current financial liabilities						
Non-current financial debts						
Bonds		401,229			393,833	Level 2
Commercial papers - fixed rate				15,000	15,000	Level 2
(Mandatory) Convertible bonds		177,289			177,289	Level 1
Bank debts				781,621	781,621	Level 2
Other non-current financial liabilities						
CAPs	3,669				3,669	Level 2
FLOORs	154,132				154,132	Level 2
IRS			32,062		32,062	Level 2
Current financial liabilities						
Current financial debts						
Commercial papers - floating rate				321,750	321,750	Level 2
Bank debts				16,171	16,171	Level 2
Other current financial liabilities						
CAPs	6				6	Level 2
FLOORs			7,129		7,129	Level 2
IRS			5,760		5,760	Level 2
Other financial debts				26,428	26,428	Level 2
Trade debts				64,560	64,560	Level 2
TOTAL	**157,807**	**578,518**	**44,951**	**1,225,530**	**1,999,411**	

(x €1,000)	31.12.2013 Designated in a hedging relationship	Designated at fair value through the net result	Held for trading	Loans, receivables and financial liabilities at amortised cost	Fair value	Fair value qualification
Non-current financial assets						
Hedging instruments						
CAPs	6,929		25		6,954	Level 2
FLOORs						
IRS	4,263				4,263	Level 2
Credits and receivables						
Loans to associated companies				9,724	9,724	Level 2
Non-current finance lease receivables				67,449	96,254	Level 2
Trade receivables and other non-current assets				40	40	Level 2
Current financial assets						
Hedging instruments						
CAPs						
FLOORs						
IRS			2,782		2,782	Level 2
Credits and receivables						
Loans to associated companies						
Current finance lease receivables				1,236	1,764	Level 2
Trade receivables				25,698	25,698	Level 2
Cash and cash equivalents				15,969	15,969	Level 2
TOTAL	**11,192**		**2,807**	**120,116**	**163,448**	
Non-current financial liabilities						
Non-current financial debts						
Bonds				190,000	190,135	Level 2
Commercial papers - fixed rate				15,000	15,000	Level 2
(Mandatory) Convertible bonds		377,331			377,331	Level 1
Bank debts				676,183	676,183	Level 2
Rental guarantees received				7,994	7,994	Level 2
Other non-current financial liabilities						
CAPs	2,538		13		2,551	Level 2
FLOORs	90,699				90,699	Level 2
IRS						
Other				76	76	Level 2
Current financial liabilities						
Current financial debts						
Bonds		204,288			205,080	Level 2
Commercial papers - floating rate				103,150	103,150	Level 2
Bank debts				147,373	147,373	Level 2
Other current financial liabilities						
CAPs						
FLOORs	1,057				1,057	Level 2
IRS			20,864		20,864	Level 2
Other financial debts				698	698	Level 2
Trade debts				64,680	64,680	Level 2
TOTAL	**94,294**	**581,619**	**20,877**	**1,205,195**	**1,902,912**	

Fair value of financial assets and liabilities[1]

The financial instruments that are valued, subsequent to their initial recognition, at their fair value on the balance sheet, can be presented according to three levels (1 to 3), based on the degree to which they are observable:

- The level 1 fair value measurements are those derived from listed prices (unadjusted) in active markets for similar assets or liabilities.
- The level 2 fair value measurements are those derived from data, other than listed prices included within level 1, that are observable for the assets or liabilities in question, either directly (i.e. as prices) or indirectly (i.e. as data derived from prices).
- The level 3 fair value measurements are those that are not based on observable market data for the assets or liabilities in question.

Level 1

The convertible bonds issued by Cofinimmo are level 1.

Change in the fair value of the convertible bonds

	2013			2012	
(x €1,000)	Convertible 1	Convertible 2	Total	Convertible 1	Convertible 2
AT 01.01	**177,289**	**190,820**[2]	**368,109**	**161,496**	**N/A**
Residual change in the fair value attributable to changes in the credit risk of the instrument recognised during the financial year	-5,746	-8,673	-14,419	7,937	N/A
Change in the fair value attributable to changes in market conditions generating a market risk (interest rates, share prices) during the financial year	6,529	12,916	19,445	7,856	N/A
AT 31.12	**178,072**	**195,063**	**373,135**	**177,289**	**N/A**

At 31.12.2013, the convertible bonds have a total fair value of €373,134,998. If the bonds are not converted into shares, the redemption value will amount to €364,147,188 at final maturity.

Level 2

All other financial assets and liabilities and namely the financial derivatives stated at fair value by Cofinimmo are level 2. Their fair value is determined as follows.

The fair value of financial assets and liabilities with standard terms and conditions and negotiated on active and liquid markets is determined based on stock market prices.

The fair value of "trade receivables", "trade debts", "loans to associated companies" as well as any floating-rate debt is close to their book value.

Bank debts are primarily in the form of roll-over credit facilities drawn over one month.

The fair value of listed bonds (retail bonds and private placements) is determined by using reference prices listed in an active market[3].

The calculation of the fair value of "finance lease receivables" and "swap" derivatives is based on the discounting of future capital flows at the appropriate market rates. More details on the finance lease receivables can be found in Note 24.

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 valuation models are used in the case of optional derivatives. Interest rate swaps are valued according to the discounted value of estimated cash flows in accordance with the yield curves obtained on the basis of market interest rates.

Level 3

Cofinimmo currently does not hold any financial instrument meeting the definition of level 3.

B. MANAGEMENT OF FINANCIAL RISK

Interest rate risk

Since the Cofinimmo Group owns a (very) long-term property portfolio, it is highly probable that the borrowings financing this portfolio will be refinanced upon maturity by other borrowings.

Therefore, the company's total financial debt is regularly renewed for an indetermined future period.

For reasons of cost efficiency, the Group's financing policy by debt separates the raising of borrowings (liquidity and margins on floating rates) from the management of interest rates risks and charges (fixing and hedging of future floating interest rates).

Generally, funds are borrowed at a floating rate. Some borrowings contracted at a fixed rate have been converted into a floating rate through interest rate swaps. The goal of this is to take advantage of low short-term rates.

Allocation of borrowings (non-current and current) **at floating rate and at fixed rate** (calculated based on their nominal values)

(x €1,000)	2013	2012
Floating-rate borrowings (incl. €200,000 of bonds converted into floating rate)	1,224,150	1,161,721
Fixed-rate borrowings	464,826	578,365
TOTAL	**1,688,976**	**1,740,086**

[1] For more details on the changes which occurred during 2013, and on the composition and conditions of our bonds, we also recommend reading the chapter "Management of Financial Resources" of this Annual Financial Report.

[2] Issue value in June 2013.

[3] It concerns namely bonds issued in 2004 and 2009 and maturing in 2014. Their valuation comes from Bloomberg.

In accordance with its hedging policy, the Group hedges at least 50% of its portfolio of total debts for at least three years by entering into interest rate derivatives (CAPs bought, fixed listed IRS, FLOORs sold).

The hedging 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 rapidly followed by a revival of the overall economic activity which would give rise to more robust rental conditions and subsequently benefit the net result.

The banks that sign these contracts are generally different from the ones providing the funds, but the Group makes sure that the periods of the interest rate derivatives and the dates at which they are contracted correspond to the renewal periods of its borrowing contracts and the dates at which their rates are set.

If a derivative instrument hedges an underlying debt contracted at a floating rate, the hedge relationship is qualified as a cash flow hedge.

If a derivative instrument hedges an underlying debt contracted at a fixed rate, it is qualified as a fair value hedge.

For optional instruments, only the intrinsic element is designated as a hedging instrument.

The average rate without margin of the debt at 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% change in the interest rate on the average interest rate of the debt, the notional principal amount and the fair value of the financial instruments (based on the debt and the derivative positions at the closing date)[1]

(x €1,000,000)

Change	Average interest rate		Notional principal amount		Changes in the fair value of the financial derivatives		Changes in the fair value of the convertible bonds	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Fair value at 31.12	3.79%	4.58%	1,224	1,458	-105	-188	373	175
+1%	3.86%	4.46%	/	/	77	31	-11	-5
-1%	3.78%	4.60%	/	/	-79	-11	12	20

Summary of the potential effects, on equity and on the income statement, of a 1% change in the interest rate resulting from changes in the fair value of the financial instruments (derivatives + convertibles)**, changes in the floating payments of the financial derivatives and changes in the floating-rate credits**

(x €1,000)	**2013**		2012	
Change	Income statement	Equity	Income statement	Equity
+1%	57,312	30,411	33,284	4,957
-1%	-53,268	-38,288	-25,843	-2,765

If the future interest rate curve at 31.12.2013 increases in parallel by 1%, the fair value of the valued financial derivatives increases by €77.22 million (2012: €+31.21 million). Given the actual level of short-term interest rates and the exercise price of the financial instruments, this would result in an increase by €30.41 milllion (2012: €+4.96 million) of equity and by €46.81 million (2012: €+26.26 million) of the income statement.

If the curve decreases in parallel by 1%, the fair value of the financial derivatives decreases by €79.83 million (2012: €-10.62 million). Given the current level of short-term interest rates and the exercise price of the financial instruments, this would result in a decrease by €38.29 million (2012: €-2.76 million) of equity and by €41.54 million (2012: €-7.85 million) of the income statement.

Credit risk

By virtue of Cofinimmo's operational business, it deals with two main counterparties: banks and customers.

The Group maintains a minimum rating standard for its financial counterparties. All financial counterparties have an external investment grade rating.

Customer risk is mitigated by a diversification of customers and an analysis of their solvency before and during the lease contract. The two main office clients come from the public sector. Also see pages 26 and 34 of this Annual Financial Report, which contains a table with the top ten customers and their rating as assigned by an external rating agency.

Price risk

The Group could be exposed to a price risk linked to the Cofinimmo stock options tied to its convertible bonds. However, given that this option is out-of-the-money, the risk is considered unlikely.

Foreign exchange risk

The Group is not currently exposed to any foreign exchange risk.

Liquidity risk

The liquidity risk is limited by the diversification of the financing sources and by the refinancing which is done one year before the maturity date of the financial debt.

[1] The figures shown exclude the changes in payments related to the current year and the convertible bonds.

Liquidity obligation at maturity related to non-current loans (contractual flows and non-discounted interests)

(x €1,000)	2013	2012
Between one and two years	268,546	651,690
Between two and five years	889,945	457,193
Beyond five years	153,422	280,000
TOTAL	**1,311,912**	**1,388,883**

Undrawn long-term credit facilities

(x €1,000)	2013	2012
Expiring within one year		50,000
Expiring after one year	614,400	669,400

Collateralisation

The book value of the pledged financial assets stands at €38,832,250 at 31.12.2013.

The terms and conditions of the pledged financial assets are detailed in Note 40.

During 2013, there were no payment defaults on loan agreements, nor violations of the terms of these 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 activity.

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 during a specific period. He only exercises this right if the actual short-term rate exceeds the CAP's maximum 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. The CAP therefore hedges against unfavourable rate increases.

FLOOR

The seller of a FLOOR sells the right to benefit from a minimum interest rate during 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, the seller receives a premium from 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 (interest rate collar) between a minimum rate (the rate of the FLOOR) and a maximum rate (the rate of the CAP), while limiting the cost of the premium paid for this insurance.

For 2014, this corridor is fixed between 3.00% and 4.25% for an amount of €1.0 billion.

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 its two bonds issued in 2004 and 2009 at a fixed rate, Cofinimmo has contracted Interest Rate Swaps in order to exchange the fixed rates against floating rates. Both these Swaps are designated as cash flow hedging. The €140 million bond issued in 2012 was partially converted from a fixed rate to a floating rate; the Swap, with a nominal value of €100 million, is designated as held for trading. The increase in the floating rates is hedged via the CAP options bought by the Group.

The combination of these IRS contracts and CAP options bought allows Cofinimmo to benefit from the decreasing interest rates (compared to the initial fixed rates of the bonds) whilst protecting itself against an increase of these rates via the CAP options. The IRS contracts are detailed in the table on page 171.

Cancellable Interest Rate Swap

A Cancellable Interest Rate Swap is a classic IRS that also contains a cancellation option for the bank as from a certain date. Cofinimmo has contracted Cancellable Interest Rate Swaps to exchange floating interest rates against fixed interest rates. The sale of this cancellation option allowed to reduce the guaranteed fixed rates during the period covering at least the first cancellation date.

