

**REGULATED INFORMATION**

Brussels, embargo until 09.02.2017, 5:40 PM CET

## 2016 Annual results

### Strong financial results and confirmation of the 2016 dividend

- Net result from core activities - Group share\*<sup>1</sup>: 6.40 EUR per share, higher than the forecast of 6.19 EUR for the 2016 financial year published in February 2016
- Net result - Group share: 4.64 EUR per share
- Confirmation of the gross dividend for the 2016 financial year, payable in 2017: 5.50 EUR per ordinary share

### Resilient operating indicators

- Gross rental revenues up by 0.9% over the past 12 months (+0.9 % on a like-for-like basis\*)
- High occupancy rate: 94.5 %
- Particularly long residual lease length: 10.2 years
- Portfolio value up by 7.4 % over the past 12 months (+0.4% on a like-for-like basis)
- Resilient EPRA Net Asset Value: 92.76 EUR per share (93.34 EUR at 31.12.2015)

### 2016 investments

- Acquisition of three healthcare assets in Germany for 47.9 million EUR
- Acquisition of four medical office buildings in the Netherlands for 23.2 million EUR
- Acquisition of five office buildings in Brussels for 88.9 million EUR
- Investments since the capital increase of May 2015: 301 million EUR, of which 180 million EUR in healthcare real estate and 113 million EUR in office buildings

### Redeployment of the Souverain/Vorst site (Decentralised Brussels)

- Sale (subject to obtaining the necessary permits) of the Souverain/Vorst 25 asset
- Reconversion of the neighbouring building Souverain/Vorst 23 to residential use
- Residential development on the adjacent Tenreuken plot of land

### Optimisation of financing conditions

- Buyback of convertible bonds maturing in 2018 and issue of new convertible bonds maturing in 2021 for 219 million EUR
- Private placement of 70 million EUR in bonds
- First issue of Green and Social Bonds by a European real estate company (55 million EUR)
- Restructuring of interest rate hedging instruments
- Average cost of debt\*: 2.4 % (2.1 % in the fourth quarter of 2016)
- Average debt maturity: 4.8 years

### 2017 outlook

- Net result from core activities - Group share\*<sup>1</sup>: 6.49 EUR per share, given a committed investment pipeline of 113.7 million EUR for 2017
- Barring any major unexpected events, gross dividend for the 2017 financial year, payable in 2018: 5.50 EUR per ordinary share

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<sup>1</sup> Replaces the former item 'Net current result (excluding IAS 39 impact) - Group share', i.e. EPRA Earnings. See page 2 of this press release.

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Following the entry into force of the guidelines on Alternative Performance Measures (APM) recently issued by the European Securities and Markets Authority (ESMA) and their interpretation by the Financial Services and Market Authority (FSMA), i.e. the Belgian regulator, the APM used in this press release are identified with an asterisk (\*). Their definition and calculation details are available on Cofinimmo's website ([www.cofinimmo.com/investors/reports-and-presentations](http://www.cofinimmo.com/investors/reports-and-presentations)).

The wording of the item 'Net current result (excluding IAS 39 impact) – Group share', i.e. EPRA Earnings, has been modified to comply with the abovementioned ESMA guideline. As the term 'current' is now abolished, the item has been renamed 'Net result from core activities - Group share'. It still corresponds with the EPRA Earnings as defined in the European Public Real Estate Association (EPRA) 'Best Practice Recommendations'.

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**1. Summary of activities and consolidated key figures**

**1.1. Summary of activities**

During 2016, Cofinimmo continued to deploy the capital raised with the capital increase of May 2015. This capital increase, in the amount of 285 million EUR, was intended to cover an investment plan through the end of 2017 and to finance additional acquisitions to increase the share of healthcare real estate assets. Since then, 301 million EUR have been invested, of which 180 million EUR in healthcare real estate, primarily in the Netherlands and Germany. In all, the portfolio of healthcare assets in these two countries, acquired since 2012 and 2014 respectively, comprises 273 million EUR and 28 buildings.

Cofinimmo has strengthened its organisation and its teams for foreign markets: its presence in the field in the Netherlands has been enhanced and a team was created in Brussels to handle prospection and investments in Germany. In addition, the Group opened an office in Paris which, at the end 2016, took over the management of the portfolio of insurance agencies leased to the Covéa Group. This management was previously outsourced.

In the summer of 2016, for the first time in five years, Cofinimmo proceeded with the acquisition of four office buildings in Brussels in the Leopold District, where its portfolio is fully occupied. The buildings were acquired with rental yields of close to 6.5 %. They provide value creation potential because they are partially vacant. The Company is actively working on renting the balance of the office space and enhancing its comfort via suitable improvements, which will start to bear fruit in the spring of 2017. In addition, during 2017 and 2018, Cofinimmo will completely rebuild two other office buildings (Belliard 40 et Arts/Kunst 19H) located in the same district, home to European Union political institutions.

The particularly low interest rate levels have provided an opportunity to increase the length of financing and rate hedges. Convertible bonds maturing in 2021 were issued to replace bonds coming due in 2018. Two non-convertible bonds maturing in 2026 and 2024 were also placed. The second issue was intended for investors who wanted to indirectly finance specific Cofinimmo projects linked to sustainable economy.

The net result from core activities - Group share\*<sup>1</sup> was 134.3 million EUR in 2016, compared to 128.5 million EUR in 2015 (+4.5 %). The result per share was 6.40 EUR for the 2016 financial year and 6.46 EUR for the 2015 financial year. The shares issued in 2015 for the capital increase are entitled to share in the result of the entire 2016 financial year, which was not the case in 2015. The number of shares entitled to share in the result thus increased by 5.5 % compared to the previous financial year. The net result - Group share was 4.64 EUR per share at 31.12.2016, compared to 5.23 EUR per share at 31.12.2015.

These results allow the Group to confirm the gross dividend of 5.50 EUR per ordinary share for the 2016 financial year, payable in 2017, which will be proposed at the next Ordinary General Shareholders' Meeting of 10.05.2017.

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<sup>1</sup> Replaces the former item 'Net current result (excluding IAS 39 impact) - Group share', i.e. EPRA Earnings. See page 2 of this press release.

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Barring the occurrence of any unexpected events, the forecasted net result from core activities - Group share\*<sup>1</sup> is 6.49 EUR per share for the 2017 financial year and the gross dividend payable in 2018 is 5.50 EUR per ordinary share.

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**1.2. Consolidated key figures**

**Global figures**

<b>(x 1,000,000 EUR)</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Portfolio of investment properties (in fair value)	3,366.3	3,134.4
<b>(x 1,000 EUR)</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Property result	210,659	207,534
Operating result before result on the portfolio	172,079	174,341
Net result from core activities - Group share* <sup>1</sup>	134,260	128,517
Result on financial instruments - Group share* <sup>2</sup>	-38,850	-30,811
Result on the portfolio - Group share*	1,983	6,261
Net result - Group share	97,393	103,967
	<b>31.12.2016</b>	<b>31.12.2015</b>
Operating costs/average value of the portfolio under management <sup>3*</sup>	1.08 %	0.93 %
Operating margin*	81.7 %	84.0 %
Weighted residual lease length <sup>4</sup> (in years)	10.2	10.5
Occupancy rate <sup>5</sup>	94.5 %	94.9 %
Gross rental yield at 100 % occupancy <sup>6</sup>	6.9 %	6.9 %
Net rental yield at 100 % occupancy <sup>7</sup>	6.4 %	6.4 %
Debt ratio <sup>8</sup>	43.7 %	38.6 %
Average cost of debt* <sup>9</sup>	2.4 %	2.9 %
Average debt maturity (in years)	4.8	5.3

**Data per share<sup>10</sup>**

<b>(in EUR)</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
<b>Net result from core activities - Group share*<sup>1</sup></b>	<b>6.40</b>	<b>6.46</b>
Result on financial instruments - Group share* <sup>2</sup>	-1.85	-1.55
Result on the portfolio - Group share*	0.09	0.32
<b>Net result - Group share*</b>	<b>4.64</b>	<b>5.23</b>

<sup>1</sup> Replaces the former item 'Net current result (excluding IAS 39 impact) - Group share', i.e. EPRA Earnings. See page 2 of this press release.

<sup>2</sup> Replaces the former item 'Revaluation of financial instruments (IAS 39)' and the share of the revaluation in the 'Share in the result of associated companies and joint ventures' and 'Minority interests' items.

<sup>3</sup> Average value of the portfolio to which are added the receivables transferred for the buildings whose maintenance costs payable by the owner are still assumed by the Group through total cover insurance premiums.

<sup>4</sup> Until the date of the tenant's first break option.

<sup>5</sup> Calculated based on the actual rents and, for vacant space, the rental value estimated by independent real estate experts.

<sup>6</sup> Passing rents increased by the estimated value of vacant space, divided by the value of the portfolio including notarial & registration charges and excluding development projects.

<sup>7</sup> Passing rents increased by the estimated value of vacant space, less direct costs, divided by the value of the portfolio including notarial & registration charges and excluding development projects.

<sup>8</sup> Legal ratio calculated in accordance with the legislation on RRECs such as financial and other debt divided by total assets.

<sup>9</sup> Including bank margins.

<sup>10</sup> Ordinary and preference shares.

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<b>Intrinsic share value (in EUR)</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Revalued net assets per share in fair value <sup>1</sup> after dividend distribution for financial year 2015*	88.29	83.39
Net assets revalued per share in investment value <sup>2</sup> after dividend distribution for financial year 2015*	92.38	86.97

<b>Diluted intrinsic share value (in EUR)</b>	<b>31.12.2016<sup>3</sup></b>	<b>31.12.2015<sup>4</sup></b>
Diluted revalued net assets per share in fair value <sup>1</sup> after dividend distribution for financial year 2015	88.12	83.23
Diluted revalued net assets per share in investment value <sup>2</sup> after dividend distribution for financial year 2015	92.19	86.80

**Performance indicators based on the EPRA standard<sup>5</sup>**

<b>(in EUR per share)</b>	<b>31.12.2016<sup>6</sup></b>	<b>31.12.2015<sup>7</sup></b>
EPRA Earnings*	6.40	6.46
EPRA Diluted earnings*	6.39	6.46
<b>(in EUR per share)</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
EPRA Net Asset Value (NAV)*	92.76	93.34
EPRA Triple Net Asset Value (NNNAV)*	90.81	90.93
	<b>31.12.2016</b>	<b>31.12.2015</b>
EPRA Net Initial Yield (NIY)*	6.0 %	6.0 %
EPRA 'Topped-up' NIY*	5.9 %	5.9 %
EPRA Vacancy Rate*	5.6 %	5.2 %
EPRA cost ratio (direct vacancy costs included)*	22.3 %	20.1 %
EPRA cost ratio (direct vacancy costs excluded)*	19.5 %	17.7 %

<sup>1</sup> Fair value: after deduction of transaction costs (primarily transfer taxes) from the value of the investment properties.

<sup>2</sup> Investment value: before deduction of transaction costs.

<sup>3</sup> In accordance with applicable IAS/IFRS standards, the Mandatory Convertible Bonds issued in 2011 and the convertible bonds issued in 2016 were not taken into account in calculating the diluted revalued net assets per share at 31.12.2016 because they would have had an accretive effect.

