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Cofinimmo

PRESS RELEASE

REGULATED INFORMATION

Embargo until 01.08.2012, 8:00 AM CET

HALF-YEARLY FINANCIAL REPORT 2012

- Net current result per share – Group share (excluding IAs 39 impact) of €4.14 at 30.06.12, vs. €3.75 at 30.06.2011
- Positive variation of the property portfolio valuation, on a like-for-like basis (+0.25%)
- Net Asset Value per share, expressed at fair value, including IAS 39 impact, of €91.58
- Forecasts for net current result (€7.47 per share) and gross dividend (€6.50 per ordinary share and €6.37 per preference share) confirmed for 2012

Brussels, 01.08.2012, 8:00 AM CET

Contents

1. Interim Management Report

1.1. Summary of the activities and outlook

a. Activities of the first half year of 2012

For the first six months of 2012, the Group's net current result – Group share, without taking into account the impact of IAS 39, reached €4.14 per share, compared to €3.75 for the first half of 2011. The increase of this result is due to a non recurrent indemnity paid by Belfius Bank during the first quarter of this year in compensation of the early termination of its lease of the Livingstone building. This exceptional indemnity of 21 months of rent, amounting to €11.20 million, represents €0.71 per share.

The net result – Group share comes to €4.43 per share, compared to €5.01 for the first six months of 2011.

During the first half of 2012, Cofinimmo was successful in strengthening its positions in the elderly care sector and has realised two Public-Private Partnerships.

The following investments were made in the healthcare sector:

- A co-investment agreement was signed with Senior Assist, a reference operator in the healthcare sector in Belgium, relating to a property portfolio of nursing homes with a total value of nearly €150 million.
- An EHPAD[1] was acquired in France under the partnership agreement with the ORPEA Group for an amount of €22.2 million.

Furthermore, Cofinimmo signed two Public- Private Partnerships ("PPP"):

- The Group acquired a newly built asset located in Dendermonde, occupied by the Federal Police for 18 years, for an amount of €15.57 million.
- Cofinimmo won a call for tenders by the Université Libre de Bruxelles ("ULB" - Brussels University) for the renovation of two student residence buildings. The estimated total investment amounts to €14.2 million. The assets are rented to the University for 27 years.

The investments of the first half of this year enabled the Company to not only strengthen long term cash flows but also to lengthen its average lease maturity to 11.5 years.

The diversification strategy initiated by the Company in 2005 proves to be successful in balancing the risks within the portfolio and in achieving, for the first half year of 2012, a positive valuation of the portfolio of 0.25%. At 30.06.2012, the total portfolio's fair value variation comes to €+8.1 million, compared to €-15.9 million at 30.06.2011. This increase is due to the indexation of the nursing home leases and an increase in the valuation of the Pubstone portfolio in Belgium and of the MAAF insurance branches in France.

[1] EHPAD (Etablissement d'Hébergement pour Personnes Âgées Dépendantes). In France, this is the most widespread form of institution for the elderly.

At the same time, Cofinimmo strengthened its financial resources during the first half of the year:

- by signing a syndicated loan, five years tenor, for €220 million with five banks at favourable market conditions;
- by offering its shareholders to reinvest their net 2011 dividend in new shares, thus enabling the company to increase its equity by €32.1 million[1];
- by increasing its funding through the sale of 119,186 treasury shares for an amount of €11.1 million.

These financial resources will allow the Group to finance additional projects in the various segments in which it has developed its expertise.

The conventional financial debt ratio (*Loan-to-value* ratio) was at 53.09% at 30.06.2012. In accordance with Cofinimmo's financial policy and based on the current commitments, the financial debt ratio should be close to 50% by the end of 2012. The average interest rate decreased at 4.01% at 30.06.2012 compared to 4.20% for 2011.

b. Outlook

Given the trend in the results for this first half-year, the Board of Directors decided that the target of a net current result - Group share of €7.47 per share for the 2012 financial year should be maintained, despite the increase in number of shares due to the subscription of shareholders to an optional dividend in shares for the financial year 2011.

On this basis, and barring unforeseen events, it also maintains the dividend targets for the current financial year, which are identical to those for the preceding financial year, namely €6.50 gross for ordinary shares and €6.37 gross for preference shares.

c. Events after 30.06.2012

On 19.07.2012, Cofinimmo and the Buildings Agency (Belgian Federal State) signed an addendum to the lease with respect to the North Galaxy building for which several incentives have been granted. The addendum provides for a nine year extension of the lease. This transaction allows to increase the average lease length in the office segment by 2.4 years and the average lease length of the global portfolio by 1.1 year.

On 26.07.2012, Cofinimmo successfully issued a 7.5 year bond maturing on 07.02.2020 for a total amount of €100 million. The bond will offer a fixed coupon of 3.59%, payable annually. The transaction is scheduled to close on 07.08.2012. It will result in a lengthening to 4 years of the average debt maturity.

[1] See also our press releases dated 02.05.2012 and 29.05.2012, available on our website.

1.2. Consolidated key figures

a. Global Information

(x €1,000,000)	30.06.2012	31.12.2011
Portfolio of investment properties (in fair value)	3,257.4	3,189.4
(x €1000)	**30.06.2012**	**30.06.2011**
Property result	114,692	105,307
Operating result before result on portfolio	97,271	89,990
Financial result	-28,466	-28,733
Net current result (Group share)	64,705	56,113
Result on portfolio (Group share)	4,855	19,948
Net result (Group share)	69,559	76,061
	30.06.2012	**31.12.2011**
Operating costs/average value of the portfolio under management[1]	0.92%	0.83%
Operating margin	84.81%	85.24%
Weighted residual lease term[2] (in years)	11.5	11.3
Occupancy rate[3]	95.59%	95.34%
Gross rental yield at 100% occupancy	7.04%	6.98%
Net rental yield at 100% occupancy	6.50%	6.56%
Average interest rate on borrowings[4]	4.01%	4.20%
Debt ratio[5]	51.03%	49.89%
Loan-to-value ratio[6]	53.09%	51.50%

b. Figures per share[7] (in €)

Results	30.06.2012	30.06.2011
Net current result – Group share – excluding IAS 39 impact	**4.14**	**3.75**
IAS 39 impact	-0.02	-0.06
Net current result – Group share	**4.12**	**3.69**
Realised result on portfolio	0.01	2.92
Unrealised result on portfolio[8]	0.30	-1.60
Net result – Group share	**4.43**	**5.01**

[1] Average value of the portfolio plus the value of sold receivables relating to buildings whose maintenance costs payable by the owner are still met by the Group through total cover insurance premiums.
[2] 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. The occupancy rate for offices only stands at 91.52% while that of the Brussels office market is 88.5% (source: DTZ Research).
[4] Including bank margins and depreciation costs of hedging instruments pertaining to the period.
[5] Legal ratio calculated in accordance with legislation regarding Sicafis/Bevaks as financial and other debts divided by total assets.
[6] Ratio referred to in credit agreements, calculated by dividing net financial debt by the total of the portfolio's fair value and finance lease receivables.
[7] Ordinary and preference shares.
[8] This is mainly the variation in the fair value of investment properties, the exit tax and, in 2011, the recovery of deferred taxes.

Information per share[1] based on the Belfius termination indemnity split on a prorata temporis basis over the financial year 2012 (in €)

Results	**30.06.2012**	**30.06.2011**
Net current result – Group share – excluding IAS 39 impact	**3.78**	**3.75**
IAS 39 impact	-0.02	-0.06
Net current result – Group share	**3.76**	**3.69**
Realised result on portfolio	0.01	2.92
Unrealised result on portfolio[2]	0.30	-1.60
Net result – Group share	**4.07**	**5.01**

Net Asset Value per share	**30.06.2012**	**31.12.2011**
Revalued net asset value in fair value[3] after distribution of the dividend for the year 2011	91.58	89.66
Revalued net asset value in investment value[4] after distribution of the dividend for the year 2011	96.18	94.19

Diluted Net Asset Value per share[5]	**30.06.2012**	**31.12.2011**
Diluted revalued net asset value in fair value[3] after distribution of dividend for the year 2011	93.25	92.52
Diluted revalued net asset value in investment value[4] after distribution of dividend for the year 2011	97.32	96.51

c. EPRA performance indicators[6] (in € per share)

	30.06.2012	**30.06.2011**
EPRA Earnings	4.14	3.75
	30.06.2012	**31.12.2011**
EPRA Net Asset Value (NAV)	99.71	104.11[7]
EPRA Adjusted Net Asset Value (NNNAV)	93.25	98.29[7]
EPRA Net Initial Yield (NIY)	6.38%	6.26%
EPRA "Topped-up" NIY	6.26%	6,22%
EPRA Vacancy Rate	4.35%	4.84%

1 Ordinary and preference shares.
2 This is the variation in the fair value of investment properties, the exit tax and, in 2011, the recovery of deferred taxes.
3 Fair value: after deduction of transactions costs (mainly transfer taxes) from the value of investment properties.
4 Investment value: before deduction of transactions costs (mainly transfer taxes) from the value of investment properties.
5 By assuming the theoretical conversion of convertible bonds issued by Cofinimmo and bonds repayable in shares issued by Cofinimur I.
6 Main financial performance indicators applicable to listed real estate companies determined according to EPRA recommendations (www.epra.com). These data are not compulsory according to the Sicafi regulation and are not subject to verification by public authorities.
7 According to the principles of the "EPRA Best Practices Recommendations" 2011, the EPRA Net Asset Value (NAV) and the EPRA Adjusted Net Asset Value (NNNAV) are not expressed ex-dividend.

1.3. Evolution of the portfolio

a. Acquisitions

Nursing homes/clinics

Belgium

In January 2012, Cofinimmo and Senior Assist finalised an agreement relating to a property portfolio of nursing homes operated by Senior Assist of a total value of nearly €150 million. Of this portfolio, €80 million corresponds to buildings already owned by Cofinimmo, €24 million to new buildings under operation and €46 million to projects still to be developed. Initial rental yields from the properties in this portfolio range from 6.50% to 7.04% in double net equivalent[1]. All are let or pre-let with long 27-year leases featuring index-linked rents.

The company Maison Saint-Ignace, owner of the nursing home of the same name, of which Cofinimmo already owned the majority of shares, was registered as an institutional Sicafi/Bevak on 13.12.2011 and was renamed Silverstone SA on 31.01.2012.

Cofinimmo and Senior Assist are the sole shareholders in Silverstone, with stakes of 95% and 5% respectively[2].

France

On 19.04.2012, the ORPEA Group and the Cofinimmo Group acquired the premises of an EHPAD[3] in Paris. The transaction was carried out under the partnership agreement signed by the two groups in November 2011[4]. The acquisition was made by the first joint venture, Cofinea I SAS, a company under French law in which Cofinimmo holds a 51% stake and the ORPEA Group the remaining 49%. Cofinea I SAS enjoys the SIIC (Société d'Investissements Immobiliers Cotée or French listed real estate investment company) status.

The EHPAD, located on Rue Germaine Tailleferre in Paris's 19th arrondissement, was built in 2004 and has a total area of 4,265m² for 107 operational beds.

The establishment is operated by the ORPEA Group, with which Cofinimmo has agreed a "triple net" commercial lease for a term of 12 years. Appended to this is a green lease agreed by the parties, in accordance with the Grenelle environmental legislation. This includes environmental provisions, particularly collaboration between the landlord and the tenant to improve the building's environmental performance.

The purchase price paid by Cofinea I SAS was €20.9 million, corresponding to the fair value of the building as determined by the independent real estate expert, plus registration fees payable to

[1] The yield in double net equivalent allows comparison with the yields on offices.

[2] See also our press release dated 31.01.2012, available on our website. Cofinimmo and Senior Assist are related parties within the meaning of Articles 18 § 1 and 31 § 2 of the Royal Decree of 07.12.2010. The described transaction was made with respect to the procedures applicable in case of conflicts of interests and at normal market conditions.

[3] EHPAD (Etablissement d'Hébergement pour Personnes Âgées Dépendantes). In France, this is the most widespread form of institution for the elderly.

[4] See also our press release dated 15.11.2011, available on our website. Cofinimmo and ORPEA are related parties within the meaning of Articles 18 § 1 and 31 § 2 of the Royal Decree of 07.12.2010. The described transaction was made with respect to the procedures applicable in case of conflicts of interests and at normal market conditions.

the French government on the sale, making the asset's total investment value €22.2 million. The rental yield is 6.15% in "double net" equivalent and 5.90% in "triple net" equivalent.

Cofinea I SAS will use the equity method of accounting in the consolidated accounts of Cofinimmo and the accounts of ORPEA[1].

Property distribution networks

Cofinimur I

On 10.01.2012, the Cofinimmo Group, via its subsidiary Cofinimur I, purchased two insurance services agencies, located in Limoges and Montceau-les-Mines respectively, for a total amount of €0.43 million. This amount corresponds to their investment value as determined by the independent real estate expert. They are leased to MAAF[2] and generate a gross rental yield in line with that of the rest of the portfolio of agencies acquired at the end of 2011 (7.31%).

Public-Private Partnerships (PPP)

Police station

On 11.04.2012, the Cofinimmo Group acquired from the Group Cordeel 100% of the shares of the company Immopol Dendermonde SA. This company's sole asset is a building located at Kroonveldlaan 30, Dendermonde, whose construction work was completed at the end of March.

The building is let for an 18 year period to the Buildings Agency (Belgian Federal State) under a lease contract which began on 01.04.2012. It is occupied by the Federal Police. The rent is indexed annually. At the end of the lease, the Buildings Agency can choose to a) renew the lease for a minimum period of three years, b) vacate the building, or c) buy the building at a price equal to the conventional value depreciated at a 3% rate per year.

The conventional value of the building is €15.57 million, including land. This value is not superior to the fair value of the asset as determined by the independent real estate expert. The initial gross yield stands at 7%.

The building, which has an area of over 9,000m², enjoys an excellent level of energy performance and thermal insulation: E 12 (compared with a maximum authorised level in the Flemish Region of E 100) and K 20 (compared with a maximal authorised level in the Flemish Region of K 45)[3].

[1] See also our press release dated 24.04.2012, available on our website.

[2] Subsidiary of French insurance group Covéa. In December 2011, the Cofinimmo Group acquired a portfolio of 263 insurance services agencies leased to MAAF. See also our press release dated 21.12.2011, available on our website.

[3] See also our press release dated 12.04.2012, available on our website. Cofinimmo and Cordeel are related parties within the meaning of Articles 18 § 1 and 31 § 2 of the Royal Decree of 07.12.2010. The described transaction was made with respect to the procedures applicable in case of conflicts of interests and at normal market conditions.