The Cancellable Interest Rate Swaps are detailed in the table on page 171.

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.

Floating-rate borrowings at 31.12.2013 hedged by derivative financial instruments

The floating-rate debt (€1,224 million) is obtained by deducting from the total debt (€1,722 million) the elements of the debt which remained at fixed rate after taking into account the Interest Rate Swaps, as detailed in the table below:

(x €1,000)	
Financial debts	**1,722,174**
Convertible bonds	-373,135
Fixed-rate bonds	-90,000
Mandatory Convertible Bonds (MCB)	-4,196
Fixed-rate borrowings	-10,726
Other	-19,967
Floating-rate borrowings hedged by derivative financial instruments	**1,224,150**

At 31.12.2013, Cofinimmo had a floating-rate debt for a notional amount of €1,224 million. This amount was hedged against interest rate risks with CAPs for a notional amount of €1.0 billion, FLOORs sold forming a collar with CAPs for a notional amount of €1.0 billion, and Interest Rate Swaps for a notional amount of €140 million.

The value of the CAPs effective from 15.01.2013 to 15.01.2014 was zero for an exercise price at 3.75%, far above the Euribor three months, which amounted to 0.287% at 31.12.2013.

Cash flow hedge

Period	Option	Exercise price	Notional amount (x €1,000)
2013	CAP bought	3.75%	1,000,000
2014	CAP bought	4.25%	1,000,000
2015	CAP bought	4.25%	1,000,000
2016	CAP bought	4.25%	1,000,000
2017	CAP bought	4.25%	1,000,000
2013	FLOOR sold	3.00%	1,000,000
2014	FLOOR sold	3.00%	1,000,000
2015	FLOOR sold	3.00%	1,000,000
2016	FLOOR sold	3.00%	1,000,000
2017	FLOOR sold	3.00%	1,000,000

For the years 2013 to 2017, Cofinimmo projects to maintain a property portfolio partially financed through debt. The company will thus owe an interest flow to be paid, which forms the element covered by the derivative financial instruments described above.

At 31.12.2013, Cofinimmo has a debt of €1,244 million which is covered by derivative instruments such as cash flow hedging instruments. Based on future projections, this debt will amount to €1,288 million at 31.12.2014, €1,344 million at the end of 2015 and €1,442 million at the end of 2016[1].

Effective part of the changes in the fair value of the derivative financial instruments, qualified as cash flow hedge

(x €1,000)	2013	2012
AT 01.01	**-157,113**	**-116,379**
Changes in the effective part of the changes in the fair value of derivative financial instruments	29,613	-51,009
Transfer to the income statement of the intrinsic value of derivative financial instruments active during the period	27,679	634
AT 31.12	**-99,821**	**-166,754**

Ineffective part of the changes in the fair value of the derivative financial instruments, qualified as cash flow hedge

(x €1,000)	2013	2012
AT 01.01	**-20,942**	**-9,862**
Changes in the ineffective part of the changes in the fair value of derivative financial instruments	619	-11,080
AT 31.12	**-20,323**	**-20,942**

Fair value hedges

Cofinimmo Luxemburg 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% corresponding to the payable coupon related to the €100 million bond maturing on 15.07.2014 that it 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% corresponding to the payable coupon related to the €100 million bond maturing on 25.11.2014 that it issued in 2009.

Change in the fair value of the fair value hedging instruments

(x €1,000)	2013[2]	2012
AT 01.01	**11,069**	**11,488**
Changes in the fair value of the fair value hedging instruments	-6,806	-418
AT 31.12	**4,263**	**11,070**

[1] Cofinimmo took advantage of the low interest rates to refinance with fixed-rate instruments instead of floating-rate instruments. FLOORs were cancelled to avoid overhedging. CAPs, which are out-of-the-money and have a value of €0, give an exercise right, not an exercise obligation, and were not cancelled.

[2] The important "Changes in the fair value of the fair value hedging instruments" in 2013 is the result of the fact that a bond swapped into floating rate with a nominal value of €50 million was replaced by a fixed-rate bond with a nominal value of €50 million.

Changes in the fair value of the hedged instruments

(x €1,000)	2013	2012
AT 01.01	**261,069**	**261,488**
Changes in the fair value caused by the maturity of the instruments	-50,000[1]	
Changes in the fair value of the hedged instruments	-6,806	-418
AT 31.12	**204,263**	**261,070**

Financial instruments held for trading

The Group contracted a Cancellable Interest Rate Swap. This instrument, recognised as trading, is made up of a classic IRS (here: fixed payer) and a short position in an option that allows the counterparty to cancel this Swap as from a certain date. The sale of this option allowed to reduce the guaranteed fixed rate during the entire period.

Liquidity obligation at maturity related to the financial derivatives

(x €1,000)	2013	2012
Between one and two years	-29,280	-35,123
Between two and five years	-43,948	-66,302
Beyond five years	622	-5,783
TOTAL	**-72,606**	**-107,208**

(x €1,000)

Period	Option	Exercise price	Floating rate	Annual amount	First option	Option frequency
2008-2018	Cancellable IRS	4.10%	3M	140,000	15.10.2011	Annual
2018	IRS	2.11%	1M	660,000		
2019	IRS	2.37%	1M	800,000		
2018-2019	IRS	2.18%	1M	200,000		
2020-2022	IRS	2.73%	1M	500,000		
2012-2016	IRS	3.60%	3M + 300.5bps	100,000		
2014	CAPs bought	4.25%	3M	200,000		
2015	CAPs bought	4.25%	3M	200,000		

Compensation of the financial assets and liabilities

(x €1,000)	31.12.2013					
	Gross amount of financial assets recognised	Gross amount of financial liabilities set off in the financial statements	Net amount of financial assets presented in the position of financial liabilities	Amounts not set off in the financial statements		Net amount
				Financial instruments	Cash collateral received	
Financial assets						
CAPs, FLOORs	6,954		6,954	6,394		560
IRS	12,123		12,123	9,724		2,399
TOTAL	**19,077**		**19,077**	**16,118**		**2,959**

(x €1,000)	31.12.2013					
	Gross amount of financial liabilities recognised	Gross amount of financial assets set off in the financial statements	Net amount of financial liabilities presented in the financial statements	Amounts not set off in the financial statements		Net amount
				Financial instruments	Cash collateral received	
Financial liabilities						
CAPs, FLOORs	100,335		100,335	6,394		93,941
IRS	22,069		22,069	9,724		12,345
TOTAL	**122,404**		**122,404**	**16,118**		**106,285**

These tables present the net positions of the assets and liabilities of the financial instruments per counterparty.

[1] The important "Changes in the fair value of the hedged instrument" in 2013 is explained by the fact that a bond swapped into floating rate with a nominal value of €50 million was replaced by fixed-rate bond with a nominal value of €50 million.

Summary of the derivative financial instruments active during the financial year 2013

(x €1,000)

	Option	Exercise price	Floating rate	Notional amount (x €1,000)	First option	Option frequency
Swap from fixed rate to floating rate						
Period						
2012-2016[1]	IRS	3.60%	Euribor 3 months +3.005%	100,000		
2004-2014[2]	IRS	5.25%	Euribor 3 months +0.80%	100,000		
2009-2014[3]	IRS	5.00%	Euribor 3 months +2.22%	100,000		
Swap from floating rate to fixed rate (cash flow hedging instruments)						
Period						
2014	CAP bought	4.25%	Euribor 3 months	1,200,000		
2014	FLOOR sold	3.00%	Euribor 3 months	1,000,000		
2008-2018	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 07.12.2010 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 from exceeding 65% of the consolidated assets. This financial plan is subject to a special auditor's report confirming that the latter has verified the method for drawing up the plan, namely 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 31.03.2013 and 30.06.2013, the debt ratio remained below the 50% mark at 47.72% and 49.18% respectively. On 31.12.2013, the debt ratio stood at 48.87%. This change over the year is mainly the result of the 2012 dividend paid in June 2013.

2. Debt ratio policy

Cofinimmo's policy is to maintain a debt ratio close to 50%. It 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. Forecast of the debt ratio evolution

Cofinimmo's financial plan, updated in February 2013, shows that Cofinimmo'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. See also the chapter "Risks Factors" of this Financial Annual Report.

4. Decision

Cofinimmo's Board of Directors thus considers that the debt ratio 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.

NOTE 24. FINANCE LEASE RECEIVABLES

The Group has concluded finance leases for several buildings, namely the Courthouse of Antwerp for 36 years. The Group has also granted financings linked to refitting works to certain tenants. The average implicit yield of these finance lease contracts amounts to 5.75% for 2013 (2012: 5.50%). During the financial year 2013, conditional rents (indexations) were recorded as revenues of the period for €0.04 million (2012: €0.09 million).

[1] This Swap was concluded to exchange a fixed rate against a floating rate.
[2] This Swap will mature on 15.07.2014.
[3] This Swap will mature on 25.11.2014.

(x €1,000)	2013	2012
Less than one year	3,523	4,558
More than one year but less than five years	14,277	9,571
More than five years	179,593	156,405
Minimum lease payments	**197,393**	**170,534**
Deferred financial income	-128,709	-114,165
Discounted value of minimum lease payments	**68,684**	**56,370**
Non-current finance lease receivables	67,449	53,397
More than one year but less than five years	13,864	9,295
More than five years	53,584	44,102
Current finance lease receivables	1,236	2,973
Less than one year	1,236	2,973

The fair value of the finance lease receivables at 31.12.2013 is estimated at €98.02 million.

NOTE 25. ASSETS HELD FOR SALE

(x €1,000)	2013	2012
AT 01.01	**10,670**	**12,025**
Investments	39	2
Transfers from Investment properties	410	1,400
Disposals of assets during the year	-1,810	-826
Increase/Decrease in the fair value	-1,009	-1,931
AT 31.12	**8,300**	**10,670**

All the assets held for sale are investment properties.

NOTE 26. CURRENT TRADE RECEIVABLES

(x €1,000)	2013	2012
Gross trade receivables[1]		
Gross trade receivables which are due but not provisioned	8,312	8,705
Gross trade receivables which are not due	17,386	13,931
Bad and doubtful receivables	353	1,425
Provisions for the impairment of receivables (-)	-353	-1,425
TOTAL	**25,698**	**22,636**

The Group has recognised a writedown on trade receivables of k€82 (2012: charge of k€-19) during the year ended 31.12.2013. 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)	2013	2012
Due under 60 days ago	7,061	5,173
Due 60 to 120 days ago	102	222
Due over 120 days ago	1,149	3,310
TOTAL	**8,312**	**8,705**

[1] The credit risk is detailed in the chapter "Risk Factors" of this Annual Financial Report.

Provisions for bad and doubtful receivables

(x €1,000)	2013	2012
AT 01.01	**1,425**	**1,484**
Use	-990	-78
Provisions charged to the income statement	43	59
Provision writebacks credited to the income statement	-125	-40
AT 31.12	**353**	**1,425**

NOTE 27. TAX RECEIVABLES AND OTHER CURRENT ASSETS

(x €1,000)	2013	2012
Taxes	2,903	9,531
Regional taxes	3,671	2,762
Withholding taxes	10,706	10,560
Other	7,024	6,289
TOTAL	**24,304**	**29,142**

The other current assets are mainly taxes and withholding taxes to be reinvoiced to the tenants.

As a reminder, the increase of the "Tax" item in 2012 was mainly due to withholding taxes to be recovered following the mergers realised within the Group.