<sup>4</sup> In accordance with applicable IAS/IFRS standards, the Mandatory Convertible Bonds issued in 2011 and the convertible bonds issued in 2011 (redeemed in 2016) and 2013 (bought back or redeemed in 2016) were not taken into account in calculating the diluted revalued net assets per share at 31.12.2015 because they would have had an accretive effect.

<sup>5</sup> The Auditor has verified that the Alternative Performance Measures 'EPRA Earnings', 'EPRA NAV' and 'EPRA NNNAV' were calculated in accordance with the definitions of the 'EPRA Best Practices Recommendations 2015' and that the financial data used to calculate the figures match the accounting data provided in the audited consolidated financial statements.

<sup>6</sup> In accordance with 'EPRA Best Practice Recommendations', given that the Mandatory Convertible Bonds issued in 2011 and the convertible bonds issued in 2016 were 'out-of-the-money' at 31.12.2016, they were not taken into account for the EPRA Diluted Earnings, the EPRA NAV or the EPRA NNNAV calculation on that date. 30 265 treasury shares of the stock option plan were 'in-the-money' at 31.12.2016 and were thus included in the calculation of the abovementioned indicators.

<sup>7</sup> In accordance with 'EPRA Best Practice Recommendations', given that the Mandatory Convertible Bonds issued in 2011 and the convertible bonds issued in 2011 (redeemed in 2016) and 2013 (bought back or redeemed in 2016) were 'out-of-the-money' at 31.12.2015, they were not taken into account for the EPRA Diluted Earnings, the EPRA NAV or the EPRA NNNAV calculation on that date. 26 570 treasury shares of the stock option plan were 'in-the-money' at 31.12.2015 and were thus included in the calculation of the abovementioned indicators.

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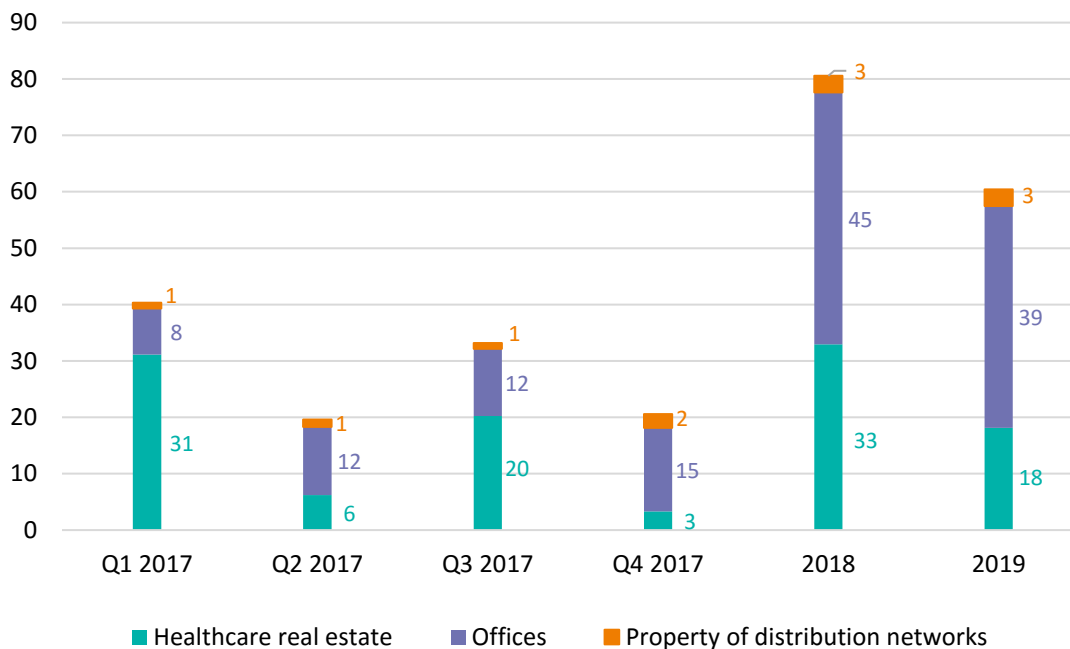
## 2. 2017 Forecast

### 2.1. Investment pipeline

The investments planned for 2017 to 2019 based on the commitments taken to date and excluding new potential acquisitions total 254.7 million EUR and include:

- 112.0 million EUR in the healthcare segment;
- 131.0 million EUR in the office segment;
- 11.7 million EUR in the property of distribution networks segment.

x 1,000,000 EUR:



The main projects for the 2017-2019 period are presented in the two tables hereafter.



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Healthcare real estate:

All healthcare facilities to be built/extended/renovated are pre-let.

Building	Operator	Type of works	(Addit.) number of beds	(Addit.) Surface area	(Expected) end of works
<b>Belgium</b>					
De Nootelaer - Keerbergen	Senior Living Group (Korian Group)	Renovation and extension	+ 2	+ 500 m <sup>2</sup>	Q4 2018
Woluwe 106-108 - Brussels	Vivalto	Reconversion of an office building into a nursing and care home	151	8,422 m <sup>2</sup>	Q4 2017
Zonnewende - Aartselaar	Senior Living Group (Korian Group)	Renovation and extension	+ 13 service flats	+ 3,500 m <sup>2</sup>	Q4 2018
<b>France</b>					
Domaine de Vontes – Esvres sur Indre	Inicéa	Renovation and extension	+ 60	+ 2,214 m <sup>2</sup>	Q2 2019
<b>The Netherlands</b>					
Bavel	Martha Flora	New construction	22	2,198 m <sup>2</sup>	Q1 2017
Plataan - Heerlen	Sevagram	Renovation	133	14,700 m <sup>2</sup>	Q4 2017
<b>Germany</b>					
Brühl - Chemnitz	Azurit	Renovation and extension	+ 14	+ 222 m <sup>2</sup>	Q2 2018

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Offices:

Building	Type of works	Surface area	(Expected) end of works
Arts/Kunst 19H	Demolition and reconstruction of offices	8,600 m <sup>2</sup>	Q2 2019
Belliard 40	Demolition and reconstruction of offices	20,000 m <sup>2</sup>	Q1 2018
Bourget 40	Renovation	14,250 m <sup>2</sup>	Q2 2019
Serenitas	Complete renovation of building B and partial renovation of building C	10,274 m <sup>2</sup>	Q2 2020
Souverain/Vorst 23	Reconversion into residential	23,000 m <sup>2</sup>	Q4 2021
Tenreuken	Construction of apartments	11,800 m <sup>2</sup>	Q3 2019
The Gradient	Renovation of floor +4	2,900 m <sup>2</sup>	Q1 2017
The Gradient	Creation of a 'Lounge® by Cofinimmo'	1,050 m <sup>2</sup>	Q2 2017
The Gradient	Renovation of floor +6	1,455 m <sup>2</sup>	Q4 2017

## 2.2. Net result from core activities\*<sup>1</sup> and dividend per share

Based on current projections and barring any major unexpected events, the Group expects:

- a net result from core activities - Group share\*<sup>2</sup> of **6.49 EUR** per share for 2017, taking into account a currently committed investment pipeline of 113.7 million EUR for 2017, and
- a gross dividend distribution of **5.50 EUR** per ordinary share for the 2017 financial year (payable as of the end of May 2018), i.e. a level equivalent to that of the 2016 financial year. The proposal will have to comply with the requirements of Article 27 of the Royal Decree of 13.07.2014 in that the amount distributed will have to be higher than the required minimum of 80 % of Cofinimmo SA/NV's (non-consolidated) net profit projected for 2017.

<sup>1</sup> Replaces the former item 'Net current result (excluding IAS 39 impact)'.  
<sup>2</sup> Replaces the former item 'Net current result (excluding IAS 39 impact) - Group share', i.e. EPRA Earnings. See page 2 of this press release.

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**3. Review of 2016 activities**

**3.1. Portfolio growth**

**Healthcare real estate (total portfolio):**

- **Investments in 2016: 104.3 million EUR**
- **Healthcare real estate portfolio at 31.12.2016: 1,499.9 million EUR**

**Healthcare real estate in Germany:**

- **Investments in 2016: 47.4 million EUR**
- **Initial rental yields: between 5.9 % and 7.3 %**
- **Healthcare real estate portfolio in Germany at 31.12.2016: 117.1 million EUR**

Main accomplishments:

Q1 2016:

Acquisition of the 'Kaiser Karl' revalidation clinic located in Bonn for 30 million EUR<sup>1</sup>. The 15,500 m<sup>2</sup> facility built in 1996 and expanded in 2013 specialises primarily in orthopaedics. It has 150 beds, a swimming pool, spas, a restaurant and underground parking spaces. Cofinimmo leases the asset to a subsidiary of the German operating group Eifelhöhen-Klinik AG under a 25-year 'double net' lease.



Kaiser Karl revalidation clinic – Bonn (DE)

<sup>1</sup> See our press release dd. 16.12.2015, available on our website.

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**Q4 2016:**

- Acquisition of the 'Seniorenzentrum Brühl' nursing and care home for 8.8 million EUR<sup>1</sup>. The facility is located in Chemnitz. It comprises an above-ground surface area of 6,700 m<sup>2</sup> and was entirely renovated in 2007. The asset is leased to the German operating group Azurit Rohr GmbH – Natürlich Leben im Alter. The 'double net' lease is for a fixed 25-year period with an option to extend for five years.
- Acquisition of the 'Seniorenresidenz Calau' nursing home located in Calau for 9.1 million EUR<sup>2</sup>. The new 4,600 m<sup>2</sup> building has 81 beds and 20 day care spots. The facility is leased to the operating group M.E.D. Gesellschaft für Altenpflege mbH with which Cofinimmo signed a 'double net' lease for a fixed 25-year period with an option to extend for five years.

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<sup>1</sup> See our press release dd. 19.12.2016, available on our website.

<sup>2</sup> See our press release dd. 25.07.2016, available on our website.

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#### Healthcare real estate in the Netherlands:

- **Investments in 2016: 45.2 million EUR**
- **Initial rental returns: between 6.5 % and 7.9 %**
- **Healthcare real estate portfolio in the Netherlands at 31.12.2016: 156.1 million EUR**

#### Main accomplishments:

##### Q2 2016:

Acquisition of a care centre for elderly people suffering from dementia, under construction in Bavel. The acquisition price for the land and the construction budget will total 3.4 million EUR. The facility will have 22 rooms on 2,140 m<sup>2</sup>. On completion of the work, expected in early 2017, Cofinimmo will sign a 'double net' lease for 20 years with the Dutch operator Martha Flora. This project is part of the agreement signed with Green Real Estate in December 2014<sup>1</sup>.

##### Q3 2016:

- Acquisition of the 'Oranjeplein' medical office building located in Goirle, near Tilburg, for 4.5 million EUR<sup>2</sup>. The 1,854 m<sup>2</sup> building was renovated in 2013 and is entirely occupied by several medical and paramedical professionals. Each healthcare professional leases from the Cofinimmo Group under a 'double net' lease with an average residual length of seven years.



Oranjeplein medical office building – Goirle (NL)

- Completion of construction works of the Amphia Hospital parking lot in Breda. The parking lot provides over 900 spaces for hospital patients and visitors. The total budget for the works was 9.7 million EUR. Cofinimmo leases the asset to Stichting Amphia under a 30-year 'double net' lease.

