

**REGULATED INFORMATION**

Notice published pursuant to Article 8, §1 of the Royal Decree of 27 April 2007 on takeover bids

Brussels, embargo until 06.09.2016, 07:45 AM CET

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## Cofinimmo launches an offering of convertible bonds for an amount of up to approximately 220million EUR and the repurchase of its outstanding 190.8 million EUR 2.00% convertible bonds due 2018

Cofinimmo SA (Euronext Brussels: COFB), a leading listed Belgian real estate company specialising in rental property, announces today the launch of:

- A private placement of convertible bonds due 2021 (the "**New Bonds**"), convertible into ordinary shares of the company followed by a public offer in Belgium limited to existing shareholders (the "**Offering**"). The initial amount of the Offering will be approximately 150 million EUR. The final size of the Offering will be up to approximately 220 million EUR and set at the time of pricing potentially depending on the amount of the outstanding 190.8 million EUR 2.00% convertible bonds due 2018 to be repurchased.
- A concurrent repurchase (the "**Concurrent Repurchase**") of all outstanding 190.8 million EUR 2.00% convertible bonds due 2018 (the "**Outstanding Bonds**") through a reverse bookbuilding (the "**Institutional Reverse Bookbuilding**") followed by a public tender offer (the "**Public Tender Offer**").

Cofinimmo reserves the right not to proceed with the issue of the New Bonds and with the Concurrent Repurchase of Outstanding Bonds if Cofinimmo does not hold, at the closing of the Institutional Reverse Bookbuilding and taking into account the tenders made as part thereof, at least 50% of the total initial nominal amount of the convertible bonds due 2018 (the "**Final Repurchase Condition**").

The Convertible Bonds are complex debt instruments. Investing in the Convertible Bonds involve risks. Investors in the Convertible Bonds borrow money to the Issuer which undertakes to pay interests on an annual basis and to pay the principal amount at maturity. In addition, each Convertible Bond shall entitle the investor to convert such Convertible Bond into existing and/or new Ordinary Shares of the Issuer. In case of bankruptcy or default of payment of the Issuer, the risk exists that the investors do not recover amounts due to them and that they suffer a total or partial loss of their investment. The Convertible Bonds are meant to investors who are able to assess the interest rates based on their knowledge and financial experience. Any decision to invest in the Convertible Bonds must be based on the entire information provided in the Prospectus, including the section "Risk factors" on page 6 and following of the Securities Note and, in general, the risk factors which could affect the Issuer's ability to fulfil its obligations related to the Convertible Bonds and the risk factors which are important for the assessment of the market risks related to the Convertible Bonds. In particular, reference is made to the risk factors "Convertible Bonds are complex debt securities which may not be a suitable investment for all investors", "The Issuer may not have the ability to repay the Convertible Bonds" and "There is a limited period for, and there are costs associated with, the exercise of Conversion Rights".

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In addition, Cofinimmo reserves the right not to proceed with the Concurrent Repurchase if it has not raised at least 150 million EUR as part of the Offering (the "**Minimum Proceeds Condition**") and if the settlement of the Offering does not take place (the "**Settlement Condition**"). The Minimum Proceeds Condition, the Settlement Condition and the Final Repurchase Condition are for the sole benefit of Cofinimmo who is entitled to waive these conditions.

The net proceeds of the Offering will be used by Cofinimmo for the financing of the Concurrent Repurchase. Any remaining proceeds (if any) will be used by Cofinimmo to fund capital expenditure and for general corporate purposes.

Cofinimmo expects to derive several benefits from the Concurrent Repurchase and the Offering including a reduction in financing costs thanks to a lower cash coupon, an extension of the average maturity of its debt as well as a reduction of the associated potential dilution given the lower number of shares underlying the New Bonds.

***Offering of convertible bonds***

The senior unsecured convertible bonds will be issued by Cofinimmo and will have a maturity of 5 years. The coupon is expected to be between 0.000% and 0.375% payable annually in arrears. The initial conversion price is expected to be set at a premium of 25% - 30% above a reference share price equal to the volume-weighted average price of the company's ordinary shares on the regulated market of Euronext Brussels ("**Euronext Brussels**") on 06.09.2016. The conversion price will be subject to adjustments in certain circumstances in line with market practice. The nominal value of each bond will be equal to the initial conversion price.