Student residence buildings

After a call for tenders by the Université Libre de Bruxelles ("ULB" - Brussels University) for a Public-Private Partnership, Cofinimmo won the contract for "works and services relating to student residence buildings" of the ULB.

The project comprises two buildings located in the immediate vicinity of the Solbosch Campus in Brussels, with a total surface of 11,284m². The first building, located Avenue des Courses 29-33, 1050 Brussels, has 242 rooms and is in need of a complete renovation. The second building, located at Avenue Depage 31, 1000 Brussels, was built in 1997, has 104 rooms and does not need immediate renovation works.

The ULB owns both buildings and has granted Cofinimmo a long 27-year lease. Cofinimmo has undertaken to carry out major renovation works on the "Courses" building and to make certain improvements to the "Depage" building, according to specifications defined by the ULB. Cofinimmo will also be responsible for the maintenance – technical maintenance only – of the buildings throughout the term of the lease to the ULB.

In return, Cofinimmo has signed a long-term lease with the ULB, which will rent both buildings as a whole for 27 years. The ULB pays an annual rent of €1.21 million, indexed annually. At the end of this 27-year lease contract, the full ownership of the buildings reverts to the ULB.

The estimated total investment of Cofinimmo in this project will be €14.2 million and the net internal yield is expected to be 6.60%[1].

[1] See also our press release dated 23.04.2012, available on our website.

b. Divestments

Property distribution networks

Pubstone

During the second quarter, the Cofinimmo Group, via its subsidiary Pubstone SA, sold three pubs located in Flanders[1], for a total gross amount of €1.59 million, 6.38% above the value assigned to them by the independent real estate expert at 31.12.2011.

c. Constructions and renovations

In order to maintain at all times a portfolio with high-standard buildings, Cofinimmo regularly carries out (re)development projects. These aim to meet the needs of the occupants or to assist tenants in their expansion. For this purpose, the company uses construction techniques that are respectful of the environment.

Hence, in the first half of 2012, the company carried out constructions and renovations totalling €11.9million, including €10.1million in the nursing home sector, €1.0 million in the office sector, €0.7 million in the property distribution networks sector, and €0.1 million in the "Others" segment[2].

The main projects managed by Cofinimmo's Project Management department are:

[1] Maalderijstraat 3 and Suikerrui 14 in Antwerp and Tiensestraat 72 in Leuven.
[2] The "Others" segment comprises semi-industrial buildings, retail outlets, leisure facilities and a police station.

Nursing homes/clinics

Property	Operator	Type of works	Number of (additional) beds	(Additional) surface area	(Scheduled) end of works
Works started in 2011					
Zevenbronnen - Walshoutem	Anima Care	Extension	+17 beds +24 service flats	+3,023m²	Q2 2012
‘t Smeedeshof - Oud-Turnhout	Armonea	Extension	+64 service flats	+6,542m²	Q3 2012
Dageraad - Antwerp	Armonea	New construction	95 beds	5,090 m²	Q1 2013
Damiaan - Tremelo	Senior Living Group	Renovation and extension	+42 beds	+5,918m²	Q1 2013
Parkside - Brussels	Le Noble Age	Renovation and extension	+15 beds	+1,990m²	Q1 2013
Prinsenpark - Genk	Senior Living Group	Extension	+34 beds +40 service flats	+4,213m²	Q1 2013
Works started in 2012					
La Quiétude/Les VII Voyes - Védrin	Senior Assist	Extension	+45 beds	+2,998m²	Q2 2012
Zonnetij - Aartselaar	Senior Living Group	Extension	+26 beds	+1,216m²	Q1 2013
Lucie Lambert - Halle	ORPEA	Extension	+55 beds	+1,767m²	Q4 2013
Solva - Aalst	Senior Assist	New construction	+80 beds + 29 service flats	7,503m²	Q4 2013
De Mouterij - Aalst	Senior Assist	New construction	+106 beds +16 service flats	7,894m²	Q1 2014
Les Jours Heureux - Lodelinsart	Senior Assist	New construction	+20 beds	+1,350m²	Q1 2014
Brise d’Automne & Chêne - Ransart	Senior Assist	Renovation and extension	+25 beds	+3,074m²	Q2 2014
Noordduin - Koksijde	Armonea	New construction	+87 beds	6,440m²	Q4 2014
Susanna Wesley - Brussels	Armonea	New construction	+ 84 beds	4,900m²	Q4 2014

Offices

Property	Type of works	Surface area	(Scheduled) end of works
Tervuren 270-272	Mid-scale renovation (phase II, III and IV)	+4,058m²	Q2 2013
Livingstone I	Office conversion into residential	16,000m²	
Livingstone II	Office renovation	17,000m²	Q2 2014
Woluwe 34	Office conversion into residential	6,680m²	Q3 2014

<u>**Public-Private Partnerships (PPP)**</u>

Property	Type of works	Surface area	(Scheduled) end of works
Student housing - Courses building - Brussels	Renovation	8,100m² (243 rooms, 8 studios and 1 caretaker apartment)	Q3 2013
Prison - Leuze-en-Hainaut	Construction	28,300m²	Q2 2014

1.4. Commercial results

a. Rental situation of the portfolio

As of 30.06.2012, the occupancy rate stands at 95.59%[1] for the total portfolio and at 91.52% for the office segment alone, the latter outperforming by 3.02% the Brussels office market occupancy rate (88.5%) (source: DTZ Research). The properties other than office buildings are wholly rented. Overall, during the first half of 2012, Cofinimmo signed leases for over 17,000m² of office space.

Offices – Occupancy rate	Cofinimmo	Market
Antwerp periphery	**87.21%**	**90.0%**
Brussels	**91.15%**	**88.5%**
Central Business District (CBD)	95.91%	91.8%
Decentralised	87.41%	83.0%
Periphery	90.65%	82.8%

Tenants Global portfolio	Contractual rents	Average residual lease term (in years)
AB Inbev	13.4%	18.3
Belgian Public Sector	12.3%	11.6
Korian	9.0%	7.5
Armonea	7.1%	21.9
Senior Living Group	6.9%	22.8
Top 5 tenants	48.7%	15.8
International Public Sector	6.4%	5.0
Axa Belgium	5.1%	5.1
MAAF	3.5%	9.2
Senior Assist	3.1%	25.2
ORPEA France	2.6%	7.2
Top 10 tenants	69.3%	13.8
Top 20 tenants	80.3%	13.3
Other tenants	19.7%	4.1
TOTAL	**100.0%**	**11.5**

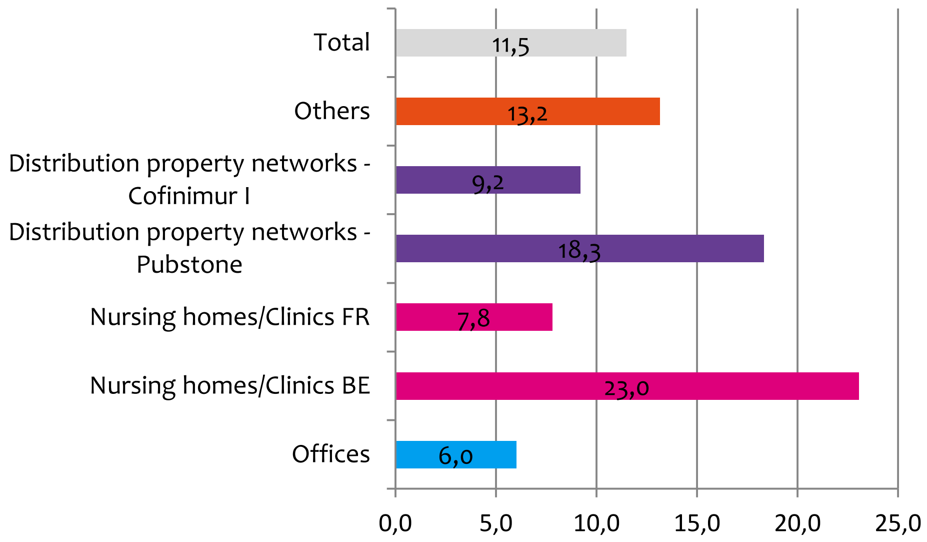
In the office sector, public tenants represent 37.3% of the portfolio, making rental incomes very stable.

[1] The occupancy rate applies only to buildings in a state suitable for occupancy on the date of calculation (buildings in operation).

b. Average residual lease term (in contractual rents)

The average remaining term of all leases in effect on 30.06.2012 is 11.5 years, if every tenant were to exercise their first termination option ("break option"). This period increases to 12.4 years if the break option is not exercised and the tenants remain in the leased premises until the contractual expiry of their leases.

<u>Maturity of leases by segment (number of years until first "break" option)</u>



<u>Maturity of the portfolio</u>

Leases >9 years	52.9%
Offices (public sector)	13.0%
Nursing homes/clinics	21.4%
Distribution property networks	15.3%
Offices (private sector)	1.6%
Others	1.6%
Leases 6-9 years	14.3%
Offices	3.9%
Nursing homes/clinics	9.5%
Distribution property networks	1.0%
Leases <6 years	32.8%
Offices	30.3%
Nursing homes/clinics	1.5%
Distribution property networks	0.6%
Others	0.4%

Over 50% of the leases are long-term leases (more than nine years).

1.5. Real estate assets

GLOBAL PORTFOLIO OVERVIEW *Extract from the report prepared by the independent real estate experts Winssinger & Associates and PricewaterhouseCoopers based on the investment value*		
(x €1,000,000)	**30.06.2012**	**31.12.2011**
Total investment value of the portfolio	3,382.70	3,311.31
Projects and development sites	-130.44	-59.20
Total properties under management	**3,252.26**	**3,252.11**
Contractual rents	218.81	216.47
Gross yield on properties under management	**6.73%**	**6.66%**
Contractual rents and estimated rental value on unlet space	228.90	227.04
Gross yield at 100% portfolio occupancy	7.04%	6.98%
Occupancy rate of properties under management[1]	**95.59%**	**95.34%**

At 30.06.12, the "Projects and development sites" item mainly includes the buildings Livingstone I and II. It also includes projects or extensions in the nursing home segment, the most important being located in Tremelo, Uccle and Laeken .

Properties	**Surface area of superstructure (in m²)**	**Contractual rents (x €1,000)**	**Occupancy rate**	**Rent + ERV on unlet premises (x €1000)**	**Estimated Rental Value (ERV) (x €1000)**
Offices	534,684	81,991	90.45%	90,648	82,828
Offices with sold receivables	217,041	24,666	95.28%	25,889	25,889
Total offices & writeback of lease payments sold and discounted	**751,725**	**106,657**	**91.52%**	**116,537**	**108,717**
Nursing homes/ clinics	611,948	70,954	100.00%	70,954	67,838
Pubstone	365,600	29,289	100.00%	29,289	27,396
Cofinimur I	61,045	7,685	97.40%	7,890	8,305
Others	31,537	4,227	100.00%	4,227	3,497
Total investment properties & writeback of lease payments sold and discounted	**1,821,855**	**218,812**	**95.59%**	**228,897**	**215,753**
Projects & renovations	34,341	390		744	765
Development sites		11		11	11
GENERAL TOTAL PORTFOLIO	**1,856,196**	**219,213**		**229,652**	**216,529**

[1] Calculated based on rental income.

Segment	Fair value			Property result after direct costs	
	(in €1,000)	(as a %)	Changes over the period[1]	(in €1,000)	(as a %)
Offices	**1,536,136**	**47.2%**	**-1.73%**	**54,099**	**49.7%**
Brussels Leopold/Louise districts	339,422	10.4%	-4.74%	18,533	17.0%
Brussels Centre/North	263,137	8.1%	-0.51%	7,802	7.2%
Brussels Decentralised	614,482	18.9%	-1.65%	17,666	16.2%
Brussels Periphery & Satellites	146,007	4.5%	1.13%	4,937	4.5%
Antwerp	60,816	1.9%	0.15%	1,575	1.5%
Other Regions	112,272	3.4%	-0.13%	3,586	3.3%
Nursing homes/clinics	**1,137,472**	**34.9%**	**2.12%**	**34,770**	**31.9%**
Belgium	725,307	22.3%	1.80%	20,678	19.0%
France	412,165	12.6%	2.71%	14,092	12.9%
Property distribution networks	**519,804**	**16.0%**	**1.52%**	**18,217**	**16.7%**
Pubstone - Belgium	263,166	8.1%	2.27%	9,658	8.9%
Pubstone - Netherlands	149,178	4.6%	-0.09%	4,737	4.3%
Cofinimur I - France	107,460	3.3%	1.95%	3,822	3.5%
Others	**63,951**	**1.9%**	**6.16%**	**1,825**	**1.7%**
TOTAL PORTFOLIO	**3,257,363**	**100.0%**	**0.25%**	**108,911**	**100.0%**

The valuation of the portfolio by the independent real estate experts resulted in a positive change in fair value for the first half of 2012 of €+8.1 million (€+0.6 million for the first quarter and €+7.5 million for the second quarter) compared to a negative variation of €-15.9 for the first half of 2011. While the office portfolio shows a depreciation, due mainly to the decrease of the value of the Livingstone I and II and Science 15-17 buildings in need of renovation, the segments "Nursing homes/Clinics", "Distribution property networks" and "Others" confirm their resilience.

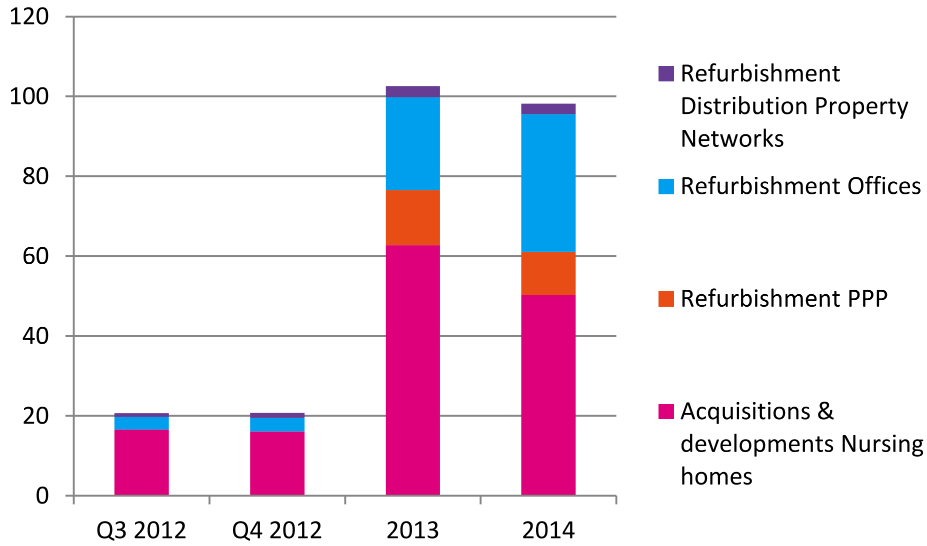
Yield per segment	Offices	Nursing homes and clinics in Belgium	Nursing homes and clinics in France	Property distribution networks	Others	Total
Gross rental yield at 100% occupancy	7.76%	6.15%	6.53%	6.59%	7.13%	**7.04%**
Net rental yield at 100% occupancy	6.67%	6.09%	6.52%	6.46%	7.10%	**6.50%**

[1] On a like-for-like basis.