<sup>1</sup> The care centre for elderly people located in Bavel is one of five development projects for which Cofinimmo signed an agreement with Green Real Estate in December 2014. See our press release dd. 17.12.2014, available on our website.

<sup>2</sup> See our press release dd. 08.08.2016, available on our website.

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Q4 2016:

- Delivery of the construction works of a care centre for people suffering from mental disorders located in Alphen aan den Rijn. The acquisition price for the land and the construction budget totalled 2.5 million EUR. The 2,000 m<sup>2</sup> facility has 24 beds and is leased to the operator Philadelphia Zorg under a 15-year 'double net' lease. This project is also part of the agreement signed with Green Real Estate in December 2014<sup>1</sup>.
- Acquisition of the 'Piushaven' medical office building located in Tilburg for 6.0 million EUR<sup>2</sup>. The 2,257 m<sup>2</sup> building was built in 2011. It is leased to several healthcare professionals under 'double net' leases with an average residual length of 7.5 years.
- Acquisition of the 'De Waterlinie' medical office building located in Uithoorn, for 9.4 million EUR<sup>3</sup>. The 3,900 m<sup>2</sup> building was built in 2013. It is fully leased to medical and paramedical professionals. Each healthcare professional leases from the Cofinimmo Group based on a 'double net' lease with an average residual length of nine years.
- Acquisition of a medical office building located in Leiden, for 3.3 million EUR. The 2,000 m<sup>2</sup> asset was renovated in 2012. It is leased to several healthcare professionals under 'double net' leases with an average residual length of 5.5 years.

Cofinimmo has signed a collaboration agreement with Maron Healthcare for the commercial management of the medical office buildings located in Goirle, Tilburg, Uithoorn and Leiden. The specialised manager is tasked with maintaining the occupancy rate at an optimal level over the long term, with a particular focus on ensuring the complementarity of the professions located in each centre, for the benefit of patients and the professionals working there.

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<sup>1</sup> The care centre for elderly people suffering from mental disorders located in Alphen aan den Rijn is one of five development projects for which Cofinimmo signed an agreement with Green Real Estate in December 2014. See our press release dd. 17.12.2014, available on our website.

<sup>2</sup> See our press release dd. 19.12.2016, available on our website.

<sup>3</sup> See our press release dd. 19.12.2016, available on our website.

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**Healthcare real estate in Belgium:**

- **Investments in 2016: 5.6 million EUR**
- **Initial rental yields: between 5.9 % and 6.5 %**
- **Healthcare real estate portfolio in Belgium at 31.12.2016: 815.6 million EUR**

Main accomplishments:

**Q1 2016:**

Delivery of extension works on the Millegem nursing and care home in Ranst. The total budget for the works was 2.7 million EUR. The facility now has 29 additional beds in a newly built area of 1,440 m<sup>2</sup>. The extension is covered by a 'triple net' lease of 27 years signed with the operator Armonéa.

**Q2 2016:**

Signature of two agreements with Senior Living Group (Korian Group) for renovation and extension works on two nursing and care homes in Belgium: De Nootelaer in Keerbergen and Zonnewende in Aartselaar<sup>1</sup>. The total budget for the works is estimated at 9.3 million EUR. At the time of delivery, planned for the fourth quarter of 2018, Cofinimmo will sign 'triple net' leases of 20 and 27 years respectively with Senior Living Group.

**Q3 2016:**

Start of reconversion works to transform the building at Woluwe 106-108 (Decentralised Brussels) into a nursing and care home. Note that this former 7,000 m<sup>2</sup> office building will be converted into a 151-bed nursing and care home. On delivery of the works, planned for the end of 2017, the facility will be leased to the operator Vivalto Home under a 27-year 'triple net' lease. The total budget for the works is estimated at 13 million EUR.

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<sup>1</sup> See our press release dd. 25.07.2016, available on our website.

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**Healthcare real estate in France:**

- **Investments in 2016: 6.2 million EUR**
- **Initial rental yields: between 6.1 % and 7.5 %**
- **Healthcare real estate portfolio in France at 31.12.2016: 411.1 million EUR**

Main accomplishments:

Q2 2016:

Signature of an agreement with Inicéa for renovation and extension works on the Domaine de Vontes revalidation clinic (Soins de Suite et de Réadaptation - SSR) in Esvres-sur-Indre, for an estimated budget of 6.8 million EUR<sup>1</sup>. On delivery of the works, planned for the second quarter of 2019, Cofinimmo will sign a 12-year 'double net' lease with Inicéa.

Q3 2016:

- Acquisition of the newly-built extensions of the Les Lubérons nursing home (Etablissement d'Hébergement pour Personnes Agées Dépendantes - EHPAD) located in Le Puy Sainte Réparate (6,400 m<sup>2</sup> and 108 beds in total after works), and the William Harvey SSR clinic in Saint Martin d'Aubigny (5,500 m<sup>2</sup> and 70 beds in total after works). The investment totalled 6.0 million EUR. The sites are leased under new 'double net' leases for a period of 12 years to the operating group Korian.



Les Lubérons – Le Puy Sainte Réparate (FR)

- Delivery of the renovation and extension works on the Caux du Littoral SSR clinic in Néville (Upper Normandy). The acquisition price for the land and the construction budget totalled 5.2 million EUR. The 3,230 m<sup>2</sup> facility has 60 beds and is leased under a 12-year 'triple net' lease to the French operating group Handra.

<sup>1</sup> See our press release dd. 25.07.2016, available on our website.



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#### Offices:

- **Renegotiations and new leases in 2016: 63,250 m<sup>2</sup>**
- **Investments in 2016: 105.5 million EUR**
- **Office real estate portfolio at 31.12.2016: 1,286.7 million EUR**

#### Main accomplishments:

##### Q1 2016:

Completion of marketing for the renovated Guimard 10-12 office building (Brussels CBD). Note that the building underwent significant renovation following the departure of the European Commission in the fall of 2014. The budget for the works was 14.8 million EUR and it was finalised during the third quarter of 2015. Cofinimmo signed a lease for the balance of vacant space (10 %) during the first quarter of 2016. The building's occupancy rate is now 100 %.

##### Q2 2016:

- Conditional sale of the Souverain/Vorst 25 office building (Decentralised Brussels)<sup>1</sup>. The sale will take place when the permits and authorisations required for the redevelopment of the site have been granted by the competent authorities. The lease of AXA Group, the current tenant, ends on 02.08.2017. Cofinimmo will retain ownership of the neighbouring Souverain/Vorst 23 building. It intends to convert this part of the complex to residential apartments. The Tenreuken plot of land next to the AXA site will also be used for housing. The permit applications are currently in progress.
- Acquisition of the Arts/Kunst 46 office building (Brussels CBD) for 31 million EUR<sup>2</sup>. The building is located at the corner of Avenue des Arts/Kunstlaan and Rue Belliardstraat, at the heart of the European district in Brussels. The building has 11,516 m<sup>2</sup> of office space, 921 m<sup>2</sup> of archive space and 128 underground parking spaces. It is 83 % occupied by several tenants. The initial gross rental yield is 6.2 % and could increase to 7.5 % if fully occupied.
- Completion of renovation works on the Souverain/Vorst 24 office building (Decentralised Brussels). The budget for the works totalled 1.9 million EUR. The space is currently being marketed.



Souverain/Vorst 24 – Decentralised Brussels

<sup>1</sup> See our press release dd. 21.04.2016, available on our website.

<sup>2</sup> See our press release dd. 26.05.2016, available on our website.

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**Q3 2016:**

Acquisition of a portfolio of four office buildings in Brussels<sup>1</sup>. The real estate portfolio consists of three buildings located in the heart of the European District in Brussels (Loi/Wet 34, Montoyer 10 and Science/Wetenschap 41) and a fourth building located in the decentralised area of Brussels (Souverain/Vorst 280). The assets have an average area of 5,700 m<sup>2</sup> and an average occupancy rate of 88 %. The transaction valued the buildings at 57.9 million EUR. The potential for value creation via active marketing campaigns and suitable upgrades is significant. The gross rental yield is currently 6.4 % and could reach 7.4 % if the buildings are fully occupied.

**Q4 2016:**

Permits obtained for the redevelopment of the Arts/Kunst 19H office building (Brussels CBD). The existing building is vacant since the end of January 2017 and will be completely demolished. The new project, which was decided by an architectural competition, includes full-length glass walls and a view on the interior garden from Rue Joseph II-straat. It will offer 8,600 m<sup>2</sup> of modern, modular office space on eight floors with ceiling heights of nearly three metres. A terrace will also be included on the roof. The Group's objective is to obtain a BREEAM 'Excellent' environmental certification for the project. Works should be completed during the second quarter of 2019. The budget should come in between 22 and 25 million EUR including VAT.



Arts/Kunst 19H – Brussels CBD

Commercial activity

New leases and renegotiations were signed for a total of over 63,250 m<sup>2</sup> of office space during 2016. The most significant transactions are shown in the table below.

Property	Transaction type	Area
Loi/Wet 57 – Brussels CBD	Renewal	10,279 m <sup>2</sup>
Omega Court – Decentralised Brussels	Renewal	4,173 m <sup>2</sup>
Mechelen Station – Malines	Renewal	3,952 m <sup>2</sup>
The Gradient – Decentralised Brussels	New letting	2,991 m <sup>2</sup>
Bourget 50 – Decentralised Brussels	Renewal	2,102 m <sup>2</sup>
Veldkant 35 – Antwerp	Renewal	2,100 m <sup>2</sup>

<sup>1</sup> See our press release dd. 08.08.2016, available on our website.

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61 % of the rental vacancy risk was secured in 2016. Of the 77,100 m<sup>2</sup> with the potential to become vacant in 2016:

- 42 % were not vacated or renegotiated;
- 15 % were not vacated, but were renegotiated;
- 4 % were vacated then re-let.

On the other hand, 39 % with the potential to become vacant in 2016 were vacated without being re-let in the same year.

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**Property of distribution networks:**

- **Investments in 2016: 4.4 million EUR**
- **Divestments in 2016: 7.4 million EUR**
- **Property of distribution networks portfolio at 31.12.2016: 552.8 million EUR**

Main accomplishments:

**Pubstone:**

In 2016, the Property and Project Management teams monitored 340 technical interventions on the cafés and restaurants portfolio (278 in Belgium and 62 in the Netherlands). They also managed 275 renovation projects (169 in Belgium and 106 in the Netherlands) for a total of 4.2 million EUR (3.5 million EUR in Belgium and 0.7 million EUR in the Netherlands). This consisted primarily of exterior painting, woodwork and roofing.

Cofinimmo Group also sold 30 pubs/restaurants from the Pubstone portfolio for 7.3 million EUR, higher than the investment value of the assets as determined by the independent real estate expert at 31.12.2015.

**Cofinimur I:**

The Group managed the construction of two new insurance agencies in 2016. They were leased to MAAF/GMF (Covéa Group) for a fixed period of at least nine years. Total investments were 0.2 million EUR in 2016.