The New Bonds will entitle their holders to receive Cofinimmo ordinary shares at a ratio of one share per New Bond. Upon conversion, the company will have the option to deliver new and/or existing shares, cash or a combination thereof. The company may however only deliver new shares to retail investors, and existing shareholders who are qualified investors having subscribed during the priority allocation period may request the delivery of shares (as will be set out in more detail in the securities note that has been submitted for approval to the Financial Services and Markets Authority (FSMA) in relation to the priority allocation of the New Bonds in favour of existing shareholders referred to below).

The New Bonds will initially be offered only to qualified investors via an accelerated bookbuilding and are expected to price today. New Bonds will be allocated to qualified investors on a provisional basis, subject to a 100% clawback in favour of the existing shareholders. From 07.09.2016, a three-day priority subscription period will be open to existing institutional and Belgian retail shareholders holding ordinary and/or preference shares (subject to applicable selling restrictions), pursuant to the Law of 12.05.2014 relating to Regulated Real Estate Companies. The aggregate principal amount of the New Bonds is thus reserved for priority allocation in favour of existing shareholders and is available to all existing shareholders who can lawfully take part in it pro rata to their respective holding in Cofinimmo's share capital, subject to applicable securities laws.

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Final allocations are expected to take place on 12.09.2016. Settlement is expected to take place on or about 15.09.2016, simultaneously with the listing of the New Bonds on Euronext Brussels.

No offering is being made in or into the United States, Australia, Canada, South-Africa or Japan, or any jurisdiction where it would be unlawful to do so. No steps have been taken by Cofinimmo to make a public offer in any other country than Belgium.

HSBC and J.P. Morgan are acting as Joint Global Coordinators and Joint Bookrunners for the Offering. Société Générale Corporate & Investment Banking is acting as Joint Bookrunner for the Offering. KBC Bank NV is acting as Co-Manager for the Offering.

***Concurrent Repurchase***

Concurrently with the Offering, Cofinimmo intends to repurchase all of the outstanding 190.8 million EUR 2.00% convertible bonds due 2018. Cofinimmo currently holds 152 630 bonds (c.8.65% of the convertible bonds due 2018 originally issued).

The repurchase of the Outstanding Bonds will first be conducted through the Institutional Reverse Bookbuilding (open to institutional investors only), executed concurrently to the Offering today, on which the Joint Bookrunners are assisting the company. Settlement of the Institutional Reverse Bookbuilding is expected to occur on 16.09.2016 and will be subject to the Settlement Condition.

Then, subject to the approval by the FSMA of a prospectus, Cofinimmo intends to launch the Public Tender Offer opened to all holders of the Outstanding Bonds not tendered in the Institutional Reverse Bookbuilding for which the acceptance period is expected to start on 09.09.2016 at 9h00 CEST and end on 15.09.2016 at 16h00 CEST (the "**Public Tender Offer**"). The Public Tender Offer will only be launched provided the Final Repurchase Condition and the Minimum Proceeds Condition referred to above are fulfilled or waived by Cofinimmo. The Public Tender Offer will also be subject to the Settlement Condition referred to above.

The Concurrent Repurchase is not open to any persons located or resident in the United States (or that are otherwise US persons in accordance with Regulation S under the US Securities Act 1933), or persons acting for the account or benefit of such persons, or in any other jurisdiction where participation in the Concurrent Repurchase would be unlawful.

The cash repurchase price for both the Institutional Reverse Bookbuilding and the Public Tender Offer will be equal to the ask closing price of the Outstanding Bonds prior to the launch of the Institutional Reverse Bookbuilding (i.e. 127.00 EUR as at 05.09.2016), adjusted by the variation of the Outstanding Bonds price based on the equity sensitivity and underlying share price performance on the launch day, plus a tender premium.