1.6. Investment program 2012-2014

Cofinimmo's 2012-2014 investment programme totals €242 million, of which €41 million relates to the second half of 2012 , €103 million to 2013 and €98 million to 2014.

In € million:



The "PPP" refurbishment budget relates to the student residence "Courses", located in Brussels. The offices refurbishment budget, on the other hand, relates mainly to the renovation of the Livingstone II, Science 15-17, Tervuren 270-272 and Woluwe 34 buildings.

Main office renovation projects[1]

Livingstone I-II

The Livingstone site comprises two distinct entities, Livingstone I and II.

The **Livingstone I** office building (16,000m²), which is divided into four units, was constructed in 1976 and has 10 floors.

Benefiting from an advantageous location in the heart of the European Quarter, close to green areas and with easy accessibility, the conversion of Livingstone I into a residential building will address the area's housing needs. The building will be developed into four separate apartment units, providing a total of around 125 apartments to be sold. The ground floor will be occupied by retail outlets and/or independent professionals with direct access to the adjacent streets.

From an energy perspective, Cofinimmo is aiming for K 30 and E 60 levels for the building. The functional structure of the building, allowing a very interesting redistribution into apartments, with large outdoor spaces, as well as the ambitions for energy and environmental performance have contributed to the selection of the Livingstone I project as the winner of the "residential conversion of unused office buildings" prize awarded by the Brussels-Capital Region.

[1] See also our 2011 Annual Financial Report, available on our website.

The various permits required for the renovation works on Livingstone I were granted during the first half of the year. Construction will begin once a certain level of pre-sales of apartments has been achieved. Marketing is in progress and is being carried out by the Victoire Properties real estate agency and the company, Cordeel. The latter has guaranteed Cofinimmo a minimum sale price for the apartments, insofar the pre-sales are successful, which means there is no risk for unsold units on Cofinimmo's side.

The **Livingstone II** building, constructed in 1996, boasts ± 17,000m² of office space over seven levels and will benefit from complete restructuring and renovation. A new entrance lobby will be created on the corner of Rue Joseph-II and Rue Philippe le Bon, directly opposite the metro station. On the ground floor, a multi-purpose space will be designed, perfectly suited to an office layout or large meeting rooms.

The permits for the works on Livingstone II were issued during the first half of the year. Works are due to begin in the first quarter of 2013 and are expected to last 12 months.

The total budget for works on these two major redevelopment projects is estimated at €40 million, including VAT, of which €27 million for the renovation of Livingstone I, borne by the general contractor Cordeel, and € 13 million for the renovation of Livingstone II, borne by Cofinimmo.

Livingstone I – after renovation works (expected)

Livingstone I – after renovation works (expected)

Science 15-17

This building has a superstructure of ±20,000m², divided between eight floors and two underground parking levels, and is located on the corner of Rue Belliard and Rue de la Science. It dates from the early 1970s and was extended around 10 years later.

Since it no longer meets to current needs for modern and sustainable office buildings, Cofinimmo has decided to entirely redevelop it. The company has opted for a mixed project: the lower floors will be dedicated to commercial or cultural activities while the upper floors will retain their identity as office spaces. The monotony of the architecture on Rue Belliard will be broken through the creation of an esplanade on the corner of Rue Belliard and Rue de la Science. A transparent atrium over five levels, serving as the entrance to the building, will provide a view of the internal garden located behind the building, fitting perfectly into the new urban vision adopted.

Cofinimmo is aiming for a maximum level E rating of 60 and a “very good” BREEAM certification for the conversion of the Science 15-17 building. The project's concept and sustainability attributes, its energy performance ambition and environmental quality led the Brussels-Capital Region to name the project as a winner of the 2011 Exemplary Building competition.

Applications have been submitted for the various permits required for this redevelopment. Works will begin after the existing tenant (European Commission) departs and the permits have been obtained. The works are then due to take two years.

Science – before renovation works

Science – after renovation works (expected)

Woluwe 34
The Woluwe 34 office building, located on Boulevard de la Woluwe, which Cofinimmo has owned since 1996, was part of a project to build four office buildings on a shared underground car park. Its above-ground area is 7,325m² over nine floors. The below-ground area is 3,230m² and is used for car parking, archives and technical rooms. The building now has its own car park and a separate entrance. The building has never been subject to a major renovation.

Given its age, Cofinimmo has decided to carry out a complete renovation of the building. The office building will be reconverted into apartments, leaving the option of creating retail outlets and limited office space on the ground floor. These three intended uses (residential, retail and/or offices) fit in perfectly with the mix that already exists in the district.

In terms of energy and sustainability, the target is an overall K value of 40 and an E value of 70 for each apartment. Cofinimmo submitted its application for the Woluwe 34 project in response to the call for projects for the conversion of the unoccupied offices into apartments and was selected as the winner.

Applications have been submitted for urban planning and environment permits.

The total budget for the works on this redevelopment project is estimated at between €10 million and €12 million, excl. VAT.


Woluwe 34 – before renovation works


Woluwe 34 – after renovation works (expected)

1.7. Sustainable development and management policy

a. Green Charter

Since 01.01.2012, Cofinimmo offers its office tenants a Green Charter. This is a collaboration agreement signed by Cofinimmo, Cofinimmo Services and the tenant, whose purpose is to actively promote sustainable development and encourage all parties to reduce the environmental impact of the rented property.

Nine tenants have signed the charter since its launch. Together, they represent ±7.9% of all the tenants in Cofinimmo's office portfolio (61,740m²).

In France, Cofinimmo signed its first green lease with the ORPEA Group. This relates to the EHPAD located in Paris and acquired on 19.04.2012[1].

b. BREEAM certification

Cofinimmo is pursuing its "BREEAM In-Use"[2] certification policy, with priority given to buildings currently being marketed. "BREEAM In-Use" is a sub-programme of BREEAM which certifies cost reduction and environmental performance improvement processes in relation to existing buildings.

Four buildings were certified in the first half year: Bourget 42 and 44, Square de Meeus 23 and Omega Court. A "Good" rating was awarded to the four buildings themselves as well as for their property management.

c. ISO 14001:2004 certification

The Environmental Management System ("EMS") of Cofinimmo's entire internally managed office portfolio was approved by Bureau Veritas following standard ISO 14001:2004. This certification applies to the property management of the portfolio, as well as its project management.

ISO 14001:2004 specifies the requirements of an "EMS" enabling an organisation to develop and implement measurable objectives thanks to key performance indicators.

d. Cofinimmo makes parking spaces at its head office available to the general public

This year, Cofinimmo has signed an agreement with Be Park, a parksharing website, to lease the parking spaces in the basement level below its head office after working hours. Cofinimmo hopes to contribute in this way to the resolution of urban mobility problems.

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[1] See also pages 6 and 7 of the press release.

[2] BREEAM ("Building Research Establishment Environmental Assessment Method" - www.breeam.org) is the leading standard in terms of sustainable construction, i.e. economic use of natural resources. BREEAM analysis of a building's environmental performance relates to the following aspects: Energy, Water, Materials, Transport, Waste, Pollution, Health, Well-being, Management, Land, and Ecology.

1.8. Management of financial resources

a. Financing

Sale of treasury shares

During the first quarter of 2012, Cofinimmo sold 119,186 ordinary own shares on the stock market for an average net price of €93.40 per share, thereby raising €11.1 million. As at 30.06.2012, the share's closing price was €87.98 and the net asset value per share, in fair value, was €91.58.

Strengthening of shareholder equity through the distribution of dividends in shares

The shareholders' equity was increased by €32.1 million, further to a decision by the shareholders of Cofinimmo to reinvest 40.8% of their 2011 dividends in new ordinary shares[1].

Signing of a new syndicated loan

On 20.04.2012, Cofinimmo signed a new syndicated loan for €220 million with five banks. This revolving credit facility has a term of five years.

Credit line extension

A bilateral bank credit line for an amount of €25 million maturing on 30.06.2012 has been extended for five years.

Considering the loans already in place and unused, all loan instalments to be reimbursed in 2012 and 63% of instalments to be reimbursed in 2013 have now already been refinanced.

[1] See also our press releases dated 02.05.2012 and 29.05.2012, available on our website.

b. Debt

Debt structure

At 30.06.12, the Cofinimmo Group consolidated borrowings amounted to € 1,768.90 million, comprising:

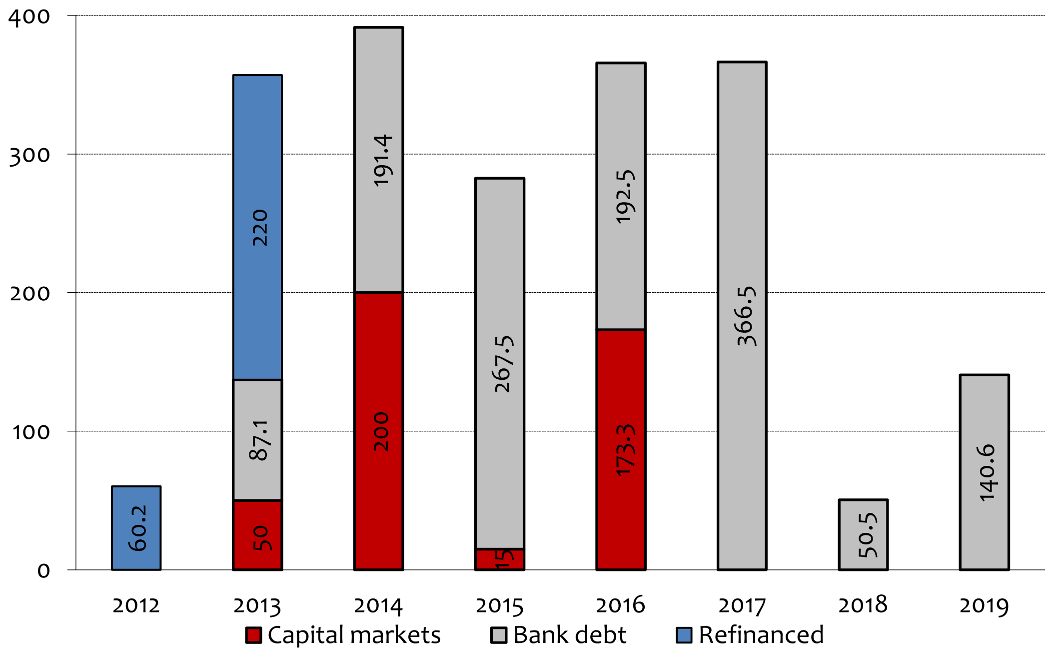
- €262.03 million in the form of three debenture loans (bond issues), the first issued in 2004 by Cofinimmo Luxembourg SA and the second by Cofinimmo SA in 2009. Both issues mature in 2014 for a nominal amount of €100.00 million each. The third loan was issued by Cofinimmo SA in 2010 and matures in 2013 for a nominal amount of €50.00 million;
- €169.97 million in the form of bonds convertible into Cofinimmo shares, issued in April 2011 at a nominal amount of €173.31 million; this bond issue is booked at market value on the balance sheet;
- €310.00 million in commercial papers, including €295.00 million with a term of less than one year and €15.00 million with an initial term of more than three years;
- €4.20 million in in minimum coupons of the mandatory convertible bonds issued by Cofinimur I in December 2011;
- €1,002.67 million in bilateral medium- and long-term loans from 10 banks, with an initial term of three to 10 years;
- €20.03 million in other loans and advances (account debits).

At 30.06.2012, the Cofinimmo Group current consolidated borrowings amounted to € 303.34 million, including:

- €295.00 million in commercial paper with a term of less than one year;
- €8.34 million in other loans and advances (account debits).

The short-term borrowings (€303.34 million) are fully covered by the undrawn portions of long-term confirmed credit facilities totalling €581.60 million at 30.06.2012.

Repayment schedule of the long-term financial commitments[1] of €2,014.6 million at 30.06.2012 (in € million)



The long-term financial commitments, with a total outstanding amount of €2,014.60 million at 30.06.2012, mature in a staggered manner up to 2019, with a maximum of 19.42% maturing in 2014. In the second half of 2012, 2.98% of the outstanding amount will mature, while 17.72% will mature in 2013. All loan instalments to be reimbursed in 2012 and 63% of the instalments to be reimbursed in 2013 have now already been refinanced. The average maturity of Cofinimmo's debt (excluding short-term commercial paper, which is fully covered by the undrawn portions of long-term credit facilities) comes from 3.3 years at 31.12.2011 to 3.8 years at 30.06.2012.

The average interest rate on Cofinimmo's debt, including bank margins and the amortisation costs of hedging instruments for the period, decreased from 4.20% in 2011 to 4.01% for the first six months of 2012. The historically low Euribor rate is offset by the exercise of derivative instruments, in particular FLOORs and Interest Rate Swaps.

[1] This schedule takes into account the capital from financial commitments and excludes payment of interest (generally on a monthly or quarterly basis) as well as projected cash flows from derivatives.

Consolidated debt ratio

As at 30.06.2012, Cofinimmo is in compliance with regulatory and conventional financial ratios. Cofinimmo's regulatory debt ratio[1] is 51.03% (vs. 49.89% at 31.12.2011) and is coherent with the moderate risk profile of assets and cashflow and – in particular – with the long residual term of the leases agreed. It should be recalled that the statutory maximum debt ratio for Sicafis/Bevaks is 65%[2]. Based on the commitments for the second half of 2012, Cofinimmo's regulatory debt ratio, all things being equal, should be below 50% at the end of 2012.

The conventional financial debt ratio[3], as defined in the banking lines documentation, was 53.09% as at 30.06.2012. If the Group exceeds the threshold of 57.5%, it is agreed that it must return to below the threshold within six months. Cofinimmo's financial policy aims to preserve a financial debt ratio close to 50%. Based on the commitments for the second half of 2012, Cofinimmo's conventional debt ratio, all things being equal, should be close to 50% at the end of 2012.