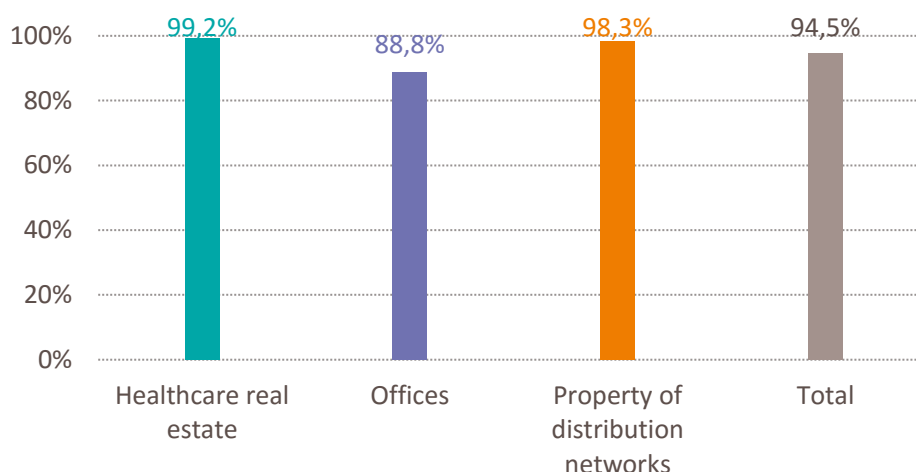
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**3.2. Commercial results**

**3.2.1. Occupancy rate (calculated based on rental income)**

Calculated based on actual rents and, for vacant space, on the rental values estimated by independent real estate experts:



The decrease in the office portfolio occupancy rate is essentially due to the acquisition of partially vacant buildings in 2016.

**3.2.2. Major tenants**

Tenants	Contractual rents	Average residual lease length (in years)
Korian Group	15.3 %	11.6
AB InBev	13.1 %	13.8
Armonéa	10.6 %	20.1
Belgian public sector	6.2 %	10.8
AXA Group	5.4 %	0.6
<b>Top five tenants</b>	<b>50.6 %</b>	<b>12.7</b>
ORPEA	4.1 %	9.5
International public sector	3.9 %	4.4
MAAF	3.5 %	5.3
Aspria	3.0 %	28.0
IBM Belgium	1.4 %	2.2
<b>Top 10 tenants</b>	<b>66.5 %</b>	<b>12.1</b>
<b>Top 20 tenants</b>	<b>75.5 %</b>	<b>11.5</b>
Other tenants	24.5 %	6.1
<b>TOTAL</b>	<b>100 %</b>	<b>10.2</b>

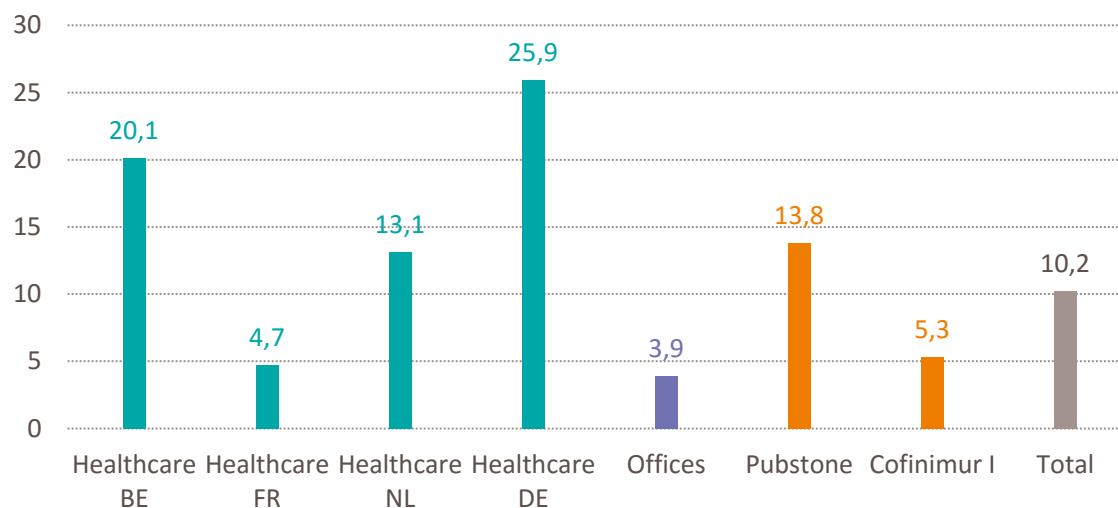
Public tenants account for 23 % of the office portfolio.

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**3.2.3. Average residual lease length**

In years, until the first termination date possible for the tenant:



If no break option is exercised, that is, if all tenants keep their current space until the contractual end of the leases, the average residual lease length would be 11.1 years.

**3.2.4. Portfolio maturity**

<b>Leases &gt; 9 years</b>	<b>47.6 %</b>
Healthcare real estate	29.6 %
Offices (public sector)	3.8 %
Offices (private sector)	0.5 %
Property of distribution networks - Pubstone	13.2 %
Other	0.6 %
<b>Leases 6-9 years</b>	<b>6.7 %</b>
Healthcare real estate	2.4 %
Offices	2.1 %
Property of distribution networks – Cofinimur I	2.0 %
Other	0.2 %
<b>Leases &lt; 6 years</b>	<b>45.7 %</b>
Healthcare real estate	9.3 %
Offices	34.8 %
Property of distribution networks – Cofinimur I	1.5 %

Over 47 % of leases are long term (over nine years).

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**3.2.5. Changes in gross rental revenues on a like-for-like basis**

	Gross rental revenues at 31.12.2016 (x 1,000,000 EUR)	Gross rental revenues at 31.12.2015 (x 1,000,000 EUR)	Change	Like-for-like change
Healthcare real estate BE	48.8	54.2	-10.1 %	+1.5 %
Healthcare real estate FR	25.4	24.9	+2.0 %	-0.1 %
Healthcare real estate NL	7.6	6.7	+13.4 %	+0.6 %
Healthcare real estate DE	6.9	3.1	+124 %	+1.5 %
Offices	78.9	76.7	+2.9 %	+1.2 %
Property of distribution networks	37.5	37.6	-0.2 %	+0.3 %
Other	2.0	2.0	+0.0 %	+0.4 %
<b>TOTAL PORTFOLIO</b>	<b>207.1</b>	<b>205.2</b>	<b>+0.9 %</b>	<b>+0.9 %</b>

On a like-for-like basis, the level of rents increased slightly (+0.9 %) over the past 12 months: the negative impact of departures (-1.7 %) and renegotiations (-0.3 %) was offset by the positive effect of lease indexation (+1.2 %) and new leases (+1.7 %).

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### 3.3. Management of financial resources

#### 3.3.1. Financing

##### Main accomplishments:

##### Q1 2016:

- Two placements of commercial papers were carried out for 20 million EUR. They consisted of a first placement of ten million EUR for 10.5 years at a fixed rate of 2.15 % and a second placement of ten million EUR for ten years at a floating Euribor three-month rate + 148 bps;
- Renewal of a 100 million EUR credit line for seven years;
- Buyback on the market of 152,630 convertible bonds issued in 2013 (maturing in 2018, 2.0 % coupon) for a total amount of 18.9 million EUR.

##### Q3 2016:

- Buyback of convertible bonds maturing in 2018 and issue of new convertible bonds maturing in 2021<sup>1</sup>.
  - Cofinimmo bought back 173.8 million EUR, accounting for approximately 91.08 % of the nominal value of the convertible bonds issued in 2013 (2018 maturity, 2.0 % coupon). The cash purchase price was set at 131.43 EUR, i.e. the closing price of the existing bonds on the day prior to the transaction launch date, adjusted for certain technical elements, plus a 1.50 % premium. The convertible bonds maturing in 2018 bought back or already held by Cofinimmo were cancelled after payment of the transaction;
  - In parallel, Cofinimmo issued new convertible bonds with a five-year maturity and a 0.1875 % fixed coupon. The initial conversion price was set at 146.00 EUR, implying a premium of 27.41 % compared to a reference price equal to the volume-weighted average price of the company's ordinary shares on Euronext Brussels the day the transaction was launched. The nominal value of each bond is equal to the initial conversion price. The total amount of the offer was 219.3 million EUR.

##### Q4 2016:

- Private placement of a ten-year bond in the nominal amount of 70 million EUR, with a fixed coupon of 1.70 %<sup>2</sup>. The transaction was placed with a single European institutional investor;
- Private placement of Green and Social Bonds in the amount of 55 million EUR over eight years with a fixed 2,0 % coupon<sup>3</sup>. The bonds, which income is intended to (re)finance projects which make a positive contribution to sustainable development, were placed with institutional investors. Cofinimmo is the first European real estate company to issue Green and Social Bonds;
- Buyback of the convertible bonds issued in 2013 (maturing in 2018, 2.0 % coupon) still outstanding at a price corresponding to their nominal value with interest accrued and unpaid to date, i.e. a total amount of 0.5 million EUR.

These transactions enabled Cofinimmo to reduce its financing costs, extend the average maturity of its debt and diversify its sources of financing.

<sup>1</sup> See the press releases dd. 05.09.2016, 06.09.2016, 12.09.2016 and 16.09.2016, available on our website.

<sup>2</sup> See our press release dd. 26.10.2016, available on our website.

<sup>3</sup> See our press release dd. 05.12.2016, available on our website.



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**3.3.2. Debt**

**Debt structure**

At 31.12.2016, Cofinimmo Group's consolidated financial debt amounted to 1,528.8 million EUR. It consisted of:

- 448.8 million EUR of four non-convertible bonds:

Issuer	Nominal amount (x 1,000,000 EUR)	Issue price	Coupon	Issue date	Maturity date
Cofinimmo	140.0	100 %	3.598 %	26.07.2012	07.02.2020
Cofinimmo	50.0	100 %	2.78 %	23.10.2013	23.10.2017
Cofinimmo	190.0	100 %	1.929 %	25.03.2015	25.03.2022
Cofinimmo	70.0	99.609 %	1.70 %	26.10.2016	26.10.2026

- 54.9 million EUR of non-convertible Green and Social Bonds:

Issuer	Nominal amount (x 1,000,000 EUR)	Issue price	Coupon	Issue date	Maturity date
Cofinimmo	55.0	99.941 %	2.00 %	09.12.2016	09.12.2024

- 213.0 million EUR of bonds convertible into Cofinimmo shares:

Issuer	Nominal amount (x 1,000,000 EUR)	Issue price	Conversion price	Coupon	Issue date	Maturity date
Cofinimmo	219.3	100 %	146.0 EUR	0.1875 %	15.09.2016	15.09.2021

The bonds are valued at market value on the balance sheet.

- 432.5 million EUR of commercial papers, of which 386.5 million EUR with an initial term of less than one year and 46.0 million EUR with an initial term of over three years;
- 3.5 million EUR corresponding to the present value of the minimum coupon of the Mandatory Convertible Bonds (MCB) issued by Cofinimur I in December 2011;
- 368.7 million EUR of bilateral, syndicated medium- and long-term bank loans, with an initial maturity of five to ten years, contracted with ten banks;
- 7.4 million EUR of other loans and advances (primarily account debits and rental guarantees received).

