PRESS RELEASE

REGULATED INFORMATION
Brussels, embargo until 03.04.2018, 05:40 PM CET

Cofinimmo grants a 99-year long-term leasehold on the Egmont I and II office buildings in Brussels:
- Receipt of a first fee of 369.5 million EUR;
- Realisation of a net gain of 26.9 million EUR;
- Realisation of an internal rate of return of 10.4 %.

In accordance with the announcement made on 13.02.2018[1], Cofinimmo and Egmont Luxemburg SARL, a company under Luxemburg law, signed a 99-year long-term leasehold on the Egmont I and II office buildings, located in Brussels. The long-term leasehold was granted in exchange of the payment of a 369.5 million EUR first fee to Cofinimmo.

Cofinimmo realises a net gain of 26.9 million EUR on the operation and improves its portfolio granularity.


Egmont I office building – Brussels City Centre

[1] Also see our press release dd. 13.02.2018, available on our website www.cofinimmo.com.

Historical context

The Egmont I (36,616 m²) and Egmont II (16,262 m²) office buildings, located in the Brussels City Centre (*Central Business District*), were built in 1997 and 2006 respectively to house the Belgian Ministry of Foreign Affairs, Foreign Trade and Cooperation Development.

Cofinimmo acquired the Egmont I building in 2004 and built the Egmont II building in 2005-2006 for a total investment of 225.8 million EUR. It signed a lease with the Buildings Agency (Belgian Federal State) for the letting of the entire office complex, maturing on 31.05.2031.

In 2009, it sold 96 % of the future rents from the lease with the Buildings Agency to BNP Paribas Fortis (then named Fortis Banque/Bank) for 199.6 million EUR.

On 13.02.2018, Cofinimmo bought back the future rents from the lease with the Buildings Agency that it had sold to BNP Paribas Fortis in 2009 for 232.4 million EUR.

Transaction description

Cofinimmo and Egmont Luxemburg SARL, an investment vehicle set up by a South Korean financial institution, signed a 99-year long-term leasehold deed regarding the Egmont I and II buildings. Cofinimmo retains a residual interest on both buildings on its balance sheet.

The long-term leasehold was granted in exchange of the payment of a 369,5 million EUR first fee, excluding rights, to Cofinimmo. This amount is higher than the fair value of the assets on Cofinimmo's balance sheet at 31.12.2017, plus the price paid to buy back the lease receivables. Cofinimmo realises a net gain of 26.9 million EUR on the operation. An annual 20,000 EUR acknowledgment fee will also be paid by the lessee to Cofinimmo during the entire duration of the long-term leasehold.

The current rent stands at 16.7 million EUR. The first fee thus corresponds to a gross rental yield of 4.52 %. Taking into account the estimated rental value of the assets as determined by an independent real estate expert, the gross rental yield stands at 3.30 %.

The Cofinimmo Group realised a 10