1 Financial and other debts divided by total assets in accordance with the Royal Decree dated 07.12.2010.

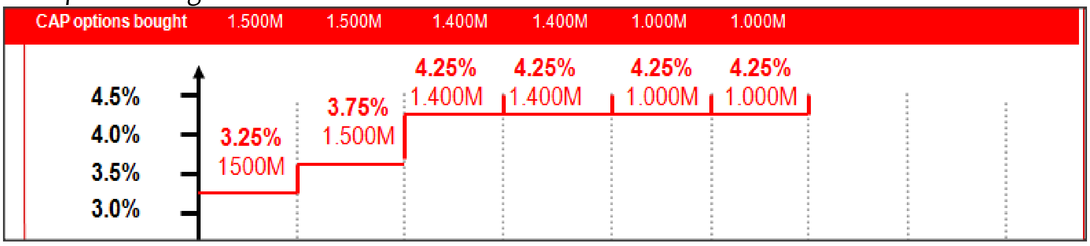
2 As a result of article 54 of the Royal Decree of 10.12.2010 on Sicafis/Bevaks, the public Sicafi/Bevak must, where the consolidated debt ratio exceeds 50% of the consolidated assets, draw up a financial plan accompanied by an execution schedule, detailing the measures taken to prevent this debt ratio exceeding 65% of the consolidated assets. See also pages 164-165 of our 2011 Annual Financial Report, available on our website.

3 Ratio referred to in credit agreements, calculated by dividing net financial debt by the total of the portfolio's fair value and finance lease receivables.

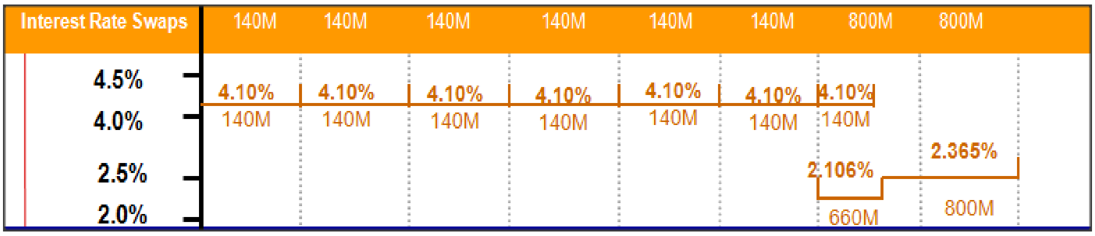
Interest rate hedging

Situation of interest rate hedging for future years as at 30.06.2012 (in € million)

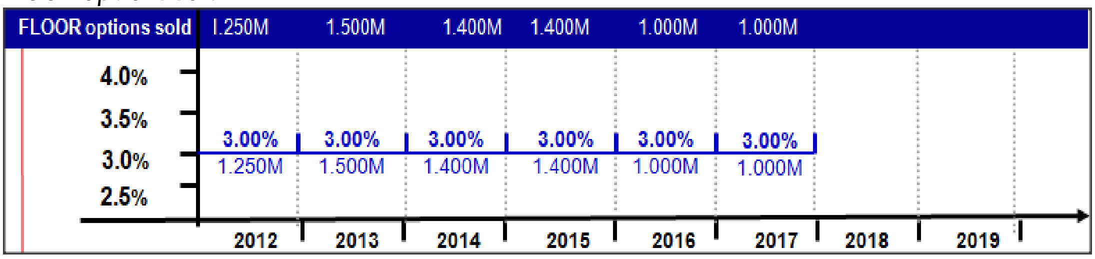
CAP options bought



IRS[1]



FLOOR options sold



Bank margins should be added to the above rates.

Assuming constant gearing, 78.58% of the interest rate risk[2] is covered in 2012, 92.71% in 2013, 87.06% in 2014 and 2015, 64.45% in 2016 and 2017 and 45.23% until 2018. The sensitivity of Cofinimmo's result to interest rate fluctuations is explained in the section " Risk management".

Financial rating

At the time of writing, the Standard & Poor's rating is BBB for the long-term and A-2 for the short-term.

[1] Average of Interest Rate Swaps with various strikes and assuming that IRS subject to early cancellation by the bank are active until their maturity date.

[2] Calculated based on derivative "in-the-money" instruments: IRS and FLOORS sold.

1.9. Information on shares and bonds

a. Share performance

Ordinary share (COFB)

	30.06.2012	31.12.2011	31.12.2010
Share price (over 6/12 months, in €)			
Highest	95.00	103.90	105.30
Lowest	83.38	82.31	90.25
At close	87.98	90.82	97.41
Average	89.05	94.77	97.59
Dividend yield[1]	**7.30%**	**6.86%**	**6.66%**
Gross return[2] **(over 12 months)**	**4.17%**	**0.09%**	**5.37%**
Volume (over 6/12 months, in number of shares) on Euronext			
Average daily volume	38,778	34,683	31,087
Total volume	5,041,135	9,017,465	8,113,577
Number of outstanding ordinary shares at end of period[3]	**14,877,432**	**14,126,279**	**13,614,485**
Market capitalisation at end of period (x €1,000)	**1,308,916**	**1,365,960**	**1,326,187**
Free float zone[4]	**90%**	**90%**	**90%**

Preference shares (COFP1 & COFP2)

	COFP1 30.06.2012	COFP1 31.12.2011	COFP2 30.06.2012	COFP2 31.12.2011
Share price (over 6/12 months, in €)				
At close	110.19	93.50	80.01	76.51
Average	98.42	93.45	80.55	88.5
Dividend yield[1]	**6.47%**	**6.82%**	**7.91%**	**7.20%**
Gross return[2] **(over 12 months)**	**24.32%**	**7.35%**	**12.48%**	**-8.28%**
Volume (over 6/12 months, in number of shares)				
Average daily volume[5]	39	61	30	34
Total volume	75	245	690	864
Number of shares	**465,797**	**513,297**	**360,823**	**554,512**
Market capitalisation at end of period (x €1000)	**51,216**	**52,522**	**28,869**	**52,519**

1 Gross dividend on average share price.
2 Increase in share price + dividend yield.
3 Excluding treasury shares.
4 Using the Euronext method.
5 Average calculated based on number of stock exchange days on which a volume was recorded.

Bonds

	Cofinimmo Luxembourg SA €100 million – 2004-2014 ISIN XS0193197505		Cofinimmo SA €100 million – 2009-2014 ISIN BE0002171370	
	30.06.2012	**31.12.2011**	**30.06.2012**	**31.12.2011**
Market price (over 6/12 months, as a % of nominal price)				
At close	103.56%	103.06%	103.33%	102.42%
Average	103.45%	103.10%	102.83%	102.11%
Yield to maturity (12-month average)	**4.01%**	**4.13%**	**3.98%**	**4.24%**
Effective yield at issue	**5.06%**	**5.06%**	**4.54%**	**4.54%**
Interest coupon				
Gross	5.25%	5.25%	5.00%	5.00%
Net	4.15%	4.15%	3.95%	3.95%
Number of securities[1]	**1,000,000**	**1,000,000**	**100,000**	**100,000**

	Cofinimmo SA €50 million – 2010-2013 ISIN BE6202995393		Cofinimmo SA Convertible bonds €173.31 million – 2011-2016 ISIN BE0002176429	
	30.06.2012	**31.12.2011**	**30.06.2012**	**31.12.2011**
Market price (over 6/12 months, as a % of nominal price)				
At close	99.17%	98.48%	98.07%	93.19%
Average	99.06%	97.77%	96.47%	97.40%
Yield to maturity (12-month average)	**3.43%**	**4,12%**	**4.10%**	**3.70%**
Effective yield at issue	**2.94%**	**2.94%**	**3.13%**	**3.13%**
Interest coupon				
Gross	2.94%	2.94%	3.13%	3.13%
Net	2.32%	2.32%	2.47%	2.47%
Number of securities[1]	**1,000**	**1,000**	**1,486,332**	**1,486,332**

b. 2011 dividends

The Board of Directors gave the holders of both ordinary and preference shares the option of payment of the 2011 dividend in new ordinary shares or in cash or a combination of the two.

At the end of the offer period, a total of 40.8% of the dividend coupons had been re-contributed to the capital in return for new shares. This resulted in the issuance of 390,778 new ordinary shares, at a subscription price of €82.16, for a total amount of €32.1 million.

The new ordinary shares will be included in Cofinimmo's results from 01.01.2012 (first dividend payable in May 2013)[2].

[1] Per band of €100 for the bond with ISIN code XS0193197505, €1,000 for the bond with ISIN code BE0002171370, €50,000 for the bond with ISIN code BE6202995393, €116.60 for the bond with ISIN code BE0002176429.

[2] See also our press releases dated 02.05.2012 and 29.05.2012, available on our website.

c. 2012 dividends

Barring the occurrence of unforeseen events, the 2012 dividend forecast published in the 2011 Annual Financial Report is maintained and amounts to €6.50 gross (€5.135 net) per ordinary share and €6.37 gross (€5.0323 net) per preference share. Dividends are subject to 21% withholding tax[1].

d. Conversion of preference shares

In accordance with Article 8.2. of the company's articles of association, two new windows to convert Cofinimmo preference shares into Cofinimmo ordinary shares were opened during the first six months of the year. During this period, applications to convert 241,189 preference shares were received. Accordingly, since the opening of the conversion procedure (01.05.2009), 673,146 preference shares have been converted into ordinary shares. 826,620 preference shares are therefore still outstanding.

e. Shareholders

Company	Ordinary shares	Preference shares	Total number of shares (voting rights)	%
Cofinimmo Group	975,188		975,188	5.85%
Total number of issued shares	**15,852,620**	**826,620**	**16,679,240**	100.0%

f. Shareholders' calendar

Event	Date
Interim announcement: results at 30.09.2012	12.11.2012
Annual press release: results at 31.12.12	08.02.2013
Publication of the 2012 Annual Report	26.03.2013
2012 Annual General Meeting	26.04.2013[2]
Interim announcement: results at 31.03.13	02.05.2013
Half-yearly Financial Report: results at 30.06.13	31.07.2013
Interim announcement: results at 30.09.13	12.11.2013

[1] For individual registered shareholders residing in Belgium who receive more than €20,020 in dividends and/or interests per year, the Law of 28.12.2011 imposes a solidarity contribution of 4% on dividends paid by the issuer.
[2] The change with respect to the Ordinary General Meeting date to the second Wednesday of the month of May at 15.30, as from the Ordinary General Meeting to be held in 2013 will be put in the agenda of the Extraordinary General Meeting of 09.10.2012.

1.10. Events after 30.06.2012

a. Extension of the lease for the North Galaxy building

On 19.07.2012, Cofinimmo and the Buildings Agency (Belgian Federal State) signed a nine year lease extension with respect to the North Galaxy building. The maturity of the lease is therefore extended to 30.11.2031, instead of 30.11.2022 initially.

This transaction allows to significantly increase the average residual lease length in the office segment: on 30.06.2012, the average residual lease length would have stood at 8.4 years if the lease extension had already been signed, i.e. 2.4 years more in comparison with the current situation on 30.06.2012. The average residual lease length of Cofinimmo's global portfolio would have stood at 12.6 years, instead of the actual 11.5 years, i.e. an improvement of 1.1 year.

Several incentives have been granted to the Buildings Agency with respect to this transaction. These incentives have been fully taken into account in the 2012 forecasts published in the 2011 Annual Financial Report.

As a reminder, with its 105,000m² of office space, this building is located in the Brussels' North Area (CBD), in the immediate proximity of the North Station, and is occupied by the Federal Public Service of the Ministry of Finance.

b. Successful issuance of a €100 million private placement

On 26.07.2012, Cofinimmo successfully issued a 7.5 years bond maturing 07.02.2020 for a total amount of €100 million. The bond will offer a fixed coupon of 3.59% payable annually on February 7th, with a first short coupon. The bond was placed with a limited number of institutional investors. The transaction is scheduled to close on 07.08.2012.

The net proceeds of this bond issue allow Cofinimmo to cover its refinancing needs until the end of 2013 and to further diversify its financial resources. This transaction lengthens the average debt maturity to four years.

c. Disposal of a pub located in Flanders

On 19.07.2012, the Cofinimmo Group, via its subsidiary Pubstone SA, sold a pub located in Flanders[1], for a total gross amount which is 37.3% above the value assigned to them by the independent real estate expert at 31.12.2011.

[1] Dorpstraat 48 in Serskamp (Wichelen).

1.11. Risk management

Below is an overview of the most significant risks to which Cofinimmo is exposed in its activities. Reference is made to pages 2 to 5 of the 2011 Annual Financial Report for a detailed account of the company's risk management strategy.

Risks associated with the economic climate

The activities of Cofinimmo are partially linked to the general economic climate. A decline in economic growth indirectly influences the occupancy rate of offices in the private sector as well as rents. It can also increase the risk of default by tenants. The impact on Cofinimmo's bottom line is, however, mitigated by the duration of its lease agreements (as at 30.06.12, the average period until the first break option is 11.5 years), the diversification of its tenant portfolio (362 clients), and the fact that over 37% of its office tenants are from the public sector. Thanks to its diversification into less volatile sectors such as nursing homes and clinics and sale and leaseback operations with AB InBev and MAAF, Cofinimmo's portfolio is less exposed to the risks posed by the general economic climate.

Risk of vacancy

For about four years, the vacancy rate on the Brussels office market has been increasing. As at 30.06.12, the vacancy rate in Brussels was 11.5% (source: DTZ Research). For Cofinimmo's Brussels office portfolio, the vacancy rate is 8.85% as at 30.06.12. Cofinimmo actively manages its client base in order to minimise vacancies and tenant turnover in the office segment. An internal property management team is responsible for swiftly resolving tenant complaints. The commercial team maintains regular contacts with existing tenants and actively seeks new ones.

The nursing homes/clinics are let on a long-term basis, with an initial lease term of 27 years in Belgium and 12 years in France. As at 30.06.12, the average remaining lease term was 23.0 years in Belgium and 7.8 years in France.

As at 30.06.12, the entire pub portfolio is let to AB InBev with a minimum average residual term of 18.3 years. Furthermore, all the insurance services agencies are leased to MAAF for an average residual term of 9.2 years.

Risk of tenant insolvency

Cofinimmo is exposed to the risk of default by its tenants. As at 30.06.12, the five most important clients accounted for 48.7% of its rental income. The two most important office tenants (18.7%) are from the public sector.