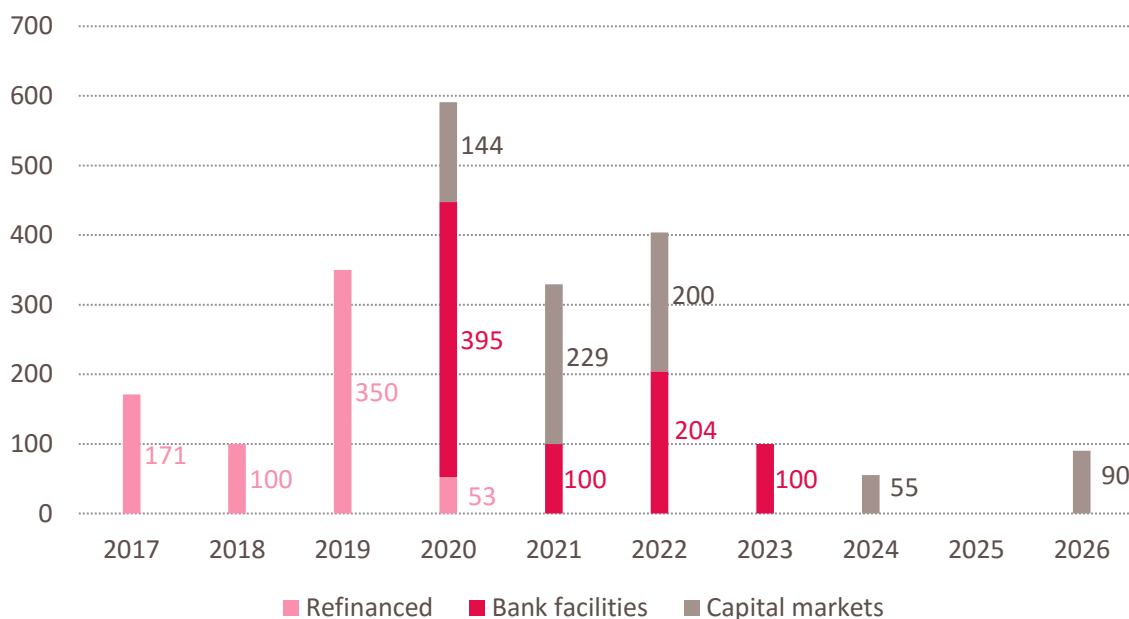
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At 31.12.2016, Cofinimmo's consolidated current financial debts amounted to 558.2 million EUR, of which:

- 386.5 million EUR of commercial papers with a duration of less than one year, of which 297 million EUR with a duration greater than 95 days. Short-term commercial paper issues are fully hedged by liquidity on confirmed long-term credit lines. Cofinimmo benefits from the attractive cost of this type of short-term financing programme while ensuring its refinancing in the event that the placement of new commercial papers becomes more costly or unworkable.
- 50.0 million EUR of bonds issued in 2013;
- 121.0 million EUR of drawdowns on credit maturing in 2017;
- 0.7 million EUR of other loans (primarily account debits).

Schedule of long-term financial commitments<sup>1</sup> (x 1,000,000 EUR)



The availability on Cofinimmo's confirmed credit lines amounted to 1,060.0 million EUR at 31.12.2016. After deduction of the outstanding short-term commercial papers (386.5 million EUR), the credit lines maturing in 2017 (171.0 million EUR), 2018 (100.0 million EUR) and 2019 (350.0 million EUR) are already entirely refinanced.

<sup>1</sup> The schedule includes the capital of financial commitments and excludes interest payments (generally on a monthly or quarterly basis).

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**Consolidated debt ratios**

Cofinimmo met all financial debt ratio limits at 31.12.2016. Cofinimmo's regulatory debt ratio<sup>1</sup> was 43.7 % (compared to 38.6 % at 31.12.2015). Note that the legal limit for RRECs is 65 %.

The Loan-to-Value financial debt ratio<sup>2</sup> was 43.4 % at 31.12.2016 (compared to 39.1 % at 31.12.2015).

When Cofinimmo's credit agreements refer to a debt limit, they refer to the regulatory debt ratio and cap it at 60 %.

**Debt maturity**

The weighted average maturity of Cofinimmo's financial commitments decreased from 5.3 years at 31.12.2015 to 4.8 years at 31.12.2016. The calculation excludes short-term commercial paper maturities which are entirely covered by tranches available on long-term credit lines. It does not take into account the maturities for which refinancing is already in place.

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<sup>1</sup> Legal ratio calculated according to RREC legislation: Financial and other debt/Total assets.

<sup>2</sup> The ratio is defined as: Net financial debt/Portfolio fair value and finance lease receivables.

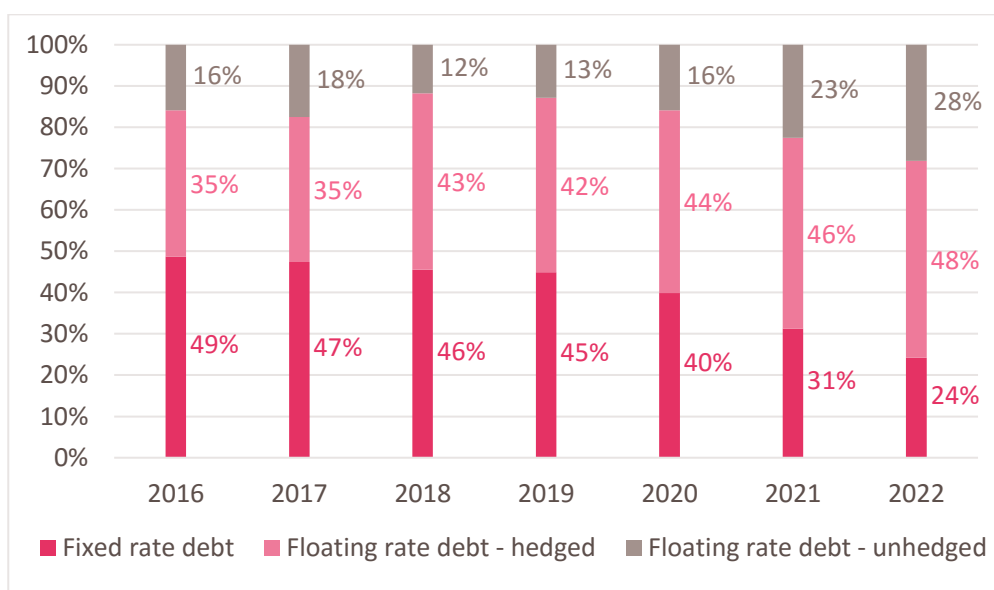
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**Cost of debt**

The average cost of Cofinimmo debt, including bank margins, was 2.4 % for the 2016 financial year, compared to 2.9 % for the 2015 financial year. The average cost of debt for the fourth quarter of 2016 alone was 2.1 %.

At constant debt, the share of the contracted fixed-rate debt, the floating-rate debt that was hedged through Interest Rate Swap (IRS) contracts and the unhedged floating-rate debt is as follows for the years to come :



At constant debt, more than 75 % of the interest rate risk is hedged until 2021. The average cost of debt should be around 2 % in 2017.

Given the persistence of low interest rates, Cofinimmo restructured its Interest Rate Swaps (IRS) in early November.

- For 2016 and 2017: the hedging remains unchanged;
- For 2018 to 2020: the notional amounts hedged and strike rates were revised downward;
- For 2021 and 2022: the notional amounts hedged remain unchanged, but strike rates were revised downward;
- For 2023 to 2025: hedging was put in place.

This restructuration caused an outlay of 44.5 million EUR.

The portfolio of interest rate hedging instruments is now made up of Interest Rate Swaps only. Since 01.01.2016, Cofinimmo no longer applies hedge accounting on its IRS hedging instruments, as they are considered to be held for trading purposes from now on.

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**3.3.3. Currency risk hedging**

Cofinimmo signed a sales contract for a building in a foreign currency. The sale is conditioned on the buyer obtaining administrative authorisations. In order to hedge against changes in the foreign currency exchange rate against the euro, Cofinimmo contracted two sales options for this currency against euros, which guarantee a minimum price for the property in euros, with a cap on the maximum euro amount.

**3.3.4. Financial rating**

The S&P rating agency confirmed Cofinimmo's rating at the end of March 2016: BBB for the long term (stable outlook) and A-2 for the short term. The Group's liquidity has been rated 'strong', based on significant liquidity available on credit lines.

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### **3.4. Sustainable development and management policy**

#### **3.4.1. Sustainable Development Goals**

Cofinimmo has aligned its sustainable development strategy with the objectives of the United Nations 2030 Sustainable Development Goals (SDG). Of the 17 United Nations' goals, some are relevant for real estate companies. They are, among others, 'Innovation and Infrastructure', 'Sustainable Cities and Communities' and 'Action for the Climate'.

#### **3.4.2. Ongoing dialogue with stakeholders**

In 2016, Cofinimmo organised in-depth meetings with the managers of healthcare facilities in Belgium, France, the Netherlands and Germany on Corporate Social Responsibility (CSR).

While the environment is the most representative field of action of CSR strategies, healthcare companies automatically put people, both residents and staff, at the heart of their business. Managers are also concerned with their financial responsibilities. Cost control is a major item given the budget streamlining with which they have been confronted for several years, whether it comes from public authority policies or healthcare insurance.

#### **3.4.3. Human resources management**

Cofinimmo has been committed to a diversity plan for many years. The Brussels-Capital Region again awarded the company its 'Diversity' label in December 2016, confirming that it was an example to be followed in terms of promoting diversity. The label is only awarded to companies that recognise, respect and value individual differences.

Cofinimmo implemented its first operational platform in France in line with its real estate strategy which seeks proximity with its customers. A team of four has been based in Paris since the beginning of September 2016 to manage the technical and commercial aspects of the portfolio of insurance agencies leased to MAAF (Covéa Group) which had been handled by a third party until then.

#### **3.4.4. Transparency in communication**

Transparent and clear communication is very important to Cofinimmo. The actions and initiatives undertaken by the Group to meet its primary social and environmental challenges are covered in its sustainability report which is written in accordance with GRI Standards guidelines<sup>[1]</sup>. It publishes its objectives and accomplishments on its website, as well as key performance indicators for sustainability (waste produced, electricity, gas and water consumption) for its buildings.

EPRA (the European Public Real Estate Association) recognised the quality of the 2015 Sustainability Report in September 2016. It gave the company its Gold Award for the second consecutive year for the

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<sup>[1]</sup> Global Reporting Initiative sustainability reporting guidelines.

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section on performance indicators. Cofinimmo received a second award in November 2016 from the Belgian Institute of Company Auditors (Institut Royal des Reviseurs d'Entreprises/Instituut van Bedrijfsrevisoren - IRE/IBR) which awarded it the prize for 'Best Belgian Sustainability Report' in the 'large companies' category.

In 2016, Cofinimmo renewed its participation in the annual CDP<sup>[2]</sup> campaign to collect information about greenhouse gas emissions by companies and the action they take to deal with climate change. The company received a B score based on the new CDP rating system (from A to D-). The company also renewed its participation in the GRESB<sup>[3]</sup> investigation, a benchmark for CSR practices<sup>[4]</sup> in the real estate industry. It received a score of 53 % compared to 57 % in 2015. It also received the same EE+ Standard Ethics score as it did in 2015.

