

REGULATED INFORMATION

EMBARGO UNTIL 14.07.2011 – 5:40 PM

Award of the public contract for the construction and maintenance of a new prison in Leuze-en-Hainaut to the consortium *Future Prisons* of which Cofinimmo is part

Brussels, 14.07.2011, 5:40 PM CET

Today Thursday July 14, the Vice-Premier Minister and Minister of Finance, Mr Didier Reynders and the Minister of Justice, Mr Stefaan De Clerck signed the contract with the consortium *Future Prisons* consisting of the companies Cofinimmo, Cordeel Zetel Temse and Willemen relating to the construction of a new prison in Leuze-en-Hainaut.

On 01.06.2011 this consortium had been appointed 'Preferred Bidder' for this Belgian public contract modelled on the Design-Build-Finance-Maintain principle, allowing it to initiate the final contract negotiations in view of the financial closing scheduled early September.

It is Cofinimmo's intention to set up an SPV (*FPR Leuze SA*). Cofinimmo's participation in its capital will stand at 50%, the remainder being held by the other consortium members. This vehicle will be jointly controlled and hence recorded under the equity method in Cofinimmo's consolidated financial statements.

Cofinimmo will take over the remaining shares of *FPR Leuze SA* at the issuing of the Certificate of Availability of the building by the Buildings Agency (Belgian State), scheduled for the last quarter of 2013. From that moment, Cofinimmo will exercise exclusive control over the company which consequently will be fully consolidated.

The project, of which the global cost is estimated at about €100 million, will be financed by *FPR Leuze SA* with equity and a short-term credit. The reimbursement of this credit will be carried out at the delivery of the building through the disposal of 90% of the receivables relating to the investment fee which covers a 25-year period. *FPR Leuze SA* will retain the remainder of these receivables as well as all other fees, which mainly concern maintenance and will be affected to the payment of maintenance services subcontracted to specialised firms. *FPR Leuze SA* has already secured the short-term credit and the sale of the receivables relating to the investment fee.

The Royal Decree on Sicaf immobilières of 07.12.2010 was especially designed to encourage, amongst others, their participation in Public-Private Partnerships for buildings used by public authorities, by expanding the notion of 'authorised investments in property' in some respects, particularly with regard to financial leases. The completion of the prison of Leuze-en-Hainaut will be a first concrete application.



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About Cofinimmo

Cofinimmo is the foremost listed Belgian real estate company specialising in rental property. The company owns a property portfolio worth over €3 billion, representing a total area of 1,700,000m². Its main investment segments are office property and care homes. Cofinimmo is an independent company, which manages its properties in-house. It is listed on Euronext Brussels (BEL20) and benefits from the Belgian fiscal Sicafi regime and the French SIIC regime. At 30.06.2011, its total market capitalisation stood at €1.5 billion.

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