An advance deposit or bank guarantee corresponding to six months' rent is generally requested from private sector tenants.

Risks associated with investment and development

Cofinimmo engages in limited development activity for its own account, the maximum being set at 10% of the fair value of its portfolio.

When considering investments, Cofinimmo makes certain estimates as to economic, market and other conditions, including estimates relating to the value or potential value of a property and the potential return on investment. These estimates may prove to be incorrect, rendering Cofinimmo's investment strategy inappropriate with consequent negative effects for Cofinimmo's business, operational results, financial conditions and prospects.

Before acquiring a building, Cofinimmo performs an internal assessment in order to determine a price for the building with a view to long-term management. Moreover, an independent expert assesses each acquisition or sale of property.

Risks associated with deterioration and large-scale works

Cofinimmo maintains and regularly renovates its properties in order to ensure that they remain attractive to tenants. The current trend towards sustainable, energy-efficient buildings, both in terms of construction and use, may require additional investments.

Risks associated with fluctuations in the fair value of real estate

The properties are valued quarterly by independent property experts. A fluctuation of 1% in the value of the portfolio can have an impact of around €32.6 million on the company's net result and of €2.07 on the net asset value per share. It can also have an impact of approximately 0.5% on the debt ratio.

Liquidity and financing risks

A diversification of financing sources, a stable and varied banking pool with good financial ratings (Cofinimmo has 10 banking partners) and staggered loan maturity dates favour appropriate financial conditions.

Cofinimmo's borrowing capacity is limited by the maximum debt ratio authorised by regulations on Sicafis/Bevaks and by the Loan-to-Value ratio agreed with the banks in the loan documents. As at 30.06.12, the Sicafi/Bevak consolidated debt ratio stands at 51.03%, significantly below the maximum of 65%. As at 30.06.12, the consolidated Loan-to-Value ratio is 53.09%. This ratio cannot exceed 60%. However, if a first threshold of 57.50% is passed, it has been agreed with the banks that the ratio must drop below this percentage within the next six months.

Cofinimmo has a medium-term financial plan which is completely revised in the spring of each year and updated during the year following every significant property acquisition or sale. The purpose of this type of plan is notably to position the consolidated debt ratio of Cofinimmo at an appropriate level, based on an assessment by the Board of Directors of the risks inherent in the company's portfolios of assets and leases[1].

Interest rate risks

Cofinimmo almost always borrows at a variable (floating) interest rate. Derivatives are used to hedge financing costs against rate increases and to ensure that interest rates remain within a certain margin, between a maximum and minimum rate. These instruments include specifically Interest Rate Swaps and CAP options, partially financed by FLOOR options.

By using existing hedging mechanisms and assuming a constant level of debt, a 0.5% rise or fall in the interest rate should not significantly affect financing expenses of the current year.

The interest-rate derivatives are marked to market at the end of each quarter. Future rate fluctuations thus impact the net asset value and the profit for the period.

[1] See Article 54 of the Royal Decree of 07.12.2010.

1.12. Corporate Governance

Cofinimmo seeks to maintain high standards of corporate governance and continuously assesses its governance principles, practices and requirements. The practice of corporate governance by Cofinimmo is entirely in line with the Belgian Corporate Governance Code[1].

A detailed description of the various Committees, their respective roles and members appears in the chapter entitled "Corporate Governance Statement" of the 2011 Annual Financial Report.

The composition of the Board of Directors is given on page 60 of this Report. The General Meeting on 27.04.2012 renewed the Directorships of Mr. Jean-Edouard Carbonnelle, Mr. Gaëtan Hannecart, Mr. Baudouin Velge, Mr. Xavier de Walque and Mr. Vincent Doumier, with immediate effect and until the end of the Ordinary General Meeting to be held in 2016[2].

Following the resignation of Mr. Serge Fautré, the company's Director and CEO since 2002, the Cofinimmo Board of Directors appointed, Mr. Jean Edouard Carbonnelle, Director and CFO, as CEO and Chairman of the Executive Committee, and, subject to FSMA approval, Mr. Marc Hellemans, Head of Corporate Finance and International Development, as CFO and Member of the Executive Committee[3].

2. Summary of the Financial Statements

The accounting principles and methods used to draw up these interim financial statements are identical to those used to prepare the annual financial statements for FY 2011. These interim financial statements have been prepared using accounting methods that comply with IFRS and in particular IAS 34 on "Interim Financial Reporting".

[1] See our Corporate Governance Charter available on our website.
[2] See our press release dated 27.04.2012, available on our website.
[3] See our press releases dated 22.03.2012, 30.03.12 and 08.06.2012, available on our website.

2.1. Comprehensive income statement – in accordance with the Royal Decree of 07.12.2010 (x €1,000)

	Notes	2nd quarter 2012	2nd quarter 2011	Year to date on 30.06.12	Year to date on 30.06.11
A. NET RESULT					
Rental income	5	48,956	48,593	106,979	94,863
Writeback of lease payments sold and discounted	5	5,749	5,234	11,497	10,468
Rental-related expenses		-1,405	168	-1,413	166
Net rental income	**4, 5**	**53,300**	**53,995**	**117,063**	**105,497**
Recovery of property charges		458	-42	682	78
Recovery income of charges and taxes normally payable by the tenant on let properties		13,576	8,107	22,966	20,525
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease		-596	-480	-1,970	-785
Charges and taxes normally payable by the tenant on let properties		-14,235	-8,274	-24,049	-20,008
Property result		**52,503**	**53,306**	**114,692**	**105,307**
Technical costs		-1,322	-1,022	-3,307	-1,715
Commercial costs		-126	-549	-464	-751
Taxes and charges on unlet properties		-1,164	-1,001	-2,010	-2,147
Property management costs		-4,000	-3,323	-7,846	-7,022
Property charges		**-6,612**	**-5,895**	**-13,627**	**-11,635**
Property operating result		**45,891**	**47,411**	**101,065**	**93,672**
Corporate management costs		-1,801	-1,806	-3,794	-3,682
Operating result before result on the portfolio		**44,090**	**45,605**	**97,271**	**89,990**
Gains or losses on disposals of investment properties		95	446	95	4,946
Changes in fair value of investment properties		7,421	-7,722	8,062	-15,915
Other result on the portfolio		-474	-4,348	-1,771	-4,385
Operating result		**51,132**	**33,981**	**103,657**	**74,636**
Financial income	6	1,322	1,513	2,748	2,772
Net interest charges	7	-15,366	-16,330	-30,689	-30,368
Other financial charges	8	-137	-93	-235	-192
Changes in fair value of financial assets and liabilities	9	560	105	-290	-945
Financial result		**-13,621**	**-14,805**	**-28,466**	**-28,733**
Share in the result of associated companies and joint ventures		-381		-381	

Pre-tax result		**37,130**	**19,176**	**74,810**	**45,903**
Corporate tax		-1,265	-2,930	-1,981	-4,714
Exit tax		-244	-47,651	-509	-47,743
Others[1]			87,344		87,344
Taxes		**-1,509**	**36,763**	**-2,490**	**34,887**
Net result		**35,621**	**55,939**	**72,320**	**80,790**
Minority interests		-1,316	-4,184	-2,761	-4,729
Net result – Group share		**34,305**	**51,755**	**69,559**	**76,061**
Net current result – Group share		**28,107**	**27,977**	**64,705**	**56,113**
Result on the portfolio – Group share		**6,198**	**23,778**	**4,854**	**19,948**

B. OTHER ELEMENTS OF THE GLOBAL RESULT					
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		-527	-4,725	-1,337	-4,813
Change in the effective part of the fair value of authorised cash flow hedging instruments as defined under IFRS		-20,663	-11,581	-34,763	21,832
Other elements of the global result		**-21,190**	**-16,306**	**-36,100**	**17,019**
Minority interests		55	65	160	64
Other elements of the global result – Group share		**-21,135**	**-16,241**	**-35,940**	**17,083**
C. GLOBAL RESULT		14,431	39,632	36,221	97,810
Minority interests		-1,261	-4,119	-2,602	-4,665
Global result – Group share		**13,170**	**35,513**	**33,619**	**93,145**

Result per share – Group share (in €)	**30.06.2012**	**30.06.2011**
Net current result per share – Group share	4.12	3.69
Result on portfolio per share – Group share	0.31	1.32
Net result per share – Group share	4.43	5.01

Diluted result per share – Group share (in €)[2]	**30.06.2012**	**30.06.2011**
Diluted number of shares	17,733,289	15,715,726
Diluted net result per share – Group share	4.55	4.86

[1] This item comprises the reversal of deferred taxes.
[2] Following the theoretical conversion of convertible bonds.

2.2. Consolidated income statement – analytical format (x €1,000)

	30.06.2012	30.06.2011
A. NET CURRENT RESULT		
Rental income, net of rental-related expenses	105,566	95,029
Writeback of lease payments sold and discounted (non-cash)	11,497	10,468
Taxes and charges on rented properties not recovered	-1,083	517
Redecoration costs, net of tenant compensation for damages	-1,288	-707
Property result	**114,692**	**105,307**
Technical costs	-3,307	-1,715
Commercial costs	-464	-751
Taxes and charges on unlet properties	-2,010	-2,147
Property result after direct property costs	**108,911**	**100,694**
Property management costs	-7,846	-7,022
Property operating result	**101,065**	**93,672**
Corporate management costs	-3,794	-3,682
Operating result (before result on portfolio)	**97,271**	**89,990**
Financial income (IAS 39 excluded)[1]	2,748	2,772
Financial charges (IAS 39 excluded)[2]	-30,924	-30,560
Revaluation of derivative financial instruments (IAS 39)	-290	-945
Share in the result of associated companies and joint ventures	-311	
Taxes	-1,981	-4,714
Net current result[3]	**66,513**	**56,543**
Minority interests	-1,808	-430
Net current result – Group share	**64,705**	**56,113**
B. RESULT ON PORTFOLIO		
Gains or losses on disposals of investment properties	95	4,946
Changes in fair value of investment properties	8,062	-15,915
Share in the result of associated companies and joint ventures	-70	
Other result on the portfolio[4]	-2,280	35,216
Result on the portfolio	**5,807**	**24,247**
Minority interests	-953	-4,299
Result on the portfolio – Group share	**4,854**	**19,948**
C. NET RESULT		
Net result – Group share	**69,559**	**76,061**

NUMBER OF SHARES	30.06.2012	30.06.2011
Number of ordinary shares issued (including treasury shares)	15,852,620	13,998,047
Number of preference shares issued and not converted	826,620	1,248,601
Number of ordinary shares entitled to share in the result of the period	14,877,432	13,945,440
Number of preference shares entitled to share in the result of the period	826,620	1,248,601
Total number of shares entitled to share in the result of the period	**15,704,052**	**15,194,041**

[1] Including IAS 39, as at 30.06.2012 and 30.06.2011, financial income totalled k€13,603 and k€10,943 respectively.

[2] Including IAS 39, as at 30.06.2012 and 30.06.2011, financial charges totalled k€-42,068 and k€-39,676 respectively.

[3] Net income excluding the income from the sale of investment buildings, the variations in the fair value of investment buildings, the exit tax and, in 2011, the recovery of deferred taxes.

[4] Including, in 2011, the recovery of deferred taxes.

Comments on the consolidated income statement – analytical format

Rental income for the first half of 2012 amounts to €105.6 million, compared to €95.0 million for the first half of 2011, i.e. an increase of 11.2%. This increase is due to a non recurrent indemnity paid by Belfius Bank in compensation for the termination of its lease of the Livingstone building. This exceptional indemnity of €11.2 million was paid during the first quarter of 2012 and was entirely included in the first quarter's income statement. If the indemnity paid by Belfius Bank is split over the entire financial year 2012, which is €2.8 million per quarter, rental income on 30.06.2012 comes to €100.0 million, which is an increase of 5.3% compared to 30.06.2011.

On the basis of an unchanged portfolio (like-for-like), the level of rent rose by 0.29% over the last 12 months. As of 30.06.2012, the occupancy rate is 95.59% for the entire portfolio and 91.52% for the office portfolio alone.

Direct and indirect operating costs amount to €-17.4 million on 30.06.2012, compared to €-15.3 million on 30.06.2011.These costs represent 0.92% of the average value of the assets under management (versus 0.83% for the full year 2011).

The operating result (before result on portfolio) is €97.3 million, compared to €90.0 million for the first half of 2011.

The financial result comes at €-28.5 million in the first half of 2012, compared to €-28.7 million for the first half of 2011. The average interest rate[1], including bank margins and the amortisation costs of hedging instruments for the period, stands at 4.01% at 30.06.2012, compared to 4.31% at 30.06.2011. The average debt, meanwhile, rose from €1,524.4 million to €1,676.0 million over the same period.

The revaluation of optional hedging instruments resulted in a net latent loss of €-0.3 million[2] for the first half of 2012, compared to a net latent loss of €-0.9 million for the first half of 2011. The balance sheet item under shareholders' equity entitled "Reserve for the balance of changes in fair value of financial instruments"[3], where fluctuations in the effective value of financial instruments, both optional and non-optional, are recorded, comes from €-117.7 million on 31.12.2011 to €-143.0 million on 30.06.2012. The variation of the period does not appear on the income statement but unfavourably affects shareholders' equity and the net asset value of the shares. The amount will be progressively reversed over future years.

Taxes (€-2.0 million) include the tax on non-deductible costs of a Sicafi/Bevak (primarily the office tax in the Brussels Capital Region) and corporate income tax due by subsidiaries which do not benefit from the Sicafi/Bevak tax regime. The fall of over 50% recorded under this item over the year can be explained by Pubstone SA's conversion into an institutional Sicafi/Bevak.

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[1] The average interest rate is calculated by dividing on an annual basis the interest charges with respect to the financial debt (€30.7 million) plus the amortisation costs of hedging instruments (€2.9 million) by the average debt over the period (€1,676.0 million).

[2] This amount also includes €8.5 million, representing the positive change in the fair value of the debt made up of the convertible bonds issued by the company in April 2011. This debt is booked at market value on 30.06.2012, namely €170.0 million.

[3] This entry appears under the "Reserves" heading on the balance sheet.

The net current result (Group share) for the first half of 2012 amounts to €64.7 million, versus €56.1 million for the first half of 2011 (+15.3%). Per share, it represents €4.12 versus €3.69 for the first half of 2011 (+11.7%). The number of shares participating in earnings rose by 3.4% between 30.06.2011 and 30.06.2012.

The result on portfolio comprises four elements: the realised gains/losses from property sales, the unrealised gains/losses from revaluation of the portfolio, the share in the result of associated companies and joint ventures and the elements contained under "Other result on portfolio".