### **3.4.5. First issue of a Green and Social Bond by a European real estate company**

On 09.12.2016, Cofinimmo successfully closed the private placement of its first Green and Social Bonds in the amount of 55.0 million EUR. The funds raised will be used to (re)finance buildings recently delivered, renovated or under construction: on one hand, environmental projects for offices with an environmental and sustainable BREEAM or BREEAM In-Use certificate ('Very Good' at least) and, on the other, social projects for healthcare assets dedicated to housing and care of vulnerable or dependent people (geriatric care, psychiatric care and care for disabled people, for example). Cofinimmo is the first European real estate company to issue Green and Social Bonds.

### **3.4.6. Environment**

Cofinimmo's ISO 14001:2004 certification was renewed in 2016 for the property management of its office portfolio and the management of large-scale works projects for the global portfolio. The certification, which covers the energy performance of buildings, reflects Cofinimmo's goal of reducing the environmental footprint of its real estate portfolio.

It also received the BREEAM 'Excellent' - Interim Stage certificate for its Belliard 40 renovation project which it intends to make into a flagship building in Brussels' Leopold district. Its BREEAM In-Use certification was also renewed for its head office.

Cofinimmo continued to make progress installing remote meters in 2016, bringing to 46 the number of buildings connected to the energy accounting software package in real time.

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<sup>[2]</sup> CDP: Carbon Disclosure Project.

<sup>[3]</sup> GRESB: Global Real Estate Sustainability Benchmark.

<sup>[4]</sup> Corporate Social Responsibility.

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**3.4.7. Innovation**

Cofinimmo intends to meet the current and future needs of the users of its portfolio by implementing new and innovative concepts. As part of this strategy, it unveiled the innovative 'Flex Corner® by Cofinimmo' and 'The Lounge® by Cofinimmo' concepts in 2016.

'Flex Corner® by Cofinimmo' enables clients looking for smaller office spaces to lease private space in an office block equipped with shared infrastructure. Spaces are offered against a monthly payment that includes rent, taxes and charges for both the private space and the shared areas. Cofinimmo's portfolio already includes four 'Flex Corners®'. They are located in different areas (The Gradient building in Woluwe-Saint-Lambert, Paepsem Business Park in Anderlecht, Waterloo Office Park in Waterloo and Park Lane in Diegem) to meet the needs in Brussels and its outskirts.

Cofinimmo also finalised its first 'Lounge® by Cofinimmo' in 2016, at the Park Lane in Diegem. This new work space combines professionalism and flexibility and was designed to create a welcoming space that can be shared by several users. The atmosphere and facilities are intended to meet the expectations of today's professionals by providing them with high-quality facilities including meeting rooms, a coffee corner, a lunch area, a kitchen, a brainstorming room ('smart box'), a game area ('game box') and a multifunctional area. The spaces are managed on-site by the Cofinimmo 'Community Manager'.



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**4. Summary of consolidated results and accounts at 31.12.2016**

The auditor Deloitte, Réviseurs d'Entreprises, represented by Bernard De Meulemeester, completed its plenary audit work and confirmed that the accounting information contained in this press release calls for no reservation on its part and is in agreement with the financial statements adopted by the Board of Directors.

The accounting principles and methods used to prepare the financial statements are identical to those used for the 2015 annual financial statements.

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**4.1. Consolidated income statement – Analytical form (x 1,000 EUR)**

<b>A. NET RESULT FROM CORE ACTIVITIES</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Rental income, net of rental-related expenses*	202,930	201,903
Writeback of lease payments sold and discounted (non-cash item)	11,265	10,214
Taxes and charges on rented properties not recovered*	-1,984	-3,478
Redecoration costs, net of tenant compensation for damages*	-1,552	-1,105
<b>Property result</b>	<b>210,659</b>	<b>207,534</b>
Technical costs	-5,901	-5,643
Commercial costs	-1,508	-950
Taxes and charges on unlet properties	- 4,469	-3,451
<b>Property result after direct property costs</b>	<b>198,781</b>	<b>197,490</b>
Property management costs	-18,659	-15,343
<b>Property operating result</b>	<b>180,122</b>	<b>182,147</b>
Corporate management costs	-8,043	-7,806
<b>Operating result (before result on portfolio)</b>	<b>172,079</b>	<b>174,341</b>
Financial income	5,207	5,735
Net interest charges	-32,309	-42,310
Other financial charges	-848	-660
Share in the net result from core activities of associated companies and joint ventures	466	460
Taxes	-5,906	-4,209
<b>Net result from core activities*</b>	<b>138,689</b>	<b>133,357</b>
Minority interests related to the net result from core activities	-4,429	-4,840
<b>Net result from core activities - Group share*<sup>1</sup></b>	<b>134,260</b>	<b>128,517</b>
<b>B. RESULT ON FINANCIAL INSTRUMENTS</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Change in the fair value of hedging instruments	12,126	-2,091
Restructuring costs of financial instruments* <sup>2</sup>	-50,412	-28,312
Share in the result on financial instruments of associated companies and joint ventures	0	0
<b>Result on financial instruments*</b>	<b>-38,286</b>	<b>-30,403</b>
Minority interests related to the result on financial instruments	-564	-408
<b>Result on financial instruments - Group share*<sup>3</sup></b>	<b>-38,850</b>	<b>-30,811</b>

<sup>1</sup> Replaces the former item 'Net current result (excluding IAS 39 impact) - Group share', i.e. Epra Earnings. See page 2 of this press release.

<sup>2</sup> For more information on the item 'Restructuring costs of financial instruments', see subtitle 'Cost of debt' on page 28 of this press release.

<sup>3</sup> Replaces the former item 'Revaluation of financial instruments (IAS 39)' and the share of the revaluation in the 'Share in the result of associated companies and joint ventures' and 'Minority interests' items.

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<b>C. RESULT ON THE PORTFOLIO</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Gains or losses on disposals of investment properties and other non-financial assets	2,691	22,425
Changes in the fair value of investment properties	11,626	-8,620
Share of the result on the portfolio of associated companies and joint ventures	235	
Other result on the portfolio	- 12,720	-8,310
<b>Result on the portfolio*</b>	<b>1,832</b>	<b>5,495</b>
Minority interests related to the result on the portfolio	151	766
<b>Result on the portfolio - Group share*</b>	<b>1,983</b>	<b>6,261</b>

<b>D. NET RESULT (=A+B+C)</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
<b>Net result</b>	<b>102,235</b>	<b>108,449</b>
Minority interests	- 4,842	-4,482
<b>Net result - Group share</b>	<b>97,393</b>	<b>103,967</b>

<b>NUMBER OF SHARES</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Number of ordinary shares issued (including treasury shares)	20,345,637	20,344,378
Number of ordinary shares outstanding	20,300,773	20,294,264
Number of ordinary shares used to calculate the result per share	20,300,773	19,202,531
Number of preference shares issued	685,553	685,848
Number of preference shares outstanding	685,553	685,848
Number of preference shares used to calculate the result per share	685,553	685,848
Total number of shares issued (including treasury shares)	21,031,190	21,030,226
Total number of shares outstanding	20,986,326	20,980,112
<b>Number of shares used to calculate the result per share</b>	<b>20,986,326</b>	<b>19,888,379<sup>1</sup></b>

**Notes on the consolidated income statement – Analytical form**

Net rental income\* was 202.9 million EUR at 31.12.2016, compared to 201.9 million EUR at 31.12.2015. The investments made in healthcare real estate in Germany and the Netherlands and the letting of the Guimard 10-12 office building made it possible to completely absorb the loss of revenue resulting from the sale of assets in 2015 (the Livingstone II office building and the Silverstone portfolio of 20 nursing and care homes). On a like-for-like basis\*, gross rental income increased by 0.9 % between 31.12.2015 and 31.12.2016 thanks to the addition of new leases to the office portfolio and to lease indexation.

<sup>1</sup> Number of shares calculated pro rata temporis to take into account the fact that the 3,004,318 new ordinary shares issued in May 2015 were entitled to share in the result of the 2015 financial year only as from 12.05.2015.

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Direct operating costs (taxes and charges on rented properties not recovered\*, net redecoration costs\*, technical costs, commercial costs, taxes and charges on unlet properties) and indirect operating costs (property management costs) increased by 4.1 million EUR between 31.12.2015 and 31.12.2016.

- Taxes and charges on rented properties not recovered\* decreased by 1.5 million EUR between these two dates following the letting of recently renovated spaces (Guimard 10-12, The Gradient) and the sale of assets previously under redevelopment (Woluwe 34) or leased to tenants which are exempt of taxes (Livingstone II).
- The increase in commercial costs (0.6 million EUR) was primarily the result of a technical audit on the French healthcare assets in order to evaluate the impact of the entry into force of the Pinel Law<sup>1</sup>, as well as the expenses paid to a third party for the property management of the German assets.
- The acquisition in 2016 of five office buildings in which some space is unoccupied and the departure of a major tenant of the Omega Court building resulted in a 1.0 million EUR increase in taxes and charges on unlet properties between 31.12.2015 and 31.12.2016.
- The increase in property management costs between 31.12.2015 and 31.12.2016 (3.3 million EUR) is the result of an increase in the number of full-time equivalent employees and the expenses incurred for the study of various investment files (2.2 million EUR).

Net interest charges were -32.3 million EUR at 31.12.2016, compared to -42.3 million EUR at 31.12.2015. The average level of debt decreased from 1,459 million EUR at 31.12.2015 to 1,341 million EUR at 31.12.2016. In addition, the average cost of debt fell from 2.9 % to 2.4 % between these two dates.

Taxes increased by 1.7 million EUR between 31.12.2015 and 31.12.2016, following the recognition in 2016 of provisions for various tax risks.

The net result from core activities - Group share<sup>\*2</sup> was 134.3 million EUR at 31.12.2016, compared to 128.5 million EUR at 31.12.2015. Per share, the figures were 6.40 EUR at 31.12.2016 and 6.46 EUR at 31.12.2015. The number of shares entitled to share in the result of the financial year increased from 19,888,379 to 20,986,326 (+5.5 %) between these two dates. The shares issued in 2015 as part of the capital increase are entitled to share in the result of the entire 2016 financial year, which was not the case in 2015.

With respect to the result on financial instruments, the 'Restructuring costs of financial instruments'<sup>\*</sup> was -50.4 million EUR at 31.12.2016, split into -44.5 million EUR for expenses related to the Interest Rate Swap restructuring in November 2016, and -5.9 million EUR for expenses related to the recycling under the income statement of hedging instruments which relationship with the hedged risk was terminated.

Within the result on the portfolio, the changes in the fair value of investment properties amounted to 11.6 million EUR on 31.12.2016 compared to -8.6 million EUR at 31.12.2015. The appreciation in the value of healthcare assets and the positive revaluation of the renovated Guimard 10-12 office building largely offset the depreciation in value of certain office buildings. On a like-for-like basis, the fair value of investment properties is up slightly compared to 31.12.2015 (+ 0.4 %). The 'Other result on the portfolio' went from -8.3 million EUR to -12.7 million EUR between 31.12.2015 and 31.12.2016,

<sup>1</sup> This Law stipulates that some taxes and charges, because of their nature, cannot be charged to the tenants.

<sup>2</sup> Replaces the former item 'Net current result (excluding IAS 39 impact) - Group share', i.e. Epra Earnings. See page 2 of this press release.