NOTE 28. DEFERRED CHARGES AND ACCRUED INCOME

(x €1,000)	2013	2012
Rent-free periods and incentives granted to tenants to be spread	1,361	1,550
Prepaid property charges	17,267	24,569
Prepaid interests and other financial charges	8,346	7,715
TOTAL	**26,974**	**33,834**

NOTE 29. SHARE CAPITAL AND SHARE PREMIUMS

(in number)	Ordinary shares		Convertible preference shares		Total	
	2013	2012	2013	2012	2013	2012
Number of shares (A)						
AT 01.01	**16,423,925**	**15,220,653**	**689,397**	**1,067,809**	**17,113,322**	**16,288,462**
Issued as a result of mergers with subsidiaries		434,082				434,082
Issued as a result of the optional dividend	529,362	390,778			529,362	390,778
Conversion of preference shares into ordinary shares	715	378,412	-715	-378,412		
AT 31.12	**16,954,002**	**16,423,925**	**688,682**	**689,397**	**17,642,684**	**17,113,322**
Own shares held by the Group (B)						
AT 01.01	**1,105,750**	**1,094,374**			**1,105,750**	**1,094,374**
Issued as a result of mergers with subsidiaries		434,082				434,082
Own shares (sold)/purchased - net	-1,056,833	-422,706			-1,056,833	-422,706
AT 31.12	**48,917**	**1,105,750**			**48,917**	**1,105,750**
Number of outstanding shares (A-B)						
AT 01.01	**15,318,175**	**14,126,279**	**689,397**	**1,067,809**	**16,007,572**	**15,194,088**
AT 31.12	**16,905,085**	**15,318,175**	**688,682**	**689,397**	**17,593,767**	**16,007,572**

(x €1,000)	Ordinary shares		Convertible preference shares		Total	
	2013	2012	**2013**	2012	**2013**	2012
Capital						
AT 01.01	**821,058**	**757,287**	**36,764**	**56,941**	**857,822**	**814,228**
Own shares sold/(purchased) - net	56,635	22,652			56,635	22,652
Issued as a result of the optional dividend	28,368	20,942			28,368	20,942
Conversion of preference shares into ordinary shares	38	20,177	-38	-20,177		
AT 31.12	**906,099**	**821,058**	**36,726**	**36,764**	**942,825**	**857,822**
Share premiums						
AT 01.01	**293,243**	**256,024**	**36,349**	**56,306**	**329,592**	**312,330**
Own shares sold/(purchased) - net	27,014	6,097			27,014	6,097
Issued as a result of the optional dividend	15,504	11,165			15,504	11,165
Conversion of preference shares into ordinary shares	38	19,957	-38	-19,957		
AT 31.12	**335,799**	**293,243**	**36,311**	**36,349**	**372,110**	**329,592**

Categories of shares

The Group 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 31.12.2013. The ordinary shares are listed on the First Market of Euronext Brussels.

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 the preference shares that have not yet been converted, from the 15th anniversary of their issue date;
- the preference shares are registered, listed on the First Market of Euronext Brussels 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 stands at €53.33 per share.

Shares held by the Group: at 31.12.2013, the Group held 48,917 ordinary shares (also see page 20) (31.12.2012: 1,105,750).

Authorised capital

On 29.03.2011, the General Shareholders' Meeting authorised the Board of Directors to issue new capital for €799,000,000 and for a period of five year. At 31.12.2013, the Board of Directors has made use of this authorisation for a total amount of €241,204,079.53. Hence, the remaining authorised capital amounts to €557,795,920.47 at that date. This authorised capital is based on the par value of €53.33 per ordinary or preference share before 31.12.2007 and €53.59 per ordinary share subsequently.

NOTE 30. RESERVES

(x €1,000)	2013	2012
Legal reserve	1,735	1,662
Reserve for the balance of changes in the fair value of investment properties	-144,422	-150,059
Reserve for the estimated transaction costs and transfer duties resulting from the hypothetical disposal of investment properties	-75,715	-71,424
Reserve for the balance of changes in the fair value of authorised hedging instruments qualifying for hedge account	-88,745	-157,113
Reserve for the balance of changes in the fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-37,553	-1,479
Other	585,965	568,956
Tax-exempt reserves	3,037	2,685
Distributable reserves	582,928	566,271
TOTAL	**241,265**	**190,543**

The reserves are presented before appropriation of the result of the financial year.

NOTE 31. RESULT PER SHARE

The calculation of the result per share at the closing date is based on the net current result/net result attributable to the ordinary and preference shareholders of k€104,924 (2012: k€97,486)/k€58,737 (2012: k€98,072) and a number of ordinary and preference shares entitled to share in the result of the period ended 31.12.2013 of 17,593,767 (2012: 16,015,572[1]).

The net current result - excluding IAS 39 impact stands at k€119,209 for the financial year 2013. Per share, this result amounts to €6.78.

The diluted result per share takes into account the impact of a theoretical conversion of the convertible bonds issued by Cofinimmo, of the mandatory convertible bonds issued by Cofinimur I and of the stock options

Result attributable to the ordinary and preference shares

(x €1,000)	2013	2012
Net current result attributable to the ordinary and preference shares	**104,924**	**97,486**
Net current result of the period	109,930	101,192
Minority interests	-5,006	-3,706
Result on the portfolio attributable to the ordinary and preference shares	**-46,187**	**586**
Result on the portfolio of the period	-48,066	1,503
Minority interests	1,879	-917
Net result attributable to the ordinary and preference shares	**58,737**	**98,072**
Net result of the period	61,864	102,695
Minority interests	-3,127	-4,623

Diluted result per share

(in €)	2013	2012
Net result	58,736,945	98,071,556
Number of ordinary and preference shares entitled to share in the result of the period	17,593,767	16,015,572
Net current result per share - Group share	5.96	6.09
Result on the portfolio per share - Group share	-2.62	0.03
Net result per share - Group share	3.34	6.12
Diluted net result - Group share	54,350,041	96,485,853
Number of ordinary and preference shares entitled to share in the result of the period taking into account the theoretical conversion of the convertible bonds, of the mandatory convertible bonds and of the stock options	16,945,296[2]	15,907,128[2,3]
Diluted net result per share - Group share	3.21[2]	6.07[2,3]

[1] Including 8,000 own shares sold in January 2013 and entitled to the dividend of the financial year 2012.

[2] In accordance with IAS 33, the convertible bonds are excluded from the calculation of the diluted net result of 2012 and 2013, as they would have an accretive impact on the diluted result per share.

[3] The calculation method of the diluted net result was reviewed in 2013. The 2012 diluted net result - Group share was recalculated based on the method applied in 2013.

NOTE 32. DIVIDEND PER SHARE[1]

(in €)	**Paid in 2013**	Paid in 2012
Gross dividends attributable to the ordinary shareholders	99,568,137.50	91,820,813.50
Gross dividend per ordinary share	6.50	6.50
Net dividend per ordinary share	4.875	5.135
Gross dividends attributable to the preference shareholders	4,391,458.89	6,801,943.33
Gross dividend per preference share	6.37	6.37
Net dividend per preference share	4.7775	5.0323

A gross dividend in respect of the financial year 2013 of €6.00 per ordinary share (net dividend of €4.50 per ordinary share), amounting to a total dividend of €101,430,510.00, is to be proposed at the Ordinary General Meeting of 14.05.2014[1]. Indeed, at the closing date, the number of ordinary shares entitled to the 2013 dividend amounts to 16,905,085.

The Board of Directors proposes to suspend the right to dividend for the 40,211 own ordinary shares still held by Cofinimmo under its stock option plan and to cancel the right to dividend of the remaining 8,706 own shares.

A gross dividend in respect of the financial year 2013 of €6.37 per preference share (net dividend of €4.7775 per preference share), amounting to a total dividend of €4,386,904.34, is to be proposed at the Ordinary General Meeting of 14.05.2014. Indeed, at the closing date, the number of preference shares entitled to the 2013 dividend stands at 688,682.

As a reminder, since 01.01.2013, the withholding tax rate applicable to distributed dividends stands at 25%. In addition, since 07.01.2013, no withholding tax is applied for non-resident investors having a non-profit activity and which corporate purpose solely consists of the management and placement of funds collected to serve legal or complementary pensions.

NOTE 33. PROVISIONS

(x €1,000)	**2013**	2012
AT 01.01	**20,493**	**18,474**
Provisions charged to the income statement	1,421	5,992
Uses	-2,166	-1,598
Provision writebacks credited to the income statement	-1,568	-2,375
AT 31.12	**18,180**	**20,493**

The provisions of the Group (k€18,180) can be classified in two categories:

- provisions corresponding to a contingent quota of the cost of the works that the Group has committed to undertake in several buildings, for k€13,882 (2012: k€13,880);
- provisions to face its potential commitments vis-à-vis tenants or third parties, for k€4,298 (2012: k€6,613).

These provisions correspond to the discounted future payments considered as likely by the Board of Directors.

NOTE 34. DEFERRED TAXES

(x €1,000)	**2013**	2012
Exit tax	1,183	2,128
Deferred taxes	33,572	33,666
TOTAL	**34,755**	**35,794**

The exit tax pertains to two French entities which opted for the SIIC status in 2013. 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 at 31.12.2012 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 first payment took place in December 2013 for a total amount of k€626.

The deferred taxes pertain to the Dutch subsidiary Pubstone Properties BV. The deferred taxes of this subsidiary 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] Based on the parent company's result.

NOTE 35. TRADE DEBTS AND OTHER CURRENT DEBTS

(x €1,000)	2013	2012
Exit tax	**611**	**289**
Other	**64,069**	**64,271**
Suppliers	**25,844**	**29,515**
Taxes, social charges and salaries debts	**25,881**	**24,975**
Taxes	24,153	23,436
Social charges	498	551
Salaries debts	1,230	988
Other	**12,344**	**9,781**
Town-planning charges		632
Dividend coupons	48	33
Provisions for withholding taxes and other taxes	8,705	6,088
Pubstone dividend coupons	1,322	1,322
Miscellaneous	2,269	1,706
TOTAL	**64,680**	**64,560**

NOTE 36. ACCRUED CHARGES AND DEFERRED INCOME

(x €1,000)	2013	2012
Rental income received in advance	9,614	14,531
Interests and other charges accrued and not due	24,268	21,803
Other	85	135
TOTAL	**33,967**	**36,469**

NOTE 37. NON-CASH CHARGES AND INCOME

(x €1,000)	2013	2012
Charges and income related to operating activities	**24,069**	**-19,965**
Changes in the fair value of investment properties	26,260	-12,197
Writeback of lease payments sold and discounted	-25,276	-22,994
Movements in provisions and stock options	-1,484	2,316
Depreciation/Writedown (or writeback) on intangible and tangible assets	615	706
Losses (or writeback) on current assets	-83	19
Exit tax	-618	596
Goodwill impairment	21,000	7,100
Rent-free periods	189	-54
Minority interests	3,127	4,623
Other	339	-80
Charges and income related to financing activities	**11,204**	**22,582**
Changes in the fair value of financial assets and liabilities	13,686	24,344
Other	-2,482	-1,762
TOTAL	**35,273**	**2,617**

NOTE 38. CHANGES IN WORKING CAPITAL REQUIREMENTS

(x €1,000)	2013	2012
Movements in asset items	**9,602**	**-7,976**
Trade receivables	-1,926	-2,058
Tax receivables	5,056	-11,329
Other short-term assets	-198	-1,320
Deferred charges and accrued income	6,670	6,731
Movements in liability items	**-11,500**	**-1,309**
Trade debts	-12,228	-3,008
Taxes, social charges and salaries debts	860	-766
Other current debts	2,586	-397
Accrued charges and deferred income	-2,718	2,862
TOTAL	**-1,898**	**-9,285**

NOTE 39. EVOLUTION OF THE PORTFOLIO PER SEGMENT DURING THE FINANCIAL YEAR

The tables below show the movements of the portfolio per segment during the financial year 2013 in order to detail the amounts included in the cash flow statement.

The amounts related to properties and included in the cash flow statement and in the tables below are shown in investment value.

Acquisitions of investment properties

Acquisitions made during a financial year can be realised in three ways:

- acquisition of the property directly against cash, shown under the item "Acquisitions of investment properties" of the cash flow statement;
- acquisition of the property against shares, not shown in the cash flow statement as it is a non-cash transaction;
- acquisition of the company owning the property against cash, shown under the item "Acquisitions of consolidated subsidiaries" of the cash flow statement.

(x €1,000)		Offices	Healthcare real estate			Property of distribution networks	Other	Total
			Belgium	France	Netherlands			
Properties available for lease	Properties against cash					561		561
	Properties against shares							
	Companies against cash							
	Subtotal					**561**		**561**
Development projects	Properties against cash		753		6,533			7,286
	Properties against shares							
	Companies against cash							
	Subtotal		**753**		**6,533**			**7,286**
TOTAL			**753**		**6,533**	**561**		**7,847**

The amount of k€7,847 shown in the cash flow statement under the item "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 shown under the item "Extensions of investment properties" of the cash flow statement.