- The change in fair value of the portfolio increased positively. Where an unrealised loss of €-15.9 million was recorded at 30.06.2011, the results at 30.06.2012 show an unrealised gain of €+8.1 million. This increase is due to the indexation of the nursing homes/clinics leases and an increase in the valuation of the Pubstone portfolio in Belgium and of the MAAF insurance branches in France.
- The result realised on disposals of properties stands at €+0.1 million at 30.06.2012, while it was €+4.9 million at 30.06.2011.
- The share in the result of associated companies and joint ventures, namely Cofinéa I, comes at €-0.1 million.
- The content under the heading "Other result on portfolio" fell from €+35.2 million to €-2.3 million between 30.06.2011 and 30.06.2012. This variation can be explained by the €39.3 million recovered deferred taxes following the conversion of Pubstone SA into an institutional Sicafi/Bevak in the first half of 2011.

The total result on portfolio decreased from €+19.9 million at 30.06.2011 to €+4.9 million at 30.06.2012.

The net result (Group share) for the first half of 2012 indicates a profit of €69.6 million, compared to €76.1 million for the first half of 2011. Per share, this result amounts to €4.43, compared with €5.01 a year earlier.

2.3. Consolidated balance sheet (x €1,000)

	Notes	30.06.2012	31.12.2011
Non-current assets		**3,500,076**	**3,414,890**
Goodwill	4	157,456	157,456
Intangible assets		732	745
Investment properties	4,10	3,244,508	3,177,560
Other tangible assets		952	966
Non-current financial assets		36,665	21,880
Finance lease receivables		54,211	55,403
Trade receivables and other non-current assets		99	43
Participations in associated companies and joint ventures		5,453	838
Current assets		**122,087**	**114,051**
Assets held for sale	4	12,855	12,025
Current financial assets		12,875	13,779
Finance lease receivables		3,145	2,868
Trade receivables		24,320	20,840
Tax receivables and other current assets		18,866	17,015
Cash and cash equivalents		1,477	10,207
Accrued charges and deferred income		48,549	37,317
TOTAL ASSETS		**3,622,163**	**3,528,941**
Shareholders' equity		**1,497,975**	**1,515,544**
Shareholders' equity attributable to shareholders of parent company		**1,438,198**	**1,460,887**
Capital	11	841,557	814,228
Share premium account	11	325,214	312,330
Reserves		201,868	215,790
Net result of the financial year	12	69,559	118,539
Minority interests		***59,777***	***54,657***
Liabilities		**2,124,188**	**2,013,397**
Non-current liabilities		**1,618,036**	**1,601,387**
Provisions		18,108	18,474
Non-current financial debts		1,465,557	1,435,094
Other non-current financial liabilities		98,231	106,735
Deferred taxes		36,140	41,083
Current liabilities		**506,152**	**412,011**
Current financial debts		303,344	246,316
Other current financial liabilities		88,051	58,930
Trade debts and other current debts		79,652	79,225
Accrued charges and deferred income		35,105	27,540
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,622,163**	**3,528,941**

Comments on the consolidated balance sheet

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 30.06.2012, the fair value stands at €3,257.4 million, compared to €3,189.4 million at 31.12.2011.

The investment value of the property portfolio[1], as established by the independent real estate experts, is €3,382.7million at 30.06.2012, compared with €3,311.3 million at 31.12.2011.

[1] Including own-use buildings and development projects.

The "Participations in associated companies and joint ventures" header regards Cofinimmo's 51% stakes in Cofinéa I SAS.

The "Minority interests" section includes the bonds repayable in shares issued by the subsidiary Cofinimur I, as well as the minority interests of subsidiaries Silverstone and Pubstone.

2.4. Calculation of debt ratio (x €1,000)

The debt ratio (debts to total assets) at 30.06.12 comes to 51.03%. It should be recalled that the statutory maximum debt ratio for Sicafis/Bevaks is 65%.

		30.06.2012	31.12.2011
Non-current financial debts		1,465,557	1,435,094
Other non-current financial liabilities (except for hedging instruments)	+		
Current financial debts	+	303,344	246,316
Other current financial liabilities (except for hedging instruments)	+		
Trade debts and other current debts	+	79,652	79,225
Total debt	=	**1,848,553**	**1,760,635**
Total assets	/	**3,622,163**	**3,528,941**
DEBT RATIO	=	**51.03%**	**49.89%**

2.5. Consolidated cash flow statement (x €1,000)

	30.06.2012	30.06.2011
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**10,207**	**3,265**
Operating activities		
Net result for the period	69,559	76,061
Adjustments for interest charges and income	28,838	27,649
Adjustments for gains and losses on disposal of property assets	-95	-4,946
Adjustments for non-cash charges and income	-16,759	-26,522
Changes in working capital requirement	-9,354	2,816
CASH FLOW FROM OPERATING ACTIVITIES	72,189	75,058
Investment activities		
Investments in intangible assets and other tangible assets	-353	-522
Acquisitions of investment properties	-16,903	-44,585
Extensions of investment properties	-10,557	-12,409
Investments in investment properties	-4,379	-16,656
Acquisitions of consolidated subsidiaries	-18,772	-20,238
Disposals of investment properties	1,585	41,095
Payment of exit tax	-1,230	
Disposal and reimbursement of finance lease receivables	1,456	1,452
Other cash flows from investment activities	-13,446	
NET CASH FROM INVESTING ACTIVITIES	-62,599	-55,863
Financing activities		
Disposal of own shares	11,132	
Dividends paid to shareholders	-68,679	-64,406
Increase in financial debts	130,414	230,364
Decrease in financial debts	-51,459	-144,363
Financial income received	2,394	15,511
Financial charges paid	-30,411	-39,138
Other cash flows from financing activities	-11,711	-17,941
CASH FLOW RESULTING FROM FINANCING ACTIVITIES	-18,320	-19,973
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,477**	**2,487**

2.6. Consolidated statement of changes in shareholders' equity (x €1,000)

	Capital	Share premium account	Reserves[1]	Net result of the year	Shareholders' equity Parent company	Minority interests	Shareholders' equity
AT 01.01.11	796,528	513,093	66,364	83,796	1,459,781	7,097	1,466,878
Appropriation of the 2010 result			83,796	-83,796			
Elements directly recognised in shareholders' equity			17,460	76,061	93,521	4,729	98,250
Cash flow hedge			21,832		21,832		21,832
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties			-4,372		-4,372		-4,372
Result of the period				76,061	76,061	4,729	80,790
Minority interests						802	802
Others		-214,086	213,237		-849	-925	-1,774
SUB-TOTAL	796,528	299,007	380,857	76,061	1,552,453	11,703	1,564,156
Issue of new shares	17,698	13,321			31,018		31,018
Acquisitions/Disposals of own shares							
Dividends			-96,452		-96,452		-96,452
AT 30.06.2011	814,225	312,328	284,405	76,061	1,487,019	11,703	1,498,722
Elements directly recognised in shareholders' equity			-68,952	42,478	-26,474	-270	-26,744
Cash flow hedge			-71,080		-71,080		-71,080
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties			2,128		2,128	-87	2,041
Result of the period				42,478	42,478	-183	42,295
Minority interests						42,299	42,299
Others			337		337	925	1,262
SUB-TOTAL	814,225	312,328	215,790	118,539	1,460,882	54,657	1,515,539
Issue of new shares							
Conversation of convertible bonds	3	2			5		5
Acquisitions/Disposals of own shares							
AT 31.12.11	814,228	312,330	215,790	118,539	1,460,887	54,657	1,515,544

[1] Details regarding the reserves are featured on the following pages.

	Capital	Share premium account	Reserves[1]	Net result of the financial year	Shareholders' equity Parent company	Minority interests	Shareholders' equity
AT 31.12.11	814,228	312,330	215,790	118,539	1,460,887	54,657	1,515,544
Appropriation of the 2011 net result			118,539	-118,539			
Elements directly recognised in shareholders' equity			-35,940	68,894	32,954	2,601	35,555
Cash flow hedge			-34,763		-34,763		-34,763
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties			-1,177		-1,177	-160	-1,337
Result of the period				68,894	68,894	2,761	71,655
Minority interests						2,519	2,519
Others			-125	665	540		540
SUB-TOTAL	814,228	312,330	298,264	69,559	1,494,381	59,777	1,554,158
Issue of new shares	20,941	11,165			32,106		32,106
Acquisitions/Disposals of own shares	6,388	1,719	3,024		11,131		11,131
Dividends			-99,420		-99,420		-99,420
AT 30.06.12	**841,557**	**325,214**	**201,868**	**69,559**	**1,438,198**	**59,777**	**1,497,975**

[1] The following pages contain details regarding reserves.

Detail of the reserves

	Reserve for the positive/ negative balance of changes in fair value of investment properties	Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined by IFRS	Distributable reserves	Non-distributable reserves	Tax-exempt reserves	Legal reserve	**TOTAL RESERVES**
AT 01.01.11	-28,617	-64,128	-60,061		222,437	1,557	-4,859	35	**66,364**
Appropriation of the 2010 result	-143,414	-904	-7,070	-1,312	235,905	591			**83,796**
Elements directly recognised in shareholders' equity		-4,372	21,832						**17,460**
Cash flow hedge			21,832						**21,832**
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		-4,372							**-4,372**
Result of the period									
Minority interests									
Others	-26				208,631	-206	4,838		**213,237**
SUB-TOTAL	-172,057	-69,404	-45,299	-1,312	666,973	1,942	-21	35	**380,857**
Issue of new shares									
Acquisitions/Disposals of own shares									
Dividends					-96,452				**-96,452**

	Reserve for the positive/ negative balance of changes in fair value of investment properties	Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined by IFRS	Distributable reserves	Non-distributable reserves	Tax-exempt reserves	Legal reserve	**TOTAL RESERVES**
AT 30.06.2011	-172,057	-69,404	-45,299	-1,312	570,521	1,942	-21	35	**284,405**
Elements directly recognised in shareholders' equity		2,128	-71,080						**-68,952**
Cash flow hedge			-71,080						**-71,080**
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		2,128							**2,128**
Result of the period									
Minority interests									
Others	-321				468	169	21		**337**
SUB-TOTAL	-172,378	-67,276	-116,379	-1,312	570,989	2,111		35	**215,790**
Issue of new shares									
Acquisitions/Disposals of own shares									
AT 31.12.2011	-172,378	-67,276	-116,379	-1,312	570,989	2,111		35	**215,790**

	Reserve for the positive/ negative balance of changes in fair value of investment properties	Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined by IFRS	Distributable reserves	Non-distributable reserves	Tax-exempt reserves	Legal reserve	**TOTAL RESERVES**
AT 01.01.2012	-172,378	-67,276	-116,379	-1,312	570,989	2,111		35	**215,790**
Appropriation of the 2011 result	22,576	-1,466	9,641	-167	87,677	278			**118,539**
Elements directly recognised in shareholders' equity		-1,177	-34,763						**-35,940**
Cash flow hedge			-34,763						**-34,763**
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		-1,177							**-1,177**
Others	-233	-71			-1,609	161		1,627	**-125**
SUB-TOTAL	-150,035	-69,990	-141,501	-1,479	657,057	2,550		1,662	**298,264**
Issue of new shares									
Acquisitions/Disposals of own shares					3,024				**3,024**
Dividends					-99,420				**-99,420**
AT 30.06.2012	**-150,035**	**-69,990**	**-141,501**	**-1,479**	**560,661**	**2,550**		**1,662**	**201,868**

2.7. Notes on the consolidated accounts

Note 1. General information

Cofinimmo SA/NV (the "Company") is a public Sicafi/Bevak (Belgian REIT) organised under Belgian law with its registered office at Boulevard de la Woluwe 58, 1200 Brussels.

The half year consolidated financial statements of Cofinimmo SA for the period which ended on 30.06.12 cover the Company and its subsidiaries (collectively referred to as "the Group"). The scope of consolidation has been altered since 31.12.2011 (see Note 13).

The half year consolidated financial statements were drawn up by the Board of Directors on 30.07.2012. The audit firm of Deloitte, represented by Mr. Frank Verhaegen, concluded its limited audit and confirmed that the accounting information contained in this half year report does not call for any reservations and corresponds with the financial statements adopted by the Board of Directors.

Note 2. Significant accounting methods

The half year consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and IAS 34 on Interim Financial Reporting.
The accounting methods are identical to those mentioned in the 2011 Annual Financial Report.

Some figures in this half year report have been rounded up and, consequently, the overall totals in this report may differ slightly from the exact sum of the preceding figures.

Note 3. Operational and financial risk management

As of 30.06.12, the Group is facing substantially the same risks as those identified and mentioned in the 2011 Annual Financial Report. Risk management during the first half of 2012 was done using the same means and in accordance with the same criteria as those applied the previous year.