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following a greater impairment recognised on the goodwill of the Pubstone subsidiary as a mechanical effect from the positive revaluation of the pubs/restaurants portfolio (+ 3.5 %).

The net result - Group share amounted to 97.4 million EUR at 31.12.2016, compared to 104.0 million EUR at 31.12.2015. Per share, the figures were 4.64 EUR at 31.12.2016 and 5.23 EUR at 31.12.2015.

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4.2. Consolidated balance sheet (x 1,000 EUR)

ASSETS	31.12.2016	31.12.2015
<b>Non-current assets</b>	<b>3,547,181</b>	<b>3,325,414</b>
Goodwill	99,256	111,256
Intangible assets	751	565
Investment properties	3,363,636	3,131,483
Other tangible assets	635	364
Non-current financial assets	758	20
Finance lease receivables	75,718	75,652
Trade receivables and other non-current assets	29	41
Participations in associated companies and joint ventures	6,398	6,033
<b>Current assets</b>	<b>114,101</b>	<b>87,066</b>
Assets held for sale	2,695	2,870
Current financial assets	0	14
Finance lease receivables	1,795	1,656
Trade receivables	25,642	19,801
Trade receivables and other current assets	20,446	17,363
Cash and cash equivalents	41,271	22,040
Accrued charges and deferred income	22,252	23,322
<b>TOTAL ASSETS</b>	<b>3,661,282</b>	<b>3,412,480</b>

SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2016	31.12.2015
<b>Shareholders' equity</b>	<b>1,919,459</b>	<b>1,924,615</b>
<i>Shareholders' equity attributable to shareholders of parent</i>	<i>1,852,923</i>	<i>1,860,099</i>
Capital	1,124,628	1,124,295
Share premium account	504,544	504,240
Reserves	126,358	127,597
Net result of the financial year	97,393	103,967
<b>Minority interests</b>	<b>66,536</b>	<b>64,516</b>
<b>Liabilities</b>	<b>1,741,823</b>	<b>1,487,865</b>
<b>Non-current liabilities</b>	<b>1,074,668</b>	<b>926,891</b>
Provisions	16,890	17,636
Non-current financial debts	970,604	809,313
Other non-current financial liabilities	49,971	64,656
Deferred taxes	37,203	35,286
<b>Non-current liabilities</b>	<b>667,155</b>	<b>560,974</b>
Current financial debts	558,167	445,676
Other current financial liabilities	12,949	20,572
Trade debts and other current debts	72,280	62,865
Accrued charges and deferred income	23,759	31,861
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,661,282</b>	<b>3,412,480</b>

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**Notes on the consolidated balance sheet**

The investment value of the property portfolio<sup>1</sup>, as determined by the independent real estate experts, amounts to 3,505.0 million EUR at 31.12.2016, compared with 3,262.3 million EUR at 31.12.2015. The fair value included in the consolidated balance sheet, in application of the IAS 40 standard, is obtained by deducting the transaction fees from the investment value. At 31.12.2016, fair value reached 3,366.3 million EUR, compared to 3,134.4 million EUR at 31.12.2015.

The item 'Participations in associated companies and joint ventures' refers to Cofinimmo's 51 % holding in Cofinea I SAS (nursing homes in France). The item 'Minority interests' includes the Mandatory Convertible Bonds issued by the Cofinimur I SA subsidiary (MAAF/GMF distribution network in France), and the minority interests of the Aspria Machsee, Aspria Uhlenhorst, Pubstone, Pubstone Group, Pubstone Properties and Rheastone subsidiaries.

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<sup>1</sup> Including buildings for its own use and development projects.

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**5. Property portfolio**

<b>CHANGES IN THE GLOBAL PORTFOLIO</b>		
<i>Excerpt from the report of independent real estate experts Cushman &amp; Wakefield, Jones Lang LaSalle and PricewaterhouseCoopers based on the investment value</i>		
<b>(x 1,000,000 EUR)</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Total investment value of the portfolio	3,505.0	3,262.3
Projects and development sites	-70.1	-63.1
<b>Total properties under management</b>	<b>3,434.9</b>	<b>3,199.2</b>
Contractual rents	224.8	210.1
<b>Gross yield on properties under management</b>	<b>6.5 %</b>	<b>6.6 %</b>
Contractual rents + Estimated rental value of unlet space on the valuation date	237.9	221.4
Gross yield at 100 % occupancy	6.9 %	6.9 %
<b>Occupancy rate of properties under management<sup>1</sup></b>	<b>94.5 %</b>	<b>94.9 %</b>

At 31.12.2016, the 'Projects and development sites' item consisted primarily of the Belliard 40 office building (Brussels CBD), the Plataan (Heerlen) revalidation clinic and the future nursing and care home Woluwe 106-108 (Decentralised Brussels).

<b>Buildings</b>	<b>Area in super-structure (in m<sup>2</sup>)</b>	<b>Contractual rents (x 1,000 EUR)</b>	<b>Occupancy rate</b>	<b>Rents + ERV for vacant space (x 1,000 EUR)</b>	<b>Estimated Rental Value (ERV) (x 1,000 EUR)</b>
Offices	542,889	80,532	87.3 %	92,226	87,012
Offices of which receivables have been sold	102,725	12,200	99.9 %	12,210	12,210
<b>Sub-total offices</b>	<b>645,614</b>	<b>92,732</b>	<b>88.8 %</b>	<b>104,436</b>	<b>99,222</b>
Healthcare real estate	708,480	92,882	99.2 %	93,614	95,733
Pubstone	349,148	29,530	98.5 %	29,991	27,623
Cofinimur I	59,487	7,786	97.6 %	7,975	8,284
Other	15,830	1,842	100.0 %	1,842	1,637
<b>Subtotal of investment properties &amp; properties of which receivables have been sold</b>	<b>1,778,559</b>	<b>224,772</b>	<b>94.5 %</b>	<b>237,858</b>	<b>232,499</b>
Projects & renovations	24,740				
Development sites		40		40	40
<b>TOTAL PORTFOLIO</b>	<b>1,803,299</b>	<b>224,812</b>	<b>94.5 %</b>	<b>237,898</b>	<b>232,539</b>

<sup>1</sup> Calculated based on rental income.



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Segment	Fair value			Property result after direct costs	
	(x 1,000 EUR)	(in %)	Change over the period <sup>1</sup>	(x 1,000 EUR)	(in %)
<b>Healthcare real estate</b>	<b>1,499,918</b>	<b>44.6 %</b>	<b>+ 4.0 %</b>	<b>87,075</b>	<b>43.8 %</b>
Belgium	815,597	24.2 %	+ 3.4 %	47,956	24.1 %
France	411,134	12.2 %	+ 5.5 %	25,167	12.7 %
The Netherlands	156,103	4.6 %	+ 4.0 %	7,189	3.6 %
Germany	117,084	3.5 %	+ 2.4 %	6,763	3.4 %
<b>Offices</b>	<b>1,286,680</b>	<b>38.2 %</b>	<b>- 4.5 %</b>	<b>74,057</b>	<b>37.2 %</b>
Brussels Centre	100,880	3.0 %	- 16.5 %	4,796	2.4 %
Brussels Decentralised	492,470	14.6 %	- 9.0 %	34,452	17.3 %
Brussels Leopold/Louise	377,323	11.2 %	+ 3.6 %	16,816	8.5 %
Brussels Periphery & Satellites	133,832	4.0 %	- 4.2 %	5,989	3.0 %
Antwerp	67,284	2.0 %	+ 1.7 %	4,412	2.2 %
Other regions	114,891	3.4 %	- 0.7 %	7,592	3.8 %
<b>Property of distribution networks</b>	<b>552,844</b>	<b>16.4 %</b>	<b>+ 2.9 %</b>	<b>36,346</b>	<b>18.3 %</b>
Pubstone - Belgium	283,561	8.4 %	+ 3.5 %	19,098	9.6 %
Pubstone - Netherlands	142,408	4.2 %	- 2.8 %	9,605	4.8 %
Cofinimur I - France	126,875	3.8 %	+ 8.6 %	7,643	3.9 %
<b>Other</b>	<b>26,889</b>	<b>0.8 %</b>	<b>+ 0.4 %</b>	<b>1,303</b>	<b>0.7 %</b>
<b>TOTAL PORTFOLIO</b>	<b>3,366,331</b>	<b>100 %</b>	<b>+ 0.4 %</b>	<b>198,781</b>	<b>100 %</b>

Yield per segment	Healthcare real estate BE + FR	Healthcare real estate DE + NL	Offices	Pubstone	Cofinimur I	Other	Total
<b>Gross rental yield at 100 % occupancy</b>	6.0 %	6.8 %	8.1 %	6.5 %	5.9 %	7.0 %	<b>6.9 %</b>
<b>Net rental yield at 100 % occupancy</b>	5.9 %	6.5 %	7.0 %	6.2 %	5.8 %	6.4 %	<b>6.4 %</b>

6. Events after 31.12.2016

No major events occurred between 31.12.2016 and the publication date of this press release.

<sup>1</sup> On a like-for-like basis.

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**7. Information on shares and bonds**

**7.1. Stock market performance**

**Ordinary share (COFB)**

	31.12.2016	31.12.2015	31.12.2014
<b>Share price (over 12 months, in EUR)</b>			
Highest	114.7	110.8	97.8
Lowest	92.1	90.2	84.7
At close	108.7	98.4	96.0
Average	105.8	99.5	89.8
<b>Dividend yield<sup>1</sup></b>	<b>5.2 %</b>	<b>5.5 %</b>	<b>6.7 %</b>
<b>Gross return<sup>2</sup> (over 12 months)</b>	<b>14.1 %</b>	<b>11.2 %</b>	<b>14.3 %</b>
<b>Volume (over 12 months, in number of shares) on Euronext</b>			
Average daily volume	46,619	46,900	33,883
Total volume	12,027,768	12,006,493	8,844,025
<b>Number of ordinary shares entitled to share in the consolidated results of the financial year</b>	<b>20,345,637</b>	<b>20,344,378</b>	<b>17,339,423</b>
<b>Market capitalisation at close (x 1,000 EUR)</b>	<b>2,210,553</b>	<b>2,002,090</b>	<b>1,664,064</b>
<b>Free float zone<sup>3</sup></b>	<b>95 %</b>	<b>100 %</b>	<b>100 %</b>

**Preference shares (COFP1 & COFP2)**

	COFP1 31.12.2016	COFP1 31.12.2015	COFP2 31.12.2016	COFP2 31.12.2015
<b>Stock market price (over 12 months, in EUR)</b>				
At close	127.0	126.4	151.0	99.0
Average	126.7	115.9	100.1	96.8
<b>Dividend yield<sup>1</sup></b>	<b>5.0 %</b>	<b>5.5 %</b>	<b>6.4 %</b>	<b>6.6 %</b>
<b>Gross return<sup>2</sup> (over 12 months)</b>	<b>5.5 %</b>	<b>38.6 %</b>	<b>58.9 %</b>	<b>15.6 %</b>
<b>Volume (over 12 months, in number of shares)</b>				
Average daily volume <sup>4</sup>	16	16	22	361
Total volume	16	16	178	11,546
<b>Number of shares</b>	<b>395,048</b>	<b>395,048</b>	<b>290,505</b>	<b>290,800</b>
<b>Market capitalisation at close (x 1,000 EUR)</b>	<b>50,171</b>	<b>49,934</b>	<b>43,866</b>	<b>28,789</b>

<sup>1</sup> Gross dividend on the average share price.