(x €1,000)	Offices	Healthcare real estate			Property of distribution networks	Other	Total
		Belgium	France	Netherlands			
Development projects	3,381	32,424		53		32	35,890
TOTAL	**3,381**	**32,424**		**53**		**32**	**35,890**
Amount paid in cash	1,734	25,438		53		45	27,270
Changes in provisions	1,647	6,986				-13	8,620
TOTAL	**3,381**	**32,424**		**53**		**32**	**35,890**

Investments in investment properties

Investments in investment properties are financed in cash and are shown under the item "Investments in investment properties" of the cash flow statement.

(x €1,000)	Offices	Healthcare real estate			Property of distribution networks	Other	Total
		Belgium	France	Netherlands			
Properties available for lease	7,410	2,821	5,182	168	3,109	4	18,694
Assets held for sale					42		42
TOTAL	**7,410**	**2,821**	**5,182**	**168**	**3,151**	**4**	**18,736**
Amount paid in cash	7,481	4,275	5,179	168	2,809	4	19,916
Changes in provisions	-71	-1,454	3		342		-1,180
TOTAL	**7,410**	**2,821**	**5,182**	**168**	**3,151**	**4**	**18,736**

Disposals of investment properties

The amounts shown in the cash flow statement under the item "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 31.12.2012 and the net gain or loss realised on the disposal after deduction of the transaction costs.

(x €1,000)	Offices	Healthcare real estate			Property of distribution networks	Other	Total
		Belgium	France	Netherlands			
Properties available for lease							
Net book value					1,175	3,710	4,885
Result on the disposal of assets					645	90	735
Net sales price received					1,820	3,800	5,620
Assets held for sale							
Net book value			435		1,487		1,922
Result on the disposal of assets			215		-144		71
Net sales price received			650		1,343		1,993
Development projects							
Net book value	773						773
Result on the disposal of assets	169						169
Net sales price received	942						942
TOTAL	**942**		**650**		**3,163**	**3,800**	**8,555**

NOTE 40. 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 plots of land Cofinimmo 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 of 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 fulfillment of certain specific conditions.
- With regard to the assignment of the receivables of the lease with the Buildings Agency (Belgian Federal State) for the Antwerp Courthouse, 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 the receivables of the leases with the Buildings Agency (Belgian Federal State) for the North Galaxy, Egmont I, Egmont II, Maire 19 and Colonel Bourg 124 buildings, as well as the assignment of the receivables of the lease with the City of Antwerp on the fire station, the shares of Galaxy Properties SA/NV, Egmont Properties SA/NV, Belliard 1 & 2 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 issue of guarantees in favour of the bank which can be exercised, subject to certain conditions.
- In the context of other assignments of lease receivables, Cofinimmo has taken various commitments and granted certain guarantees, namely 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 Federal State) for the police station of Dendermonde, a purchase option has been granted in favour of the Agency, which, at the end of the lease, can 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, 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 pre-emptive right on future developments to be executed in partnership with a nursing home operator.
- Cofinimmo has a pre-emptive 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, which purpose will be the acquisition, holding and letting of property assets operated by ORPEA in France.
- Within the context of the award 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, of which it currently holds 50%, on the issue of the Property Availability Certificate by the Buildings Agency (Belgian Federal State).
- Within the context of calls for tenders, Cofinimmo regularly 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 of the finance lease debt vis-à-vis Justinvest Antwerpen SA/NV to an external trustee (JPA Properties SPRL/BVBA administered by Intertrust Belgium) concerning the construction cost of the Antwerp Courthouse, the liquidities transferred to JPA have 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 preference shares it issued (Article 8 of the Articles of Association).
- Cofinimmo has undertaken to find a buyer for the Notes maturing in 2027 issued by Cofinimmo Lease Finance (see page 42 of the 2001 Annual Financial Report) in case a withholding tax would be applicable to the interests on these Notes following a change in the taxation laws affecting holders residing in Belgium or in the Netherlands.
- When requested to convert convertible bonds that it issued, Cofinimmo will have the choice, subject to 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 of ordinary Cofinimmo shares, subject to approval by two thirds of the holders in the latter case.
- Cofinimmo has undergone various commitments to not undertake certain actions (negative pledge) at the expiry of various financing contracts.

NOTE 41. INVESTMENT COMMITMENTS

The Group has investment commitments of k€68,888 (31.12.2012: k€166,012) in respect of investment expenditures contracted at the closing date but not yet incurred for the construction of new properties and extensions. Renovation works are not included in this figure.

NOTE 42. CONSOLIDATION CRITERIA AND SCOPE

Consolidation criteria

The consolidated financial statements group the financial statements of the parent company and those of the subsidiaries and joint ventures, as drawn up at the closing date.

Consolidation is achieved by applying the following consolidation methods.

Full consolidation for the subsidiaries

Full consolidation consists of incorporating all the assets and liabilities of the subsidiaries, as well as income and charges.

Minority interests are shown in a separate item of 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 under the equity method for the joint ventures

The equity method consists of replacing the book value of the securities by the equity share of the entity. More details are provided in Note 2, paragraph C.

Consolidation perimeter

Subsidiaries held at 100% by the Group

Name and address of registered offices Fully consolidated subsidiaries	VAT or national number (NN)	Direct and indirect interests and voting rights (in %)		Main activity of the Group subsidiaries held at 100%
		31.12.2013	31.12.2012	
BELLIARD 1 & 2 PROPERTIES SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 832 136 571	100.00	100.00	Belliard 1 & 2 Properties SA/NV holds the residual rights of the property Belliard I-II, charged with a long-lease right (emphytéose/erfpacht).
BELLIARD III-IV PROPERTIES SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 475 162 121	100.00	100.00	Belliard III-IV Properties SA/NV holds the residual rights of the property Belliard III-IV, charged with a long-lease right (emphytéose/erfpacht).
BOLIVAR PROPERTIES SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 878 423 981	100.00	100.00	Bolivar Properties SA/NV owns the freehold of the building Omega Court.

Name and address of registered offices Fully consolidated subsidiaries	VAT or national number (NN)	Direct and indirect interests and voting rights (in %) 31.12.2013	31.12.2012	Main activity of the Group subsidiaries held at 100%
COFINIMMO INVESTISSEMENTS ET SERVICES SA Avenue de l'Opéra 27, 75001 Paris (France)	FR 88 487 542 169	100.00	100.00	Cofinimmo Investissements et Services SA owns, directly or indirectly, 42 healthcare assets in France: - 14 cliniques de Soins de Suite et de Rééducation (SSR - aftercare and rehabilitation clinics): 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 Ravine in Louviers, La Salette in Marseille, Montpribat in Montfort-en-Chalosse, Sainte Baume in Nans-Les-Pins, Estrain 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 Établissements d'Hébergement pour Personnes Âgées Dépendantes (EHPAD - nursing homes): 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 Saint Gabriel in Gradignan, Villa Napoli in Jurançon and Villa Saint Dominique in Rouen.
SAS IS II Avenue de l'Opéra 27, 75001 Paris (France)	FR 74 393 097 209	100.00	100.00	
SCI AC Napoli Avenue de l'Opéra 27, 75001 Paris (France)	FR 71 428 295 695	100.00	100.00	
SCI Beaulieu Avenue de l'Opéra 27, 75001 Paris (France)	FR 50 444 644 553	100.00	100.00	
SCI Chamtou Avenue de l'Opéra 27, 75001 Paris (France)	FR 11 347 555 203	100.00	100.00	
SCI Cuxac II Avenue de l'Opéra 27, 75001 Paris (France)	FR 18 343 262 341	100.00	100.00	
SCI de l'Orbieu Avenue de l'Opéra 27, 75001 Paris (France)	FR 14 383 174 380	100.00	100.00	
SA Domaine de Vontes Avenue de l'Opéra 27, 75001 Paris (France)	FR 67 654 800 135	100.00	100.00	
SCI du Donjon Avenue de l'Opéra 27, 75001 Paris (France)	FR 06 377 815 386	100.00	100.00	
SNC du Haut Cluzeau Avenue de l'Opéra 27, 75001 Paris (France)	FR 39 319 119 921	100.00	100.00	
SARL Hypocrate de la Salette Avenue de l'Opéra 27, 75001 Paris (France)	not subject to taxation NN 388 117 988	100.00	100.00	
SCI La Nouvelle Pinède Avenue de l'Opéra 27, 75001 Paris (France)	FR 78 331 386 748	100.00	100.00	
SCI Privatel Investissement Avenue de l'Opéra 27, 75001 Paris (France)	FR 13 333 264 323	100.00	100.00	
SCI Résidence Frontenac Avenue de l'Opéra 27, 75001 Paris (France)	FR 80 348 939 901	100.00	100.00	
SCI Sociblanc Avenue de l'Opéra 27, 75001 Paris (France)	not subject to taxation NN 328 781 844	100.00	100.00	
COFINIMMO LUXEMBOURG SA Boulevard Grande-Duchesse Charlotte 65, 1331 Luxemburg (Luxemburg)	not subject to taxation NN 100 044	100.00	100.00	Cofinimmo Luxemburg SA issued a 10-year bond guaranteed by Cofinimmo SA/NV. Its resources are used to finance other Group companies.
COFINIMMO SERVICES SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 437 018 652	100.00	100.00	Cofinimmo Services SA/NV is responsible for the property management of the Cofinimmo properties.

Name and address of registered offices Fully consolidated subsidiaries	VAT or national number (NN)	Direct and indirect interests and voting rights (in %) 31.12.2013	31.12.2012	Main activity of the Group subsidiaries held at 100%
EGMONT PROPERTIES SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 891 801 042	100.00	100.00	Egmont Properties SA/NV holds a long-lease right (emphythéose/ erfpacht) on the Egmont I and II buildings.
GALAXY PROPERTIES SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 872 615 562	100.00	100.00	Galaxy Properties SA/NV holds a long-lease right (emphythéose/ erfpacht) on the North Galaxy building.
LEOPOLD SQUARE SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 465 387 588	100.00	100.00	Leopold Square SA/NV owns the freehold of the land under the buildings located in Brussels, Avenue du Bouget/Bourgetlaan 40, and in Diegem, Park Hill A and B. This subsidiary also holds participating interests in the companies Belliard 1 & 2 Properties SA/NV, Bolivar Properties SA/NV, Cofinimmo Services SA/NV, Egmont Properties SA/NV and Galaxy Properties SA/NV and Pubstone Properties BV.
RHEASTONE SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 893 787 296	100.00	100.00	Rheastone SA/NV owns the nursing home Le Progrès in La Louvière.
SUPERSTONE BV Claudius Prinsenlaan 128, 4818 CP Breda (Netherlands)	NL 85 07 32 554 B 01	100.00	100.00	Superstone BV owns three private clinics located in the Netherlands. The company has the status of "Fiscale Beleggingsinstelling" (FBI - Dutch REIT).
W34 SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 536 269 745	100.00	100.00	W34 SA/NV fully owns the Woluwe 34 building.
LIVINGSTONE II SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 544 336 086	100.00	100.00	Livingstone II SA/NV fully owns the Livingstone II building.