Note 4. Segment information (x €1,000) – Global portfolio

INCOME STATEMENT	Offices		Nursing homes/ clinics		Property distribution networks		Others		Unallocated amounts		TOTAL	
AT 30.06	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Net rental income	**61,622**	**59,871**	**34,932**	**29,541**	**18,558**	**14,319**	**1,951**	**1,766**			**117,063**	**105,497**
Property result after direct property costs	**54,099**	**54,484**	**34,770**	**29,492**	**18,217**	**14,139**	**1,825**	**2,579**			**108,911**	**100,694**
Property management costs									-7,846	-7,022	-7,846	-7,022
Corporate management costs									3,794	-3,682	-3,794	-3,682
Gains or losses on disposals of investment properties		4,556		422	95	91		-123			95	4,946
Changes in fair value of investment properties	-27,005	-20,330	23,663	4,680	7,768	-100	3,636	418		-583	8,062	-15,915
Other result on the portfolio					-47				-1,724	35,216	-1,771	35,216
Operating result											**103,657**	**74,636**
Financial result									**-28,466**	**-28,733**	**-28,466**	**-28,733**
Share in the result of associated companies and joint ventures			**-70**				**-311**				**-381**	
Taxes			**-286**		**267**		**-489**		**-1,982**	**34,887**	**-2,490**	**34,887**
NET RESULT									**72,320**	**80,790**	**72,320**	**80,790**
NET RESULT – GROUP SHARE									**69,559**	**76,061**	**69,559**	**76,061**

BALANCE SHEET	Offices		Nursing homes/ clinics		Property distribution networks		Others		Unallocated amounts		TOTAL	
AT 30.06/31.12	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Assets												
Goodwill			26,929	26,929	130,527	130,527					157,456	157,456
Investment properties	1,536,136	1,551,568	1,127,712	1,071,786	516,709	509,045	63,951	45,171			3,244,508	3,177,560
Of which: Development projects	70,878	3,370	50,248	48,446			6,132	5,937			127,258	57,752
Assets held for own use	9,152	9,130									9,152	9,130
Assets held for sale			9,760	8,740	3,095	3,285					12,855	12,025
Other assets									207,344	181,900	207,344	181,900
TOTAL ASSETS											**3,622,163**	**3,528,941**
Shareholders' equity and Liabilities												
Shareholders' equity									**1,497,975**	**1,515,544**	**1,497,975**	**1,515,544**
Shareholders' equity attributable to shareholders of parent company									1,438,198	1,460,887	1,438,198	1,460,887
Minority interests									59,777	54,657	59,777	54,657
Liabilities									**2,124,188**	**2,013,397**	**2,124,188**	**2,013,397**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES											**3,622,163**	**3,528,941**

Note 4. Segment information (x €1,000) – Offices

INCOME STATEMENT	Brussels CBD[1]		Brussels Decentralised		Brussels Periphery		Antwerp		Other Regions		TOTAL	
AT 30.06	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Net rental income	**29,218**	**23,421**	**21,200**	**21,155**	**5,394**	**5,575**	**2,063**	**5,678**	**3,747**	**4,042**	**61,622**	**59,871**
Property result after direct property costs	**26,335**	**22,230**	**17,666**	**18,281**	**4,937**	**4,906**	**1,575**	**5,161**	**3,586**	**3,906**	**54,099**	**54,484**
Property management costs												
Corporate management costs												
Gains or losses on disposals of investment properties		4,556										4,556
Changes in fair value of investment properties	-18,247	-10,683	-10,329	-3,923	1,626	-5,547	92	-2,826	-147	2,649	-27,005	-20,330
Other result on the portfolio												
Operating result												
Financial result												
Share in the result of associated companies and joint ventures												
Taxes												
NET RESULT												
NET RESULT – GROUP SHARE												

BALANCE SHEET	Brussels CBD		Brussels Decentralised		Brussels Periphery		Antwerp		Other Regions		TOTAL	
AT 30.06/31.12	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Assets												
Goodwill												
Investment properties	602,558	609,876	614,482	623,490	146,007	144,381	60,816	60,732	112,273	113,089	1,536,136	1,551,568
Of which: Development projects	69,717	1,435	377	196	304	296	422	412	58	1,031	70,878	3,370
Assets held for own use			9,152	9,130							9,152	9,130
Assets held for sale												
Other assets												
TOTAL ASSETS												
Shareholders' equity and Liabilities												
Shareholders' equity												
Shareholders' equity attributable to shareholders of parent company												
Minority interests												
Liabilities												
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES												

[1] Central Business District.

Note 4. Segment information (x €1,000) – Nursing homes/clinics

INCOME STATEMENT	Belgium		France		TOTAL	
AT 30.06	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Net rental income	**20,825**	**17,110**	**14,107**	**12,431**	**34,932**	**29,541**
Property result after direct property costs	**20,678**	**17,068**	**14,092**	**12,424**	**34,770**	**29,492**
Property management costs						
Corporate management costs						
Gains or losses on disposals of investment properties		422				422
Changes in fair value of investment properties	12,794	3,738	10,869	942	23,663	4,680
Other result on the portfolio						
Operating result						
Financial result						
Share in the result of associated companies and joint ventures			**-70**		**-70**	
Taxes	**-62**		**-224**		**-286**	
NET RESULT						
NET RESULT – GROUP SHARE						

BALANCE SHEET	Belgium		France		TOTAL	
AT 30.06/31.12	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Assets						
Goodwill			26,929	26,929	26,929	26,929
Investment properties	725,307	679,229	402,405	392,557	1,127,712	1,071,786
Of which: Development projects	50,248	48,339		107	50,248	48,446
Assets held for own use						
Assets held for sale			9,760	8,740	9,760	8,740
Other assets						
TOTAL ASSETS						
Shareholders' equity and Liabilities						
Shareholders' equity						
Shareholders' equity attributable to shareholders of parent company						
Minority interests						
Liabilities						
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES						

Note 4. Segment information (x €1,000) – Property distribution networks

INCOME STATEMENT	Pubstone - Belgium		Pubstone - Netherlands		Cofinimur I - France		TOTAL	
AT 30.06	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Net rental income	**9,842**	**9,573**	**4,874**	**4,746**	**3,842**		**18,558**	**14,319**
Property result after direct property costs	**9,658**	**9,528**	**4,737**	**4,611**	**3,822**		**18,217**	**14,139**
Property management costs								
Corporate management costs								
Gains or losses on disposals of investment properties	95	91					95	91
Changes in fair value of investment properties	5,852	396	-140	-496	2,056		7,768	-100
Other result on the portfolio			-47				-47	
Operating result								
Financial result								
Share in the result of associated companies and joint ventures								
Taxes			**267**				**267**	
NET RESULT								
NET RESULT – GROUP SHARE								

BALANCE SHEET	Pubstone - Belgium		Pubstone - Netherlands		Cofinimur I - France		TOTAL	
AT 30.06/31.12	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Assets								
Goodwill	91,877	91,877	38,650	38,650			130,527	130,527
Investment properties	263,166	258,085	149,178	149,235	104,365	101,725	516,709	509,045
Of which: Development projects								
Assets held for own use								
Assets held for sale					3,095	3,285	3,095	3,285
Other assets								
TOTAL ASSETS								
Shareholders' equity and Liabilities								
Shareholders' equity								
Shareholders' equity attributable to shareholders of parent company								
Minority interests								
Liabilities								
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES								

Note 4. Segment information (x €1,000) – Others

INCOME STATEMENT	Brussels CBD		Brussels Decentralised		Brussels Periphery		Antwerp		Other Regions		TOTAL	
AT 30.06	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Net rental income			**1,187**	**1,067**	**490**	**465**			**274**	**234**	**1,951**	**1,766**
Property result after direct property costs			**1,184**	**1,064**	**489**	**463**			**152**	**1,052**	**1,825**	**2,579**
Property management costs												
Corporate management costs												
Gains or losses on disposals of investment properties										-123		-123
Changes in fair value of investment properties			114	564	65	-146	7		3,450		3,636	418
Other result on the portfolio												
Operating result												
Financial result												
Share in the result of associated companies and joint ventures									**-311**		**-311**	
Taxes									**-489**		**-489**	
NET RESULT												
NET RESULT – GROUP SHARE												

BALANCE SHEET	Brussels CBD		Brussels Decentralised		Brussels Periphery		Antwerp		Other Regions		TOTAL	
AT 30.06/31.12	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Assets												
Goodwill												
Investment properties			34,944	34,814	10,287	10,222	142	135	18,578		63,951	45,171
Of which: Development projects			4,226	4,030	1,906	1,907					6,132	5,937
Assets held for own use												
Assets held for sale												
Other assets												
TOTAL ASSETS												
Shareholders' equity and Liabilities												
Shareholders' equity												
Shareholders' equity attributable to shareholders of parent company												
Minority interests												
Liabilities												
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES												

Note 5. Rental income and rental-related expenses (x €1,000)

	30.06.2012	30.06.2011
Rental income		
Gross potential income	101,882	102,569
Vacancy	-5,468	-6,643
Rents[1]	**96,414**	**95,926**
Cost of rent free periods	-690	-440
Concessions granted to tenants	-373	-916
Indemnities for early termination of rental contracts	11,628	293
SUB-TOTAL	106,979	94,863
Writeback of lease payments sold and discounted	**11,497**	**10,468**
Rental-related expenses		
Rent payable on rented premises	-1,440	-42
Writedowns on trade receivables		-198
Writeback of writedowns on trade receivables	27	406
SUB-TOTAL	-1,413	166
TOTAL	**117,063**	**105,497**

The classification method and treatment of rental income and charges are detailed in the 2011 Annual Financial Report, on page 148.

Note 6. Financial income (x €1,000)

	30.06.2012	30.06.2011
Interests and dividends received	1,101	1,251
Interest receipts in respect of finance lease receivables	1,586	1,488
Other financial income	61	33
TOTAL	**2,748**	**2,772**

[1] Including income guaranteed by developers to replace rents.

Note 7. Net interest charges (x €1,000)

	30.06.2012	30.06.2011
Nominal interest on loans with amortised cost	**-14,706**	**-14,857**
Bilateral loans – floating rate	-5,431	-7,067
Syndicated loans – floating rate	-472	-2,010
Treasury bills – floating rate	-1,917	-1,027
Investment credits – floating or fixed rate	-782	-365
Debenture loan – fixed rate	-6,104	-4,388
Charges relating to authorised hedging instruments	**-14,465**	**-13,851**
Authorised hedging instruments qualifying for hedge accounting	-12,314	-11,669
Authorised hedging instruments not qualifying for hedge accounting	-2,151	-2,182
Income relating to authorised hedging instruments	**10**	
Authorised hedging instruments qualifying for hedge accounting	**10**	
Other interest charges	**-1,528**	**-1,660**
TOTAL	**-30,689**	**-30,368**

Note 8. Other financial charges (x €1,000)

	30.06.2012	30.06.2011
Bank costs and other commissions	-168	-115
Net realised losses on disposals of financial assets	-3	-3
Others	-64	-74
TOTAL	**-235**	**-192**

Note 9. Changes in fair value of financial assets and liabilities (x €1,000)

	30.06.2012	30.06.2011
Authorised hedging instruments qualifying for hedge accounting	9,613	-4,385
Authorised hedging instruments not qualifying for hedge accounting	-1,434	2,744
Others (convertible bond)	-8,469	696
TOTAL	**-290**	**-945**

Note 10. Investment properties (x €1,000)

	30.06.2012	31.12.2011
Properties available for lease	3,108,098	3,110,678
Development projects	127,258	57,752
Assets held for own use	9,152	9,130
TOTAL	**3,244,508**	**3,177,560**

Properties available for lease (x €1,000)

	30.06.2012	31.12.2011
AT 01.01	**3,110,678**	**2,990,379**
Capital expenditures	1,188	8,268
Acquisitions	32,747	241,954
Transfers from/to Assets held for sale	-1,400	-10,200
Transfers from/to Development projects	-58,593	25,132
Sales/Disposals (fair value of assets sold/disposed of)	-1,354	-161,218
Writeback of lease payments sold	11,497	20,999
Increase/Decrease in fair value	13,335	-4,636
AT 30.06/31.12	**3,108,098**	**3,110,678**

Development projects (x €1,000)

	30.06.2012	31.12.2011
AT 01.01	**57,752**	**42,656**
Capital expenditures	10,402	29,732
Acquisitions	5,235	14,093
Transfer from/to Properties available for lease	58,593	-25,132
Sales/Disposals (fair value of assets sold/disposed of)		-11
Increase/Decrease in fair value	-4,724	-3,586
AT 30.06/31.12	**127,258**	**57,752**

Assets held for own use (x €1,000)

	30.06.2012	31.12.2011
AT 01.01	**9,130**	**8,881**
Increase/Decrease in fair value	22	249
AT 30.06/31.12	**9,152**	**9,130**

Note 11. Share capital and share premium

	Ordinary shares		Convertible preference shares		TOTAL	
(in number)	**30.06.2012**	**31.12.2011**	**30.06.2012**	**31.12.2011**	**30.06.2012**	**31.12.2011**
Number of shares (A)						
AT 01.01	15,220,653	13,667,092	1,067,809	1,249,310	16,288,462	14,916,402
Issued against contribution in kind	390,778	330,246			390,778	330,246
Issued in mergers to Group subsidiaries		1,041,767				1,041,767
Conversion of convertible bonds into ordinary shares		47				47
Conversion of preference shares into ordinary shares	241,189	181,501	-241,189	-181,501		
AT 30.06/31.12	**15,852,620**	**15,220,653**	**826,620**	**1,067,809**	**16,679,240**	**16,288,462**
Own shares held by the Group (B)						
AT 01.01	1,094,374	52,607			1,094,374	52,607
Issued in mergers to Group subsidiaries		1,041,767				1,041,767
Own shares sold/purchased – net	-119,186				-119,186	
AT 30.06/31.12	**975,188**	**1,094,374**			**975,188**	**1,094,374**
Shares outstanding (A-B)						
AT 01.01	14,126,279	13,614,485	1,067,809	1,249,310	15,194,088	14,863,795
AT 30.06/31.12	**14,877,432**	**14,126,279**	**826,620**	**1,067,809**	**15,704,052**	**15,194,088**

	Ordinary shares		Convertible preference shares		TOTAL	
(x €1000)	**30.06.2012**	**31.12.2011**	**30.06.2012**	**31.12.2011**	**30.06.2012**	**31.12.2011**
Capital						
AT 01.01	757,287	729,909	56,941	66,619	814,228	796,528
Issued as optional dividend	20,941	17,697			20,941	17,697
Own shares sold/purchased – net	6,388				6,388	
Conversion of preference shares into ordinary shares		9,678		-9,678		
Conversion of convertible bonds into ordinary shares		3				3
AT 30.06/31.12	**784,616**	**757,287**	**56,941**	**56,941**	**841,557**	**814,228**
Share premium account						
AT 01.01	256,024	447,215	56,305	65,878	312,330	513,093
Issued as optional dividend	11,165	13,321			11,165	13,321
Own shares sold/purchased – net	1,719				1,719	
Conversion of preference shares into ordinary shares		9,572		-9,572		
Conversion of convertible bonds into ordinary shares		2				2
Reclassification of share premiums		-214,086				-214,086
AT 30.06/31.12	**268,908**	**256,024**	**56,305**	**56,306**	**325,214**	**312,330**

Note 12. Result per share

	30.06.2012	30.06.2011
Result attributable to ordinary and preference shares (x €1,000)		
Net current result attributable to ordinary and preference shares	**64,705**	**56,113**
Net current result for the period	66,513	56,543
Minority interests	-1,808	-430
Result on portfolio attributable to ordinary and preference shares	**4,854**	**19,948**
Result on portfolio for the period	5,807	24,247
Minority interests	-953	-4,299
Net result attributable to ordinary and preference shares	**69,559**	**76,061**
Net result for the period	72,320	80,790
Minority interests	-2,761	-4,729

Result per share (in €)	**30.06.2012**	**30.06.2011**
Number of ordinary and preference shares entitled to share in the result of the period	15,704,052	15,194,041
Net current result per share – Group share	4.12	3.69
Result on portfolio per share – Group share	0.31	1.32
Net result per share – Group share	4.43	5.01