<sup>2</sup> Share price evolution + dividend yield.

<sup>3</sup> According to the Euronext method.

<sup>4</sup> Average calculated based on the number of stock exchange days on which volume was recorded.

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**Bonds**

	Cofinimmo SA/NV 140 million EUR – 2012-2020 ISIN BE6241505401		Cofinimmo SA/NV 50 million EUR – 2013-2017 ISIN BE6258604675	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
<b>Stock market price (over 12 months, in % of nominal)</b>				
At close	103.7	105.9	101.6	102.4
Average	104.4	106.5	102.1	102.4
<b>Average yield through maturity</b>	<b>2.3 %</b>	<b>2.0 %</b>	<b>0.8 %</b>	<b>1.4 %</b>
<b>Effective yield at issue</b>	<b>3.6 %</b>	<b>3.6 %</b>	<b>2.8 %</b>	<b>2.8 %</b>
<b>Interest coupon (in %)</b>				
Gross	3.6	3.6	2.8	2.8
Net	2.5	2.6	2.0	2.0
<b>Number of securities</b>	<b>1,400</b>	<b>1,400</b>	<b>500</b>	<b>500</b>

	Cofinimmo SA/NV 190 million EUR – 2015-2022 ISIN BE0002224906		Cofinimmo SA/NV 70 million EUR – 2016-2026 ISIN BE0002267368	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
<b>Stock market price (over 12 months, in % of nominal)</b>				
At close	102.4	99.9	99.6	n/a
Average	102.2	100.1	n/a	n/a
<b>Average yield through maturity</b>	<b>1.4 %</b>	<b>1.9 %</b>	<b>1.7 %</b>	<b>n/a</b>
<b>Effective yield at issue</b>	<b>1.9 %</b>	<b>1.9 %</b>	<b>1.7 %</b>	<b>n/a</b>
<b>Interest coupon (in %)</b>				
Gross	1.9	1.9	1.7	n/a
Net	1.3	1.4	1.2	n/a
<b>Number of securities</b>	<b>1,900</b>	<b>1,900</b>	<b>700</b>	<b>n/a</b>

	Cofinimmo SA/NV 55 million EUR – 2016-2024 ISIN BE0002269380	
	31.12.2016	31.12.2015
<b>Stock market price (over 12 months, in % of nominal)</b>		
At close	100.2	n/a
Average	100.0	n/a
<b>Average yield through maturity</b>	<b>2.0 %</b>	<b>n/a</b>
<b>Effective yield at issue</b>	<b>2.0 %</b>	<b>n/a</b>
<b>Interest coupon (in %)</b>		
Gross	2.0	n/a
Net	1.4	n/a
<b>Number of securities</b>	<b>550</b>	<b>n/a</b>

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**Convertible bonds**

	Cofinimmo SA/NV 219.3 million EUR – 2016-2021 ISIN BE0002259282	
	31.12.2016	31.12.2015
<b>Stock market price (over 12 months, in EUR)</b>		
At close	141.8	n/a
Average	142.3	n/a
<b>Average yield through maturity</b>	<b>0.8 %</b>	<b>n/a</b>
<b>Effective yield at issue</b>	<b>0.2 %</b>	<b>n/a</b>
<b>Interest coupon (in %)</b>		
Gross	0.19	n/a
Net	0.13	n/a
<b>Number of securities</b>	<b>1,502,196</b>	<b>n/a</b>
<b>Conversion price (en EUR)</b>	<b>146.0</b>	<b>n/a</b>

**7.2. 2016 dividend**

The Board of Directors expects to propose a dividend of 5.50 EUR gross (3,85 EUR net) per ordinary share and 6.37 EUR gross (4.459 EUR net) per preference share at the Ordinary General Meeting of 10.05.2017. This proposal is in line with the indication given in the 2015 Annual Financial Report which was published in April 2016.

**7.3. Conversion of preference shares**

In accordance with Article 8.2 of the Articles of Association, four new windows for the conversion of Cofinimmo preference shares into Cofinimmo ordinary shares were opened during 2016. Requests to convert 295 preference shares were received during the period. As a result, since the beginning of the conversion procedure (01.05.2009), a total of 814,213 preference shares have been converted into ordinary shares. There are still 685,553 preference shares outstanding.

**7.4. Shareholder structure at 31.12.2016**

Company	Ordinary shares	Preference shares	Total number of shares (voting rights)	%
Crédit Agricole Group	1,068,286	0	1,068,286	5.1 %
Cofinimmo Group	44,864	0	44,864	0.2 %
Free float	19,232,487	685,553	19,918,040	94.7 %
<b>Total number of shares issued</b>	<b>20,345,637</b>	<b>685,553</b>	<b>21,031,190</b>	<b>100 %</b>

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**8. Corporate Governance**

The Ordinary General Meeting of 11.05.2016 appointed as independent directors with immediate effect Diana Monissen, Olivier Chapelle and Maurice Gauchot, effective until the end of the Ordinary General Meeting of Shareholders to be held in 2020. It recorded their independent status in accordance with Article 526ter of the Company Code, given that they meet all of the criteria stipulated in the article.

The General Meeting of 11.05.2016 also renewed the director's term of Jean-Edouard Carbonnelle, with immediate effect, until the end of the Ordinary General Meeting of Shareholders to be held in 2018.

The same General Meeting also renewed the term of Xavier de Walque, effective immediately, until the end of the Ordinary General Meeting of Shareholders to be held in 2020 and the term of Christophe Demain until the end of the Ordinary General Meeting of Shareholders to be held in 2017. It recorded their independent status in accordance with Article 526ter of the Company Code, given that they meet all of the criteria stipulated in the article.

**9. FBI status in the Netherlands**

In the Netherlands, via its Dutch subsidiaries, Cofinimmo benefits from the Fiscale Beleggingsinstelling (FBI) tax regime which is a status comparable to that of the Belgian Regulated Real Estate Company (RREC). The Dutch tax authorities recently informed Cofinimmo that, as the parent company, it would also have to comply with the obligations of the FBI status, failing which its Dutch subsidiaries could lose their FBI status.

Discussions are underway between Cofinimmo and the Dutch tax authorities to determine what steps should be taken in practice. In the event that its Dutch subsidiaries were to lose their FBI status and come under a 'traditional' tax regime, which Cofinimmo believes is very unlikely, the impact on the 2017 financial year result is estimated at 900,000 EUR, i.e. 0.04 EUR/share.

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**10. 2017 shareholder calendar**

Event	
Interim report: results at 31.03.2017	27.04.2017
2016 Ordinary General Meeting	10.05.2017
Payment of the 2016 dividend (ordinary shares) <sup>1</sup>	
Coupon	No 30
Ex date <sup>2</sup>	12.05.2017
Record date <sup>3</sup>	15.05.2017
Settlement date	As of 16.05.2017
Payment of the 2016 dividend (preference shares)	
Coupons	No 18 (COFP1) and No 17 (COFP2)
Ex date <sup>2</sup>	12.05.2017
Record date <sup>3</sup>	15.05.2017
Settlement date	As of 16.05.2017
Half-yearly Financial Report: results at 30.06.2017	27.07.2017
Interim report: results at 30.09.2017	09.11.2017
Annual press release: results at 31.12.2017	08.02.2018

<sup>1</sup> Subject to approval by the Ordinary General Meeting of 10.05.2017.

<sup>2</sup> Date on which stock market trading takes place without rights to the future dividend payment.

<sup>3</sup> Date on which positions are closed to identify the shareholders entitled to the dividend.

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**For more information:**

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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 over 3.4 billion EUR, representing a total surface area of over 1,780,000 m<sup>2</sup>. Riding on demographic trends, its main investment segments are healthcare properties (44 %), offices (38 %) 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 130 people, operating from Brussels.

Cofinimmo is listed on Euronext Brussels (BEL 20) 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 31.12.2016, its total market capitalisation stands at 2.3 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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Appendix: Consolidated global result – Royal Decree of 13.07.2014 form (x 1,000 EUR)

A. NET RESULT	31.12.2016	31.12.2015
Rental income	203,051	202,612
Writeback of lease payments sold and discounted	11,265	10,214
Rental-related expenses	-121	-709
<b>Net rental income</b>	<b>214,195</b>	<b>212,117</b>
Recovery of property charges	50	329
Recovery income of charges and taxes normally payable by the tenant on let properties	42,368	41,588
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-1,602	-1,434
Charges and taxes normally payable by the tenant on let properties	-44,352	-45,066
<b>Property result</b>	<b>210,659</b>	<b>207,534</b>
Technical costs	- 5,901	-5,643
Commercial costs	-1,508	-950
Taxes and charges on unlet properties	-4,469	-3,451
Property management costs	-18,659	-15,343
<b>Property charges</b>	<b>-30,537</b>	<b>-25,387</b>
<b>Property operating result</b>	<b>180,122</b>	<b>182,147</b>
Corporate management costs	-8,043	-7,806
<b>Operating result before result on the portfolio</b>	<b>172,079</b>	<b>174,341</b>
Gains or losses on disposals of investment properties and other non-financial assets	2,691	22,425
Changes in the fair value of investment properties	11,626	-8,620
Other result on the portfolio	-13,902	-8,558
<b>Operating result</b>	<b>172,494</b>	<b>179,588</b>
Financial income	5,207	5,735
Net interest charges	-32,309	-42,310
Other financial charges	-848	-660
Changes in the fair value of financial assets and liabilities	-38,286	-30,403
<b>Financial result</b>	<b>-66,236</b>	<b>-67,638</b>
Share in the result of associated companies and joint ventures	701	460
<b>Pre-tax result</b>	<b>106,959</b>	<b>112,410</b>
Corporate tax	-5,906	-4,209
Exit tax	1,182	248
<b>Taxes</b>	<b>-4,724</b>	<b>-3,961</b>
<b>Net result</b>	<b>102,235</b>	<b>108,449</b>
Minority interests	-4,842	-4,482
<b>Net result - Group share</b>	<b>97,393</b>	<b>103,967</b>
<b>Net result from core activities - Group share*</b>	<b>134,260</b>	<b>128,517</b>
<b>Result on financial instruments - Group share*</b>	<b>-38,850</b>	<b>-30,811</b>
<b>Result on the portfolio - Group share*</b>	<b>1,983</b>	<b>6,261</b>



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<b>B. OTHER ELEMENTS OF THE GLOBAL RESULT RECYCLABLE UNDER THE INCOME STATEMENT</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Impact on the fair value of estimated transaction costs resulting from the hypothetical disposal of investment properties	51	0
Change in the effective part of the fair value of authorised cash flow hedging instruments as defined under IFRS	5,914	33,209
<b>Other elements of the global result recyclable under the income statement</b>	<b>5,965</b>	<b>33,209</b>
Minority interests	0	0
<b>Other elements of the global result recyclable under the income statement - Group share</b>	<b>5,965</b>	<b>33,209</b>

<b>C. GLOBAL RESULT</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
<b>Global result</b>	<b>108,200</b>	<b>141,658</b>
Minority interests	-4,842	-4,482
<b>Global result - Group share</b>	<b>103,358</b>	<b>137,176</b>