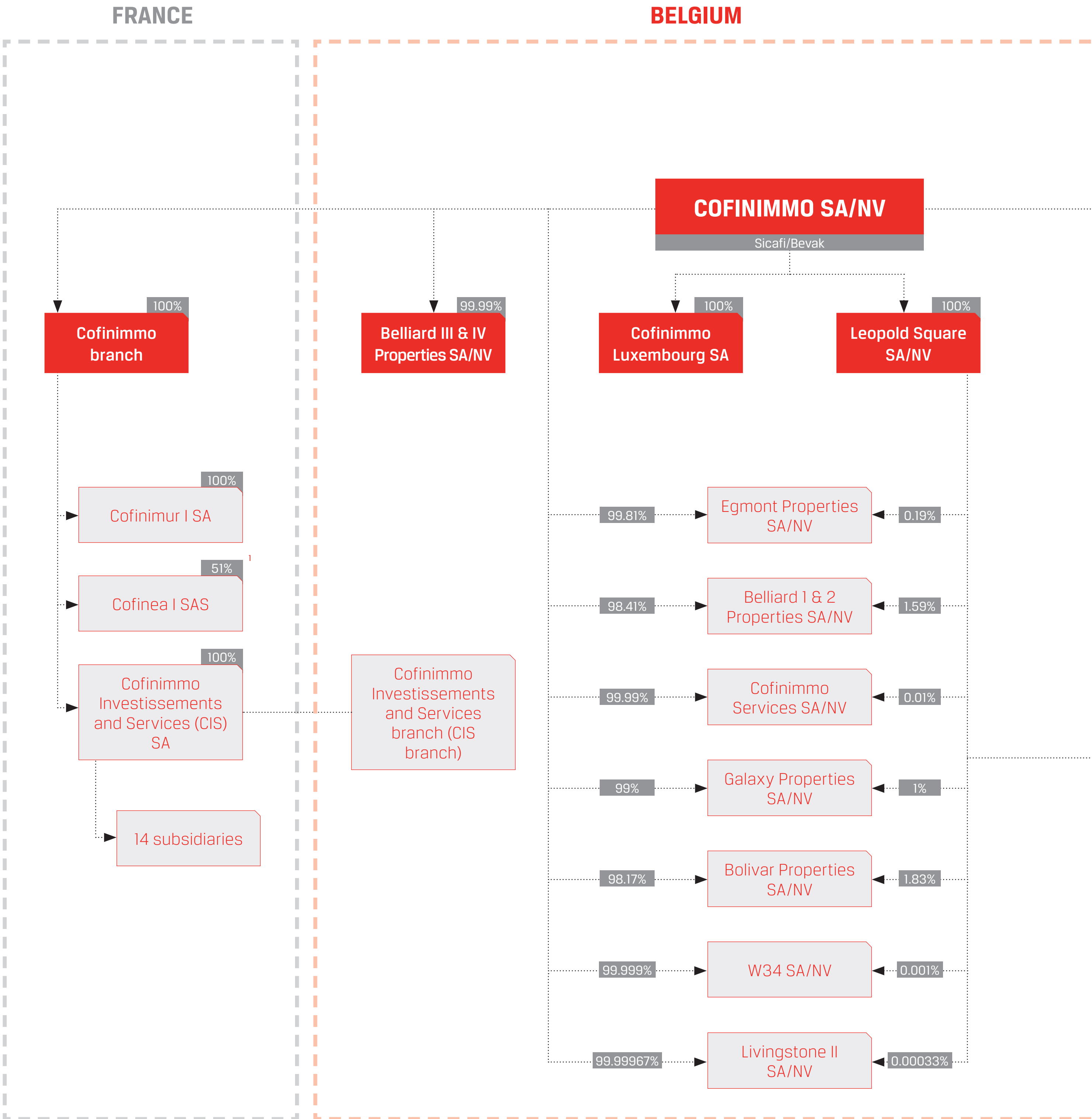
Subsidiaries held by the Cofinimmo Group and with minority interests (not controlled)

Name and address of registered offices Fully consolidated subsidiaries	VAT or national number (NN)	Direct and indirect interests and voting rights (in %) 31.12.2013	31.12.2012	Main activity of the Group subsidiaries which are not held at 100%
COFINIMUR I SA Avenue Georges V 10, 75008 Paris (France)	FR 74 537 946 824	97.65	97.65	Cofinimur I SA has a portfolio of 278 sites (agencies and offices), located in France and used by the MAAF Group.
PUBSTONE GROUP SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 878 010 643	90.0006	90.0006	Pubstone Group SA/NV holds a controlling interest in the company Pubstone SA/NV.
PUBSTONE SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 405 819 096	90.00	90.00	Pubstone SA/NV owns 810 cafés/restaurants in Belgium.
PUBSTONE PROPERTIES BV Claudius Prinsenlaan 128, 4818 CP Breda (Netherlands)	not subject to taxation NN 8185 89 723	90.00	90.00[1]	Pubstone Properties BV owns 245 cafés/restaurants in the Netherlands.
SILVERSTONE SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 452 711 674	95.00	95.00	Silverstone SA/NV owns 23 nursing homes in Belgium: 7 Voyes in Vedrin, Bellevue in Forest/Vorst, Borsbeekhof in Borgerhout, Brise d'Automne in Ransart, Charmilles in Sambreville, Chenoy in Ottignies, Claire de Vie in Liège, Colvert in Ottignies, Couverture in Aalst, Farnientane in Fexhe-Slins, Grand Cerf in Spa, Hof ter Dennen in Vosselaar, Les Jours Heureux in Lodelinsart, Maison Saint Ignace in Laeken, De Mouterij in Aalst, 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.

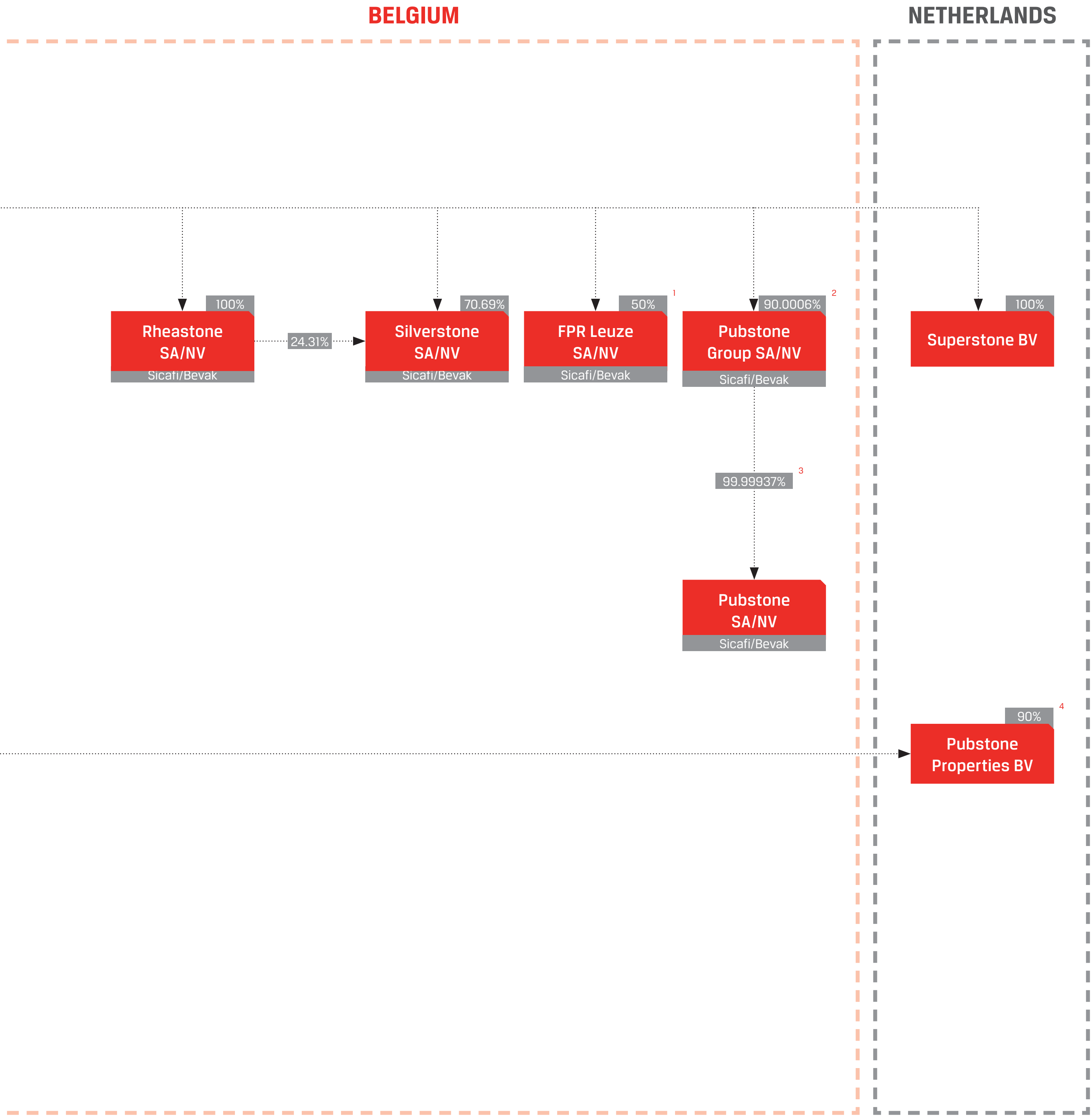
[1] Economic interest

Joint ventures

Name and address of registered offices Joint ventures consolidated under the equity method	VAT or national number (NN)	Direct and indirect interests and voting rights (in %)		Main activity of the joint ventures
		31.12.2013	31.12.2012	
FPR LEUZE SA/NV Boulevard de la Woluwe/ Woluwedal 58, 1200 Brussels	BE 839 750 279	50.00	50.00	FPR Leuze SA/NV was created following the assignment by the Buildings Agency (Belgian Federal 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 under the equity method in the Group's consolidated financial statements.
COFINEA I SAS Avenue de l'Opéra 27, 75001 Paris (France)	FR 74 538 144 122	51.00	51.00	Cofinea I SAS houses the nursing homes operated by the ORPEA Group 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 therefore consolidated under the equity method in the Group's consolidated financial statements.



[1] Company consolidated under the equity method.



[1] Company consolidated under the equity method.
[2] 9.9994% of the shares held by InBev Belgium SA/NV.
[3] 0.00063% of the shares held by InBev Belgium SA/NV and its subsidiaries.
[4] 10% of the shares held by InBev Belgium SA/NV.

Non-controlling interests[1]

Non-controlling interests represent third-party interests in subsidiaries neither directly nor indirectly held by the Group.

Cofinimur I

At the end of 2011, Cofinimmo acquired a portfolio of agencies and offices from the MAAF Group through its subsidiary Cofinimur I. Foncière Atland owns 2.35% of the shares of the Cofinimur I structure. In addition, at the time of the acquisition, Cofinimur I also issued mandatory convertible bonds (MCB), considered as non-controlling interests.

Foncière Atland is a listed French property company with the SIIC status. It specialises in corporate real estate, offices, business premises, warehouses and retail.

For further information about the Group: www.fonciere-atland.fr.

Pubstone

At the end of 2007, Cofinimmo acquired a portfolio of cafés/restaurants owned until then by Immobrew SA/NV, a subsidiary of AB InBev and renamed Pubstone SA/NV. At 31.12.2013, AB InBev owns an indirect stake of 9.9994% in the Pubstone structure. Brasserie Gheens SA/NV and Cavenor SA/NV are also shareholders of Pubstone Group, for 0.05% and 0.14% respectively.

In addition, following the restructuration of the Pubstone Group in December 2013, AB InBev owns 10% direct minority interests in Pubstone Properties BV.

Anheuser-Busch InBev (AB InBev) is the world's largest brewer by volume of beer brewed. Listed on the stock exchange, its registered offices are located in Leuven, Belgium.

For further information about the Group: www.ab-InBev.com.

Silverstone

During the financial year 2012, Cofinimmo set up a structure, Silverstone SA/NV, holding a portfolio of nursing homes in Belgium. Senior Assist holds 5% of Silverstone SA/NV at 31.12.2013.

Senior Assist is a family group founded in 2005 which operates in the home care and accommodation of dependent elderly people sectors. It operates 32 nursing homes in Belgium.

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

The holding of these interests by companies outside of the Group, and therefore not controlled by Cofinimmo, is considered immaterial with regard to the Group's total shareholders' equity (at 31.12.2013, the minority interests amount to €66.5 million vs. Cofinimmo's shareholders' equity of €1,681 million, i.e. 4.0%).

Change in non-controlling interests

(x €1,000)	Cofinimur I		Pubstone	Silverstone	**Total**
	Atland	MCB holders	InBev	Senior Assist	
AT 01.01.2012	**1,149**	**41,929**	**10,777**	**802**	**54,657**
Interests in the income statement	196	2,806	974	647	**4,623**
Reserve for the estimated transaction costs and transfer duties			-8		**-8**
Transactions with non-controlling interests		5,000		3,678	**8,678**
MCB coupon		-1,379			**-1,379**
Dividends			-85		**-85**
Other		-223			**-223**
AT 31.12.2012	**1,345**	**48,133**	**11,658**	**5,127**	**66,263**
Interests in the income statement	62	2,860	-265	470	**3,127**
Reserve for the estimated transaction costs and transfer duties	1		-15	-21	**-35**
Transactions with non-controlling interests			277		**277**
MCB coupon		-2,727			**-2,727**
Dividends	-32			-241	**-273**
Other	-136	10	16	3	**-107**
AT 31.12.2013	**1,240**	**48,276**	**11,671**	**5,338**	**66,525**

[1] The term "non-controlling interests" as defined under IFRS 12 corresponds to minority interests.