The cash repurchase price is therefore calculated as follows:

128.62 EUR (Initial Repurchase Price) + ((Reference Share Price - Closing Share Price) x 1.1048 (conversion ratio) x Reference Delta).

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**“Initial Repurchase Price”** = Ask closing price of the Outstanding Bonds of 127.00 EUR on 05.09.2016 plus a 1.50% tender premium, i.e. 1.62 EUR per Outstanding Bond.

**“Reference Share Price”** = As specified above

**“Closing Share Price”** = Closing price of the company’s ordinary shares on Euronext Brussels on 05.09.2016, i.e. 110.95 EUR

**“Reference Delta”** = 70%

In addition, Cofinimmo will pay, in respect of bonds tendered in the Public Tender Offer, interest accrued on the Outstanding Bonds from and including the settlement date of the Institutional Reverse Bookbuilding to but excluding the settlement date of the Public Tender Offer, expected to be on 22.09.2016. Any Outstanding Bonds repurchased (if any) will be cancelled after the settlement of the Public Tender Offer by Cofinimmo in accordance with their terms and conditions.

If at any time after the Public Tender Offer, Outstanding Bonds have been exercised and/or purchased (and corresponding cancellations and/or redemptions effected) in respect of 85% or more in principal amount of the convertible bonds due 2018 originally issued, Cofinimmo will redeem, in accordance with Condition 6.5.2 of the Outstanding Bonds, the Outstanding Bonds not tendered pursuant to the Institutional Reverse Bookbuilding or the Public Tender Offer, in whole but not in part at their principal amount, together with accrued and unpaid interests to such date. Prior to such redemption, the Public Tender Offer will be reopened within 10 business days from the publication of the results for a period of 5 business days.

**Documentation**

A securities note ("*note d'opération/verrichtingsnota*"), a registration document and a summary for the Offering will be available free of charge at the registered office of the company and from the company's website ([www.cofinimmo.com/investors/reports-and-presentations](http://www.cofinimmo.com/investors/reports-and-presentations)). Upon request, the documents can also be obtained free of charge from KBC Bank NV at +32 78 152 154 (French) or +32 78 152 153 (Dutch) and at the office of HSBC in Belgium at 23 Square de Meeûs, 1000 Brussels, at the office of JP Morgan in Belgium at Floor 10, 1 Boulevard du Roi Albert II, 1210 Brussels and the head office of Société Générale in Belgium at 11 rue des Colonies, 1000 Brussels. A prospectus will also be prepared in relation to the Public Tender Offer, and be available on the websites of KBC Bank NV ([www.kbc.be/cofinimmo](http://www.kbc.be/cofinimmo)) and Cofinimmo ([www.cofinimmo.com](http://www.cofinimmo.com)). The Public Tender Offer prospectus is also available free of charge by phoning KBC Bank NV at +32 78 152 154 (French) or at +32 78 152 153 (Dutch).

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**About Cofinimmo:**

Founded in 1983, Cofinimmo is today the foremost listed Belgian real estate company specialising in rental property and an important player in the European market.

The company owns a diversified property portfolio spread over Belgium, France, the Netherlands and Germany, worth 3.2 billion EUR, representing a total surface area of over 1,700,000 m<sup>2</sup>. Riding on demographic trends, its main investment segments are healthcare properties (43 %), offices (39 %) and distribution networks (17 %). As an independent company that consistently applies the highest corporate governance and sustainability standards, Cofinimmo services its tenants and manages its properties through its team of over 120 people, operating from Brussels.

Cofinimmo is listed on Euronext Brussels (BEL20) and benefits from the fiscal REIT regime in Belgium (RREC), in France (SIIC) and in the Netherlands (FBI). Its activities are controlled by the Financial Services and Markets Authority, the Belgian regulator.

At 30.06.2016, its total market capitalisation stands at 2.2 billion EUR. The company pursues investment policies which seek to offer a high dividend yield and capital protection over the long term, targeting both institutional and private investors.

[www.cofinimmo.com](http://www.cofinimmo.com)

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