Note 13. Consolidation scope and criteria

Scope of consolidation

Name and address of the registered office of fully consolidated subsidiaries	VAT or national number (NN)	Direct and indirect shareholdings and voting rights (as a %)
BELLIARD I-II PROPERTIES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 832 136 571	100.00
BELLIARD III-IV PROPERTIES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 475 162 121	100.00
BOLIVAR PROPERTIES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 878 423 981	100.00
COFINIMMO FRANCE SA Avenue de l'Opéra 27, 75001 Paris (France)	FR 88 487 542 169	100.00
SAS IS II Avenue de l'Opéra 27, 75001 Paris (France)	FR 74 393 097 209	100.00
SCI AC NAPOLI Avenue de l'Opéra 27, 75001 Paris (France)	FR 71 428 295 695	100.00
SCI BEAULIEU Avenue de l'Opéra 27, 75001 Paris (France)	FR 50 444 644 553	100.00
SCI CHAMTOU Avenue de l'Opéra 27, 75001 Paris (France)	FR 11 347 555 203	100.00
SCI CUXAC II Avenue de l'Opéra 27, 75001 Paris (France)	FR 18 343 262 341	100.00
SCI DE L'ORBIEU Avenue de l'Opéra 27, 75001 Paris (France)	FR 14 383 174 380	100.00
SA DOMAINE DE VONTES Avenue de l'Opéra 27, 75001 Paris (France)	FR 67 654 800 135	100.00
SCI DU DONJON Avenue de l'Opéra 27, 75001 Paris (France)	FR 06 377 815 386	100.00
SNC DU HAUT CLUZEAU Avenue de l'Opéra 27, 75001 Paris (France)	FR 39 319 119 921	100.00
SARL HYPOCRATE DE LA SALETTE Avenue de l'Opéra 27, 75001 Paris (France)	not subject to VAT NN 388 117 988	100.00
SCI LA NOUVELLE PINÈDE Avenue de l'Opéra 27, 75001 Paris (France)	FR 78 331 386 748	100.00
SCI PRIVATEL INVESTISSEMENT Avenue de l'Opéra 27, 75001 Paris (France)	FR 13 333 264 323	100.00
SCI RESIDENCE FRONTENAC Avenue de l'Opéra 27, 75001 Paris (France)	FR 80 348 939 901	100.00
SCI SOCIBLANC Avenue de l'Opéra 27, 75001 Paris (France)	not subject to VAT NN 328 781 844	100.00
COFINIMMO LUXEMBOURG SA Boulevard Grande-Duchesse Charlotte 56, 1331 Luxembourg (Luxembourg)	not subject to VAT NN 100 044	100.00
COFINIMMO SERVICES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 437 018 652	100.00
COFINIMUR I SA Avenue George V 10, 75008 Paris (France)	FR 74 537 946 824	97.65
EGMONT PROPERTIES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 819 801 042	100.00
GALAXY PROPERTIES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 872 615 562	100.00
IMMOPOL DENDERMONDE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 845 261 958	100.00
KOSALISE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 467 054 604	100.00
LEOPOLD SQUARE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 465 387 588	100.00

PARKSIDE INVEST SA Boulevard de la Woluwe 58, 1200 Brussels	BE 881 606 373	100.00
PUBSTONE GROUP SA Boulevard de la Woluwe 58, 1200 Brussels	BE 878 010 643	90.0006
PUBSTONE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 405 819 096	90.00[1]
PUBSTONE HOLDING BV Prins Bernhardplein 200, 1097 JB Amsterdam (Netherlands)	not subject to VAT NN 8185 89 723	90.00[1]
PUBSTONE PROPERTIES I BV Prins Bernhardplein 200, 1097 JB Amsterdam (Netherlands)	NL 00.11.66.347.B.01	90.00[1]
PUBSTONE PROPERTIES II BV Prins Bernhardplein 200, 1097 JB Amsterdam (Netherlands)	NL 00.26.20.005.B.01	90.00[1]
RHEASTONE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 893 787 296	100.00
LE PROGRES SPRL Boulevard de la Woluwe 58, 1200 Brussels	BE 458 308 469	100.00
SILVERSTONE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 452 711 074	95.00
SUPERSTONE SA Claudius Prinsenlaan 128, 4818 CP Breda (Netherlands)	NL 85.07.32.554.B.01	100.00

Name and address of the registered office of associated companies and joint ventures consolidated using the equity consolidation method	VAT or national number (NN)	Direct and indirect shareholdings and voting rights (as a %)
COFINEA I SAS Avenue de l'Opéra 27, 75001 Paris (France)	FR 74 538 144 122	51.00
FPR LEUZE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 839 750 279	50.00

Consolidation criteria

The consolidation criteria given in the 2011 Annual Financial Report have not been changed and are still applied by the Cofinimmo Group.

Note 14. Transactions between related parties

In January 2012, Cofinimmo and Senior Assist finalised an agreement relating to a property portfolio of nursing homes operated by Senior Assist. In this context, the company Maison Saint-Ignace was registered as an institutional Sicafi/Bevak and was renamed Silverstone SA. Cofinimmo and Senior Assist are the sole shareholders of Silverstone, with stakes of 95% and 5% respectively. See also page 6 of this Report.

In April 2012, the Cofinimmo Group acquired 100% of the shares of the company Immopol Dendermonde SA owned by Cordeel Zetel Temse SA and Cordeel Zetel Hoeselt SA. The company Immopol Dendermonde SA has as sole asset a police station located in Dendermonde. See also page 7 of this Report.

During the same month of April, Cofinimmo and the ORPEA Group acquired the premises of an EHPAD[2] in Paris. The acquisition was made by a joint venture, Cofinea I SAS, a company under

[1] Economic interest.
[2] EHPAD (Etablissement d'Hébergement pour Personnes Âgées Dépendantes). In France, this is the most widespread form of institution for the elderly.

French law in which Cofinimmo holds a 51% stake and the ORPEA Group the remaining 49%. See also pages 6 and 7 of this Report.

In May 2012, the Board of Directors gave the holders of both ordinary and preference shares the option of payment of the 2011 dividend in new ordinary shares or in cash or a combination of the two. See also page 26 of this Report.

These transactions are transactions between related parties within the meaning of Articles 18 § 1 and 31 § 2 of the Royal Decree of 07.12.2010. These operations were made with respect to the procedures applicable in case of conflicts of interests and at normal market conditions.

Notice with respect to note 4 of the 2011 Annual Financial Report

Cofinimmo wishes to bring a correction to note 4 on page 143 of the 2011 Annual Financial Report, with respect to the acquisition of a portfolio of MAAF agencies and offices by Cofinimur I, in partnership with Atland, on 28.12.2011.

The table presented in note 4 on page 143 of the 2011 Annual Financial Report is the statutory balance sheet of Cofinimur I expressed at fair value at the acquisition date, rather than the impact of the acquisition on the consolidated accounts of Cofinimmo on 31.12.2011.

3. Statement of Conformity (pursuant to Article 13 of the Royal Decree of 14.11.2007)

The Board of Directors of Cofinimmo SA assumes the responsibility for the content of this 2012 Half Year Financial Report, subject to the information supplied by third parties, including the reports of the statutory auditor and the real estate experts.

Mr. André Bergen, in his capacity as Chairman of the Board of Directors, Mr. Jean Edouard Carbonnelle, Mr. Xavier Denis, Mr. Xavier de Walque, Mr. Vincent Doumier, Mr. Robert Franssen, Mr. Gaëtan Hannecart, Mr. Alain Schockert, Mr. Gilbert van Marcke de Lummen, Mr. Baudouin Velge and Mrs. Françoise Roels, in their capacity as Directors,

declare that to the best of their knowledge:

a. the 2012 Half Year Financial Report contains a true and fair statement of the important events and, as the case may be, major transactions between related parties which occurred during the first six months of the year, and their incidence on the financial statements;

b. this Report has no omissions likely to significantly modify the scope for any statements made in it;

c. the financial statements, prepared in accordance with the applicable accounting standards, have been submitted to the statutory auditor for a limited review and give a true and fair view of the portfolio, financial situation and results of Cofinimmo and its subsidiaries included in the scope of consolidation; the interim management report provides moreover a perspective for the full year result as well as comments on the risks and uncertainties facing the company (see page 2 of the 2011 Annual Financial Report and page 29 of this 2012 Half Year Financial Report).

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About Cofinimmo

Cofinimmo is the premier listed Belgian real estate company specialising in rental property. The company's property portfolio is valued at over €3.3 billion and represents a total area of 1,860,000m². Its main investment segments are offices, nursing homes and property distribution networks. Cofinimmo is an independent company which manages its properties in-house. It is listed on Euronext Brussels (BEL20) and is recognised for tax purposes as a Sicafi/Bevak in Belgium and a SIIC in France. As at 30.06.12, its total market capitalisation was €1.5 billion.

www.cofinimmo.com

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Appendices

1. Real estate expert's report
2. Statutory auditor’s report

Real estate Valuer's report

Brussels, 10 July 2012

To the Board of Cofinimmo s.a./n.v.

Re: Valuation as of 30 June 2012

Context

We have been engaged by Cofinimmo to value its real estate assets as of **30 June 2012** with a view to finalising its financial statements at that date.

DTZ Winssinger et 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 nursing homes in Belgium.
DTZ Eurexi and Jones Lang LaSalle France have each separately valued part of the portfolio of nursing homes and other care facilities in France.
The portfolios of pubs in Belgium and the Netherlands have been valued by DTZ Winssinger and DTZ Zadelhof, respectively.
The portfolio of insurance agencies in France has been valued by DTZ Eurexi.

DTZ and PwC have in-depth knowledge of the real estate markets in which Cofinimmo is active and have the necessary, recognised professional qualifications to perform this assessment. In conducting this assessment, we have acted with complete independence.

As is customary, our assignment has been carried out on the basis of information provided by Cofinimmo regarding tenancy schedules, charges and taxes borne by the landlord, works to be carried out and all other factors that could affect property values. We assume that the information provided is complete and accurate.

[1] Other properties: semi-industrial, retail, leisure and residential.

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.

Opinion

We confirm that our valuation has been done in accordance with national and international standards (International Valuation Standards issued by the International Valuation Standards Council, the Red Book of the Royal Institute of Chartered Surveyors, 7^{th} edition) and their application procedures, in particular for the assessment of Belgian real estate investment funds (*sicafis/bevaks*).

The Investment Value is defined as the amount most likely to be obtained at normal conditions of sale between willing and well-informed parties, inclusive of transactions costs (mainly transfer taxes) to be paid by the acquirer. It does not reflect the costs of future investments that could improve the property or the benefits associated with such costs.

Valuation methodology

The valuation methodology adopted is mainly based on three methods :

The ERV (Estimated Rental Value) Capitalisation Approach consists in capitalizing the estimated rental value (ERV) of the property using a market yield in line with the investment market and adjusting the then obtained value for the difference between the effective passing rent and the ERV during the period of the in-place lease. The selection of the appropriate yield is based on an analysis of comparable market data, including published industry information. The yield rate corresponds to the yield expected by potential investors at the date of the valuation.

The Discounted Cash Flow Approach requires the assessment of the net rental income generated by the property on a yearly basis during an explicit forecasted period. The projected period varies generally between 10 to 18 years. At the end of this period, an exit value is calculated, taking into account the anticipated rent and yield at term horizon.

The Residual Valuation Approach is used to value land and old heavily to be refurbished buildings. It consists in determining the size and type of project that can be built/refurbished according to urbanistic law and regulations; to then estimate the value of the end project and the costs that need to be incurred to realize such project. The difference between the two estimates is the residual value.

Transaction Costs

In theory, the disposal of properties is subject to a transfer tax charged by the Government and paid by the acquirer, which represent substantially all transaction costs. For properties situated in Belgium, the amount of this tax mainly depends on the mode of transfer, the capacity in which the acquirer acts and the property's location. The first two variables, and therefore the amount of tax payable, are only known once the sale is contracted. Based on a study from independent real estate experts dated 8 February 2006 and periodically reviewed, the "average" transaction cost for properties over EUR 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 8 February 2006) for properties over EUR 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. This calculation by Cofinimmo has not been analysed in depth by the valuers. 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.

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 30 June 2012 is estimated at EUR 3.382.701.000.

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 30 June 2012, corresponding to the fair market value under IAS/IFRS, is estimated at EUR 3.257.362.400.

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 6,73% of the investment value.

If the properties were to be let in full, the yield would increase to 7,04%.

Investment properties have an occupancy rate of 95,59%.

The contractually passing rent (excluding projects, buildings undergoing refurbishment and assets that form the object of an assignment of receivables) for let space plus the estimated rental value for vacant space is 6,09% above the estimated fair rental value for the whole portfolio at this date. This difference results mainly from the inflation indexation of contractual rents since the inception of the in-place leases.

The assets are broken down as follows:

	Investment Value	Fair Value	% Fair Value
Offices	1.574.539.000 €	1.536.135.700 €	47,16%
Nursing Homes	1.178.424.600 €	1.137.471.800 €	34,92%
Distribution prop. net.	564.187.700 €	519.804.000 €	15,96%
Others	65.549.700 €	63.950.900 €	1,96%
Total	3.382.701.000 €	3.257.362.400 €	100,00%

PwC opinion

The investment value of the part of Cofinimmo's real estate portfolio valued by PwC is estimated as of 30 June 2012 at EUR 832.830.000 and the likely sale value (after the deduction of the transaction costs) is estimated at EUR 812.517.000, corresponding to the fair market value under IAS/IFRS.

Jean-Paul DUCARME FRICS
Consultant to 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 30 June 2012 at EUR 2.549.871.000 and the likely sale value (after deduction of transaction costs) at EUR 2.444.845.400, corresponding to the fair market value under IAS/IFRS.

Jean-Philippe Carmarans MRICS
DTZ, International Director

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Cofinimmo SA/NV

Limited review report on the consolidated interim financial information for the six-month period ended 30 June 2012

The original text of this report is in Dutch and French

Deloitte.

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Cofinimmo SA/NV

Limited review report on the consolidated interim financial information for the six-month period ended 30 june 2012

To the board of directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes 1 to 14 (jointly the "interim financial information") of Cofinimmo SA/NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2012. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with International Financial Reporting Standards as executed by the Royal Decree of 7 December 2010 with respect to public real estate investment trusts and in accordance with international financial reporting standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 – *Review of interim financial information performed by the independent auditor of the entity.* A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2012 is not prepared, in all material respects, in accordance with International Financial Reporting Standards as executed by the Royal Decree of 7 December 2010 with respect to public real estate investment trusts and in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Diegem, 31 July 2012

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Frank Verhaegen