Joint ventures

The joint ventures FPR Leuze and Cofinéa are consolidated by Cofinimmo under the equity method, as the group exercises joint control over these companies under a partnership agreement with the partner shareholders.

The share in the result of the Cofinimmo Group of these two joint ventures are considered immaterial.

General information

Company	FPR Leuze	Cofinéa I
Segment	PPP	Healthcare real estate
Country	Belgium	France
% held by the Cofinimmo Group	50%	51%
Partner shareholders	Cordeel Zetel Temse (49%)	Orpea Group OPCI (49%)
	Willemen General Contractor (1%)	
Date of company creation	2011	2012
Accounting period	Ends on December 31st	Ends on December 31st
Net current result (at 100%)	-2,201	872
Other elements of the global result		-191
Global result	-2,201	680
% held by the Cofinimmo Group	50%	51%
Share in the result of associated companies or joint ventures	-1,100	347
Amount of the interest at Cofinimmo		
Participations in associated companies and joint ventures	1,692	5,563

Risks and commitments related to the partner shareholders

FPR Leuze

The partners Cordeel Zetel Temse and Willemen General Contractor are construction companies responsible for the construction of the future prison.

According to the terms of the contract, Cofinimmo will purchase all the FPR Leuze shares held by the partner shareholders upon the issue of the Property Availability Certificate by the Buildings Agency (Belgian Federal State) scheduled for the second quarter of 2014.

This purchase will be done based on the market value of the shares at the time the Property Availability Certificate is issued. Cofinimmo will then exercise an exclusive control over the company.

Cofinéa I

The goal of the partnership entered into with the ORPEA Group is to bring assets operated by the ORPEA Group under the Cofinéa I structure.

Cofinimmo holds 51% of the shares of this structure. However, the partnership agreement stipulates that all decisions, particularly with regard to investments and divestments, are taken in mutual consent, which implies a joint control of the company.

NOTE 43. PAYMENTS BASED ON SHARES

Stock option plan

In 2006, Cofinimmo launched a stock option plan whereby 8,000 stock options were granted to the Group's management. This plan was relaunched during each of the following years. In 2013, a total of 3,320 stock options were granted.

When they are exercised, the beneficiaries will pay the exercise price of €88.12 per share for the 2013 plan in exchange for the delivery of the securities. In the event of the 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 the contract, except in case of retirement. Options which have not been vested are cancelled. In the event of the involuntary departure of a beneficiary for serious reasons, all stock options accepted but not exercised, whether vested or not, are cancelled. These conditions governing the acquisition and the exercise periods in the event of a departure, whether voluntary or involuntary, will apply without prejudice to the powers of the Board of Directors for the members of the Executive Committee or the powers of the Executive Committee for the other participants to authorise waivers to these provisions in favour of the beneficiary, based on objective and relevant criteria.

Evolution of the number of stock options

Year of the plan	2013	2012	2011	2010	2009	2008	2007	2006
AT 01.01		**4,095**	**8,035**	**5,740**	**7,215**	**6,730**	**7,300**	**8,000**
Granted	3,320							
Cancelled			-1,250	-184	-695	-1,800	-1,800	-2,100
Exercised	-2,395							
Expired								
AT 31.12	**925**	**4,095**	**6,785**	**5,556**	**6,520**	**4,930**	**5,500**	**5,900**
Exercisable at 31.12				5,556	6,520	4,930	5,500	5,900
Strike price (in €)	88.12	84.85	97.45	93.45	86.06	122.92	143.66	129.27
Last exercise date	16.06.2023	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)	164.64	168.18	363.9	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 under the item "Personnel charges" of the income statement.

Fair value of the stock options at the date of granting and assumptions used - weighted average

	2013
Price valuation model	Black & Scholes
Contractual duration of the options	10 years
Estimated duration	8 years
Strike price (in €)	88.12
Volatility (average last three years)	12.25%
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)	164.64

NOTE 44. AVERAGE NUMBER OF PEOPLE LINKED BY AN EMPLOYMENT CONTRACT OR BY A PERMANENT SERVICE CONTRACT

	2013	2012
Average number of people linked by an employment contract or by a permanent service contract	111	113
Employees	107	109
Executive management personnel	4	4
FULL TIME EQUIVALENT	105	108

[1] In accordance with the "Loi de relance économique"/"Wet van de Economische Heropleving" of 27.03.2009, the exercise period of the stock option plans of 2006 to 2008 was extended from 10 to 15 years.

NOTE 45. 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 €2,215,043 of which €381,593 are attributed to post-employment benefits.

The chapter "Corporate Governance Statement" of this Annual Financial Report includes the composition of the various decision-making bodies and the tables on the remuneration of the Non-Executive and Executive Directors.

The difference between the amount under 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 42.

NOTE 46. EVENTS AFTER THE CLOSING

No major events occurred after the closing date that could have a significant impact on the figures at 31.12.2013.

The amount of the dividend proposed to the shareholders at the Ordinary General Meeting of 14.05.2014 is €101,430,510.00 for the ordinary shares and €4,386,904.34 for the preference shares. For more details, see Note 32.

STATUTORY AUDITOR'S REPORT

To the shareholders

As required by law, we report to you in the context of our appointment as the company's Statutory Auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31.12.2013, 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.

Report on the consolidated financial statements – Unqualified opinion

We have audited the 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 07.12.2010 with respect to public real estate investment trusts and with the legal and regulatory requirements applicable in Belgium.

The consolidated statement of financial position shows total assets of €3,670,443,000 and the consolidated income statement shows a consolidated net result (Group share) for the year then ended of €58,737,000.

Board of Directors' responsibility 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 (IFRS) as executed by the Royal Decree of 07.12.2010 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 (ISA). 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 Statutory 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 Group'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 31.12.2013, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

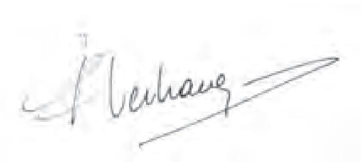
The Board of Directors is responsible for the preparation and the content of the Directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The Directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Diegem, 21.03.2014

The Statutory Auditor



DELOITTE Bedrijfsrevisoren/Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by **Frank Verhaegen**

COMPANY ACCOUNTS

Global result (income statement) (abbreviated format)

(x €1,000)	2013	2012
A. NET RESULT		
Rental income	124,654	136,353
Writeback of lease payments sold and discounted	25,276	22,994
Rental-related expenses	-293	-296
Net rental income	149,637	159,051
Recovery of property charges	101	756
Recovery income of charges and taxes normally payable by the tenant on let properties	13,357	14,753
Costs payable by tenants and borne by the landlord on rental damage and refurbishment at end of lease	-1,277	-1,765
Charges and taxes normally payable by the tenant on let properties	-15,225	-16,294
Property result	146,593	156,501
Technical costs	-3,595	-4,392
Commercial costs	-846	-977
Taxes and charges on unlet properties	-3,984	-3,758
Property management costs	-11,384	-11,226
Other property charges	-16	-1
Property charges	-19,825	-20,354
Property operating result	126,768	136,147
Corporate management costs	-6,367	-6,836
Operating result before result on the portfolio	120,401	129,311
Gains or losses on disposals of investment properties and other non-financial assets	-8,144	1,831
Changes in the fair value of investment properties	-28,205	-21,891
Other result on the portfolio	77	-1,422
Operating result	84,129	107,829
Financial income	29,774	18,981
Net interest charges	-56,073	-54,780
Other financial charges	-2,085	-2,737
Changes in the fair value of financial assets and liabilities	856	28,915
Financial result	-27,528	-9,621
Pre-tax result	56,601	98,208
Corporate tax	579	-2,173
Exit tax		
Taxes	579	-2,173
NET RESULT OF THE PERIOD	**57,180**	**96,035**
B. OTHER ELEMENTS OF THE GLOBAL RESULT		
Impact on the fair value of the estimated transaction costs and transfer duties resulting from the hypothetical disposal of investment properties	501	830
Changes in the effective part of the fair value of authorised cash flow hedging instruments	57,288	-50,374
OTHER ELEMENTS OF THE GLOBAL RESULT	**57,789**	**-49,544**
C. GLOBAL RESULT	**114,969**	**46,491**

Appropriation account

(x €1,000)	2013	2012
A. Net result	**57,180**	**96,035**
B. Transfer from/to the reserves	**48,984**	**15,171**
Transfer to the reserve of the positive balance of changes in the fair value of investment properties	-32,242	-28,614
Financial year		-28,614
Previous years	-32,242	
Transfer to the reserve of the negative balance of changes in the fair value of investment properties	4,445	4,887
Financial year	4,445	
Previous years		4,887
Transfer to the reserve of the estimated transaction costs and transfer duties resulting from the hypothetical disposal of investment properties	1,146	175
Financial year	1,146	175
Transfer to the reserve of the balance of changes in the fair value of authorised cash flow hedging instruments qualifying for hedge accounting	-4,576	-11,080
Financial year	-4,576	-11,080
Transfer to the reserve of the balance of changes in the fair value of authorised cash flow hedging instruments not qualifying for hedge accounting	-18,643	13,421
Financial year	-18,643	13,421
Transfer to other reserves	-241	-255
Transfer from the result carried forward of the previous years	99,095	36,637
C. Remuneration of the capital	**-105,817**	**-110,813**
D. Remuneration of the capital other than C[1]	**-347**	**-394**
E. Result to be carried forward	**350,446**	**454,751**

[1] Profit-sharing plan for the staff employed by the Group.

Consolidated financial situation (balance sheet) (abbreviated format)

(x €1,000)	2013	2012
Non-current assets	**3,252,549**	**3,290,644**
Intangible assets	533	158
Investment properties	2,301,126	2,329,775
Other tangible assets	671	848
Non-current financial assets	882,758	906,454
Finance lease receivables	67,448	53,396
Trade receivables and other non-current assets	13	13
Current assets	**54,536**	**61,349**
Assets held for sale		
Current financial assets	2,782	6,501
Finance lease receivables	1,236	2,973
Trade receivables	12,312	13,357
Tax receivables and other current assets	15,805	11,705
Cash and cash equivalents		29
Deferred charges and accrued income	22,401	26,784
TOTAL ASSETS	**3,307,085**	**3,351,993**

(x €1,000)	2013	2012
Shareholders' equity	**1,614,937**	**1,514,701**
Capital	945,447	917,079
Share premium account	451,673	436,170
Reserves[1]	160,637	65,417
Net result of the financial year	57,180	96,035
Liabilities	**1,692,148**	**1,837,292**
Non-current liabilities	1,266,436	1,358,045
Provisions	18,024	19,602
Non-current financial debts	1,154,926	1,217,427
Other non-current financial liabilities	93,486	121,016
Current liabilities	425,712	479,247
Current financial debts	352,648	346,362
Other current financial liabilities	2,743	56,788
Trade debts and other current debts	42,109	48,014
Accrued charges and deferred income	28,212	28,083
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,307,085**	**3,351,993**

[1] The reserves include the item "Reserve for own shares" for an amount of k€-4,400 at 31.12.2013.

Dividend distribution obligation according to the Royal Decree of 07.12.2010 concerning Sicafis/Bevaks

(x €1,000)	2013	2012
Net result	**57,180**	**96,035**
Depreciation (+)	374	381
Writedowns (+)	-61	-3
Writeback of writedowns (-)	-1	-14
Writeback of lease payments sold and discounted (-)	-25,276	-22,994
Other non-cash elements (+/-)	2,423	18,769
Result on disposal of property assets (+/-)	8,143	-1,831
Changes in the fair value of investment properties (+/-)	7,663	-25,794
Corrected result (A)	**50,445**	**64,549**
Realised gains and losses[1] on property assets during the financial year (+/-)	-40,385	6,718
Realised gains[1] on property assets during the financial year, exonerated from the distribution obligation if reinvested within four years (-)	-6,594	-10,928
Realised gains on property assets previously exonerated from the distribution obligation and not reinvested within four years (+)		
Net gains on disposal of property assets not exonerated from the distribution obligation (B)	**-46,979**	**-4,210**
TOTAL (A+B) X 80%	**2,773**	**48,271**
Debt decrease (-)	-62,101	
DIVIDEND DISTRIBUTION OBLIGATION		48,271

Non-distributable equity according to Article 617 of the Company Code

(x €1,000)	2013	2012
Net assets	**1,614,937**	**1,514,701**
Dividend distribution and profit-sharing plan	-106,164	-111,208
NET ASSETS AFTER DISTRIBUTION	**1,508,773**	**1,403,493**
Paid-up capital or, if greater, subscribed capital	945,447	917,079
Share premiums unavailable for distribution according to the Articles of Association	451,673	436,170
Reserve for the positive balance of changes in the fair value of investment properties		
Reserve for the estimated transaction costs and transfer duties resulting from the hypothetical disposal of investment properties	-60,632	-59,987
Reserve for the balance of changes in the fair value of authorised hedging instruments qualifying for hedge account	-84,168	-146,032
Reserve for the balance of changes in the fair value of authorised hedging instruments not qualifying for hedge accounting	3,743	-14,900
Reserve for own shares		
Other reserves declared non-distributable by the General Meeting	3,279	2,941
Legal reserve		
NON-DISTRIBUTABLE EQUITY ACCORDING TO ARTICLE 617 OF THE COMPANY CODE	**1,259,342**	**1,135,269**
Remaining margin after distribution	249,431	268,225

[1] In relation to the acquisition value, increased by the capitalised renovation costs.

Statement of changes in shareholders' equity

(x €1,000)	Capital	Share premium account	Reserves	Net result of the financial year	**Equity**
AT 01.01.2012	**872,876**	**409,594**	**160,419**	**110,725**	**1,553,614**
Appropriation of the 2011 net result			110,725	-110,725	
Elements recognised in the global result	23,262	15,411	-49,172	96,035	**85,536**
Cash flow hedge			-50,374		**-50,374**
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties			830		**830**
Impact of mergers	23,262	15,411	372		**39,045**
Result of the period				96,035	**96,035**
Other			195		**195**
SUBTOTAL	**896,138**	**425,005**	**222,167**	**96,035**	**1,639,345**
Issue of new shares	20,941	11,165			**32,106**
Acquisitions/disposals of own shares			-56,991		**-56,991**
Dividends/coupons			-99,759		**-99,759**
AT 31.12.2012	**917,079**	**436,170**	**65,417**	**96,035**	**1,514,701**
Appropriation of the 2012 net result			96,035	-96,035	
Elements recognised in the global result			57,789	57,180	**114,969**
Cash flow hedge			57,288		**57,288**
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties			501		**501**
Result of the period				57,180	**57,180**
Other			-140		**-140**
SUBTOTAL	**917,079**	**436,170**	**219,101**	**57,180**	**1,629,530**
Issue of new shares	28,368	15,503			**43,871**
Acquisitions/disposals of own shares			52,743		**52,743**
Dividends/Coupons			-111,207		**-111,207**
AT 31.12.2013	**945,447**	**451,673**	**160,637**	**57,180**	**1,614,937**

Detail of the reserves

(x €1,000)	Reserve for the positive/ negative balance of changes in the fair value of investment properties	Reserve for the estimated transaction costs resulting from the hypothetical disposal of investment properties	Reserve for the balance of changes in the fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS
AT 01.01.2012	**-160,588**	**-60,066**	**-116,379**
Appropriation of the 2011 net result	11,626	-575	9,641
Elements recognised in the global result		830	-50,374
Cash flow hedge			-50,374
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties		830	
Impact of mergers			
Other			
SUBTOTAL	**-148,962**	**-59,811**	**-157,112**
Acquisitions/disposals of own shares			
Dividends			
AT 31.12.2012	**-148,962**	**-59,811**	**-157,112**
Appropriation of the 2012 net result	23,727	-176	11,080
Elements recognised in the global result		501	57,288
Cash flow hedge			57,288
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties		501	
Other			
SUBTOTAL	**-125,235**	**-59,486**	**-88,744**
Acquisitions/disposals of own shares			
Dividends			
AT 31.12.2013	**-125,235**	**-59,486**	**-88,744**

Reserve for the balance of changes in the fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	Distributable reserve	Non-distributable reserve	Result carried forward	**Total reserves**
-1,312	**824**	**-3,014**	**500,954**	**160,419**
-167		277	89,923	**110,725**
			372	**-49,172**
				-50,374
				830
			372	**372**
		298	-103	**195**
-1,479	**824**	**-2,439**	**591,146**	**222,167**
		-56,991		**-56,991**
			-99,759	**-99,759**
-1,479	**824**	**-59,430**	**491,387**	**65,417**
-13,421		256	74,569	**96,035**
				57,789
				57,288
				501
			-140	**-140**
-14,900	**824**	**-59,174**	**565,816**	**219,101**
		57,813	-5,070	**52,743**
			-111,207	**-111,207**
-14,900	**824**	**-1,361**	**449,539**	**160,637**

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/Woluwedal 58 (Tel. +32 2 373 00 00). The registered offices 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 the 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/Belgisch Staatsblad) of 27.01.1984, under the No. 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 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 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 10.01.2014 by deed enacted before Notary-in-Partnership Louis-Philippe Marcelis in Brussels, published in the annexes to the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) of 04.02.2014 under the No. 14033183.

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.

FINANCIAL SERVICE

Bank Degroof is responsible for the financial service.

REAL ESTATE EXPERTISE

The following experts are responsible for the valuation of the property portfolio: DTZ, PricewaterhouseCoopers and Jones Lang LaSalle (see also pages 91 and 92).

CERTIFICATION OF THE ACCOUNTS

The Statutory Auditor is SC s.f.d. SCRL/BV o.v.v.e. CVBA Deloitte, Company Auditors, represented by Mr. Frank Verhaegen.

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.

In this capacity, the company may carry out all operations which relate to real estate assets, such as purchase, conversion, fitting out, letting, subletting, management, exchange, disposal, development, transfer to common ownership, profit sharing, whether by merger or otherwise, in any undertaking 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 ancillary or temporary activity, the company may invest in securities. Such investments will 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 ancillary activity, except if these properties are intended for public interest purposes (in which case the activity may be carried out as a primary 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/Belgisch Staatsblad). 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 over the past five years can be consulted on the website ww.cofinimmo.com. The 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 registered shareholders and to any parties expressing a wish to receive them. They include reports by the real estate experts and the Statutory Auditor.

DECLARATIONS

RESPONSIBLE PEOPLE

The Board of Directors of Cofinimmo SA/NV, composed as described on page 77, assumes the responsibility for the content of this Annual Financial Report and declares that to the best of its knowledge:

- this Report contains true information and a fair and true statement of all important events. As the case may be, it refers to the 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 it;
- 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, the financial situation and the results of Cofinimmo and its subsidiaries incorporated in the consolidation; moreover, the Management Report includes an outlook for the result of the coming year as well as a comment on the risks and uncertainties confronting the company (see pages 2 to 7).

FORECAST INFORMATION

This Annual Financial Report contains forecast information based on company plans, estimates and projections, as well as on its reasonnable 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 compensations upon the termination of the employment contract, except for the comment in the section "Contractual terms of the members of the Executive Committee" in the chapter "Corporate Governance Statement";
- no stock option on Cofinimmo shares was granted to the Non-Executive Directors.

DECLARATION CONCERNING INFORMATION FROM THIRD PARTIES

The information published in this Annual Financial Report provided by third parties, such as the report by the real estate experts 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 Financial Reports of the past five years, which comprise the company annual accounts, the consolidated annual accounts and the statutory auditor's reports, as well as the Half-Yearly Financial Reports, can be consulted on the website www.cofinimmo.com

FISCAL REGIMES

THE "SICAF IMMOBILIERE" (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'Investissement Immobilier 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 taxation impacts 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 ancillary 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 recognised 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 a 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 which 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 taxation 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 upon 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 operations and conflicts of interest;
- subject to auditing by the FSMA.

THE "SOCIETE D'INVESTISSEMENT IMMOBILIER COTEE" (SIIC)

The "Société d'Investissement Immobilier 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 Investissements et Services[2] and its subsidiaries on 23.01.2009. This regime allows Cofinimmo to benefit, for its French branch and subsidiaries, from an exemption from corporate tax on its rental income and realised gains in return for an obligation to distribute 85%[3] of the profits from its property lettings.

The main characteristics of the SIIC regime are as follows:

- exemption from corporate tax on the fraction of the profit arising from i) property lettings, ii) capital gains on property disposals, iii) capital gains on disposals of shares in subsidiaries having opted for the SIIC regime or in other companies with a similar acticity, iv) proceeds distributed by their subsidiaries having opted for the SIIC regime, and v) shares in profits of companies 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 properties, shares in companies and subsidiaries subject to the SIIC regime[4], 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 companies not subject to corporate tax.

[1] Calculated according to the schemes appearing in chapters 3 and 4 of Annex C of the Royal Decree of 07.12.2010.

[2] Formerly Cofinimmo France SA.

[3] Obligation to distribute 95% of its profits arising from the letting of property assets as from 2014.

[4] As from 2014: 95% of the exempted profits arising from ental income and 60% of the exempted profits arising from the disposal of properties, shares in companies and subsidiaries subject to the SIIC regime.

THE "FISCALE BELEGGINSTELLING" (FBI)

The main characteristics of the Fiscale Beleggingsintelling regime are as follows:

- 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 the 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 share 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.

Cofinimmo does not have the FBI status in the Netherlands for Pubstone Properties and its subsidiaries, but it does have the FBI status for its subsidiary Superstone.

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 2013 can be consulted in the 2012 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).

Changes in 2013

Date of the transaction		31.03.2013	06.06.2013	30.06.2013	30.09.2013	31.12.2013	
Type of transaction	**Situation at 31.12.2012**	Conversion preference shares Q1 2013	Contribution in kind of dividend rights	Conversion preference shares Q2 2013	Conversion preference shares Q3 2013	Conversion preference shares Q4 2013	**Situation at 31.12.2013**
Amount (€) of share capital			+28,367,771.12				
Issue price (€)			82.875				
Amount (€) of the net contribution to the shareholders' equity[1]			+15,503,104.63				
Number of ordinary shares		+50	+529,362	+84		+581	
Total number of ordinary shares after the transaction	**16,423,925**	16,423,975	16,953,337	16,953,421	16,953,421	16,954,002	**16,954,002**
Number of preference shares COFP1		-50					
Total number of preference shares COFP1 after the transaction	**395,198**	395,148	395,148	395,148	395,148	395,148	**395,148**
Number of preference shares COFP2				-84		-581	
Total number of preference shares COFP2 after the transaction	**294,199**	294,199	294,199	294,115	294,115	293,534	**293,534**
Total number of preference shares after the transaction	**689,397**	689,347	689,347	689,263	689,263	688,682	**688,682**
Total share capital after the transaction	**917,079,045.11**	917,079,045.11	945,446,816.23	945,446,816.23	945,446,816.23	945,446,816.23	**945,446,816.23**

[1] According to the accounting rules for the Sicafis/Bevaks under Belgian Law.

DESCRIPTION OF SHARE TYPES

On 31.12.2013, Cofinimmo had issued 17,642,684 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 the 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 tem days of each quarter, at a rate of one new ordinary share for one preference share (see also page 207);
- option for a third party designated by Cofinimmo (for example, one of its subsidiaries) to purchase in cash and at their issue price the preference shares that have not yet been converted, starting from the fifteenth anniversary of their issue date;
- the preference shares are registered, listed on the First Market of Euronext Brussels and carry a voting right identical to that of the ordinary shares.

The first series of 702,490 preference shares (on Euronext: COFP1) was issued on 30.04.2004, the second series of 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 shares vs. €104.44 for the COFP2 shares) 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		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		305
From 21.06.2011 to 30.06.2011		404
From 21.09.2011 to 30.09.2011		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		97
From 21.09.2012 to 30.09.2012	70,599	66,475
From 22.12.2012 to 31.12.2012		149
From 22.03.2013 to 31.03.2013	50	
From 21.06.2013 to 30.06.2013		84
From 21.09.2013 to 30.09.2013		
From 22.12.2013 to 31.12.2013		581

AUTHORISED CAPITAL

At 31.12.2013, the authorised capital amounted to €557,795,920.47. The cases in which the Board of Directors had to call on the authorised capital are detailed under the chapter "Corporate Governance Statement" of this Annual Financial Report.

CHANGES IN TREASURY SHARES (OWN SHARES)

The number of treasury shares held by the Cofinimmo Group at 01.01.2013 amounted to 1,105,750. All these shares are entitled to a share in the results of the financial year starting 01.01.2013.

In 2013, the company sold 1,054,438 ordinary Cofinimmo shares, of which 989,413 via an accelerated bookbuilding offering.

The number of treasury shares held by the Cofinimmo Group on 31.12.2013 thus came to 48,917 (held by Cofinimmo SA/NV), which represents a level of self-ownership of 0.28%.

Position at 01.01.2013	**1,105,750**
Disposals during the first half of 2013	-1,054,438
Transfers and disposals of shares within the stock option plan reserved for employees during the first half of 2013	-1,845
Transfers and disposals of shares within the stock option plan reserved for employees during the second half of 2013	-550
Position at 31.12.2013	**48,917**

SHAREHOLDING

The shareholding structure is set out in the chapter "Cofinimmo in the Stock Market" 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 CHANGES IN 2013

- Article 1: replacement twice in the text of this Article of the reference to the Law of 20.07.2004 concerning certain forms of collective management of investment portfolios, by a reference to the Law of 03.08.2012 concerning certain forms of collective management of investment portfolios.
- Article 6.3, paragraph 2: renewal of the authorisation given to the Board of Directors, for a period of five years as from the publication of the Extraordinary General Meeting of 05.12.2013, to acquire, pledge and dispose of (even off-exchange) Cofinimmo's own shares on behalf of the company.
- Articles 7 and 20: removal of the references made to bearer shares.

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/Belgisch Staatsblad) 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 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 shares with or without voting rights.

The Board of Directors is entitled to abolish or limit the preference subscription right of the shareholders, including in favour of specific people 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 the 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 a 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 will 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 using 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, will be allocated to an account not available for distribution known as "Share premium account" which will 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 according to the conditions of quorum and majority required for reducing the capital, subject to its incorporation in the capital.

Article 6, Point 3 – Acquisition, pledge and disposal of own shares

The company may acquire or pledge its own shares subject to the conditions laid down by the Law. It is authorised to dispose of 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, pledge and dispose of, on behalf of Cofinimmo, the own shares of the company without a prior decision by the General Shareholders' Meeting, where this acquisition or this disposal is necessary in order to prevent serious and imminent harm to the company[1].

Furthermore, during a period of five years following the publication of the General Shareholders' Meeting of 05.12.2013, the Board of Directors may acquire, pledge and dispose of (even off-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, disposal and pledge) 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, pledge) whereby Cofinimmo may at no time hold more than ten per cent (10%) of the total issued shares.

The authorisations referred to above include the acquisitions and disposals of company shares by one or more direct subsidiaries of this company, within the meaning of the legal provisions relating to the 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 the condition that an irreducible right of allocation is granted to the existing shareholders upon

[1] The authorisation of three years given to the Board of Directors to acquire, pledge ou dispose of own shares in order to prevent serious and imminent harm to the company was not renewed by the Extraordinary General Shareholders' Meeting of 05.12.2013.

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, of convertible bonds and of subscription rights. It need not be granted in the case of a 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 a 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 met in the case of a 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 of 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 ratio, 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 frame 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, of the net asset value and of the capital, as well as the impact in terms of voting rights.

These additional conditions are not applicable in the case of a contribution of the dividend right in the context of the distribution of an optional dividend, provided that its granting 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 non-distributable reserve account which may be reduced or abolished only by a decision of 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 or dematerialised shares, at the choice of the owner or holder (hereafter "the Shareholder") and within the limits laid down by 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 offices of the company, and where appropriate and permitted by law, this register may take the electronic form. Shareholders may consult the register with respect to their shares.

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 are 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, there are no distributable profits within the meaning of Article 617 of the Company Code, 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 the 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. As a result, 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 the 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 a 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. The transfer of ownership 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 whatever 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 by virtue of this provision.

This subscription or acquisition also entails an irrevocable mandate given to the company to enter the required particulars in the shareholders' register as a record of the transfer of the Preference Shares.

In the event the holder of Preference Shares fails to present the Preference Shares, the purchase of which has been duly decided, 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 the deposit of the price with the Caisse des Dépôts et Consignations/Deposito- en Consignatiekas.

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 the 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 if 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. Changes of the rights attached to the different categories

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 category of shares may only be taken provided that, for each category 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 will 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, which may remove them at any time. Their mandates are renewable.

The General Shareholders' Meeting must appoint at least three Independent Directors among the members of the Board of Directors. An Independent Director is understood to be a Director who meets the criteria laid down in Article 526ter 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, will be empowered provisionally to designate a replacement for the period until the next General Shareholders' Meeting which will 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 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 will serve out the term of the Director to be replaced. The Directors have the necessary professional integrity and appropriate experience to perform their duties.

Their remuneration, where applicable, 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 deeds

Except where the Board of Directors has delegated special powers of representation, the company is represented in all the deeds, 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 this management, 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 by the Board of Directors, or, within the limits of their powers of day-to-day management, by those persons delegated this management.

In any deed 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 an effective control over the deeds/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. the period of time necessary to complete the operation.

A specific delegation is also organised by the Executive Committee by virtue of a notarial deed dated 01.03.2013, published in the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) of 22.03.2013 under N°0046286 and 0046287, for lease contracts, works, loans, borrowings, credits and securities, 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 will 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 will take place on the next working day at the same time, not including Saturday or Sunday.

The Ordinary or Extraordinary General Shareholders' Meeting will 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 in the register of shareholders of the Company, or by their registration in the accounts of an approved account holder or of a clearing house, 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 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 wish to attend the General Shareholders' Meeting. This filing must be done at the registered offices 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 will 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 offices, 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 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 for in Article 571 of the Company Code and to possible formalities provided for by the conditions relating to the issues of the 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 the 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 (2011).

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.

BELGIAN CORPORATE GOVERNANCE CODE

Drawn up by the Corporate Governance Commission including the governance practices and provisions to be met by companies subject to Belgian Law which shares are listed on a regulated market (the "2009" code).

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

A CAP is an interest-rate option. The buyer of a CAP is paying for the right to borrow at a maximum interest rate for a specific period. He only exercises this right if the actual short-term rate exceeds the CAP's maximum interest rate. In order to buy a CAP, the buyer pays a premium to the counterparty. By buying a CAP, Cofinimmo obtains a guaranteed maximum rate. 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 the leases in force at the closing date, before deduction of rent-free periods or other incentives granted to the tenants.

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 financial instruments issued by the company.

DEBT RATIO

Legal ratio calculated according to the Sicafi/Bevak legislation as financial and other debts divided by total assets.

DERIVATIVES

As a borrower, Cofinimmo wants to hedge against a possible 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 the sale of 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 currently set by the independent experts 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 5.4% and 6.0%. This disposal value is used as fair value in Cofinimmo's IAS/IFRS financial statements.

DIVIDEND YIELD

Gross dividend divided by the average share price 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 (lessor). 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.

DUE DILIGENCE

Procedure that provides a full and certified inventory of a company (accounting, economic, legal and taxation aspects, ...) before a financing or acquisition operation.

EBIT (EARNINGS BEFORE INTERESTS AND TAXES)

Operating result. Net current result before interest charges and taxes.

EBITDA (EARNINGS BEFORE INTERESTS, TAXES, DEPRECIATION AND AMORTISATION)

Net result before interest charges and revenues, taxes, depreciation and amortisation. Under the Sicafi/Bevak legislation, investment properties are not amortised.

EBITDAR (EARNINGS BEFORE INTERESTS, TAXES, DEPRECIATION, AMORTISATION AND RENTS)

Net result before interest charges and revenues, taxes, depreciation, amortisation and rents.

EHPAD (ÉTABLISSEMENT D'HÉBERGEMENT POUR PERSONNES ÂGEES DÉPENDANTES)

In France, this is the most widespread form of institution for the elderly.

E-LEVEL

Primary energy consumption level of a building, according to the European legislation.

EPB (ENERGY PERFORMANCE OF A BUILDING)

This index, issued from the European Directive 2002/91/EC, expresses the quantity of energy required to meet the various needs for the normal use of a building. It results from a calculation that takes into account the various factors that influence energy demand (insulation, ventilation, solar and internal contributions, heating system, etc.).

EPRA (EUROPEAN PUBLIC REAL ESTATE ASSOCIATION)

Organisation grouping the listed European real estate companies with the aim of promoting the sector and making it more attractive compared to direct real estate investments 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 stocks representative of the European listed real estate sector. Created by EPRA.

EX DATE

Date as of which the stock exchange trading takes place without the right to the payment of the dividend to come (due to the "detachment of the coupon" which formerly represented the dividend), i.e. three working days after the Ordinary General Shareholders' Meeting.

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 the property assets – after deduction of costs, i.e. after deduction of registration rights of 10% or 12.5% or, if applicable, VAT - and their 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 the real estate experts.

FBI (FISCALE BELEGGINGSINSTELLING)

Dutch fiscal status, comparable to the Sicafi/Bevak status.

FINANCIAL RATING

Financial ratings given by specialised agencies (Standard & Poor's in the case of Cofinimmo), estimating the short- or long-term financial strength of a company. These ratings influence the rate at which a company can finance itself.

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 actual short-term rate falls below the FLOOR's minimum interest rate. 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 individually 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 regulatory authority governing financial and insurance markets in Belgium.

GPR250 (GLOBAL PROPERTY RESEARCH 250)

Stock exchange index of the 250 largest listed real estate 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 which 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)/BIM (BRUSSELS INSTITUUT VOOR MILIEUBEHEER)

Brussels Capital Region environment and energy 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

Infringement committed by an individual who takes advantage of information obtained through his/her 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 given by rating agencies from AAA to BBB- based on the Standard & Poor's scale, indicating the company's risk level.

INVESTMENT VALUE

Value of the portfolio as established by the real estate experts, 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. Through an IRS, Cofinimmo swaps a floating interest rate against a fixed interest rate, or the other way round.

K-LEVEL

Global thermal insulation level of a building, which characterises the thermal quality of the building's shell.

LONG-LEASE RIGHT

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 no less than 27 years and no 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 grouping listed companies worldwide.

NET CURRENT CASH FLOW

Net current result (Group share) before the result on the portfolio plus (+) contributions to depreciations, writebacks on trade receivables and (writebacks of) provisions less (-) other non-cash items such as writebacks of lease payments sold and discounted, positive and negative changes in the fair value of financial instruments and the spreading of rent-free periods 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.

OCCUPANCY RATE

The occupancy rate is calculated by dividing the (indexed) contractual rents of the leases in force by the sum of these contractual rents and of the estimated rental values of the vacant spaces, the latter being calculated based on 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 the general public.

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 real estate investment trust as existing in the United States.

RESULT ON THE PORTFOLIO

Realised and unrealised gains and losses compared to the last valuation by the real estate expert, including the amounts of exit tax due following the entry of a building into the Sicafi/Bevak, SIIC or FBI regimes.

REVALUED NET ASSETS

Net Asset Value (NAV). Equity estimated at its market value, i.e. the difference between the company's assets and liabilities (these both being presented directly at market value on the Cofinimmo balance sheet). This value is calculated at the company based on the property valuation 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 (SOCIETE D'INVESTISSEMENT IMMOBILIER COTEE)

French fiscal status for property companies, comparable to the Sicafi/ Bevak status.

SSR (CLINIQUE DE SOINS DE SUITE ET DE READAPTATION)

Clinic providing rehabilitation care to patients following a hospital stay for a health complaint or surgery.

SWAP RATE

Interbank interest rate.

TAKE-UP

Letting of rental spaces.

TRIPLE NET

So-called "triple net" rental contracts or yields imply that insurance costs, taxes and maintenance expenses are payable by the tenant (lessee). This mainly concerns the leases of healthcare assets.

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.

ZBC (ZELFSTANDIG BEHANDELCENTRUM)

Independent private clinic in the Netherlands.

Cofinimmo

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This Annual Financial Report is a registration document in the sense of Article 28 of the Law of 16.06.2006 on public offerings of investment instruments and the admission of investment instruments authorised to trading on a regulated market.
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together in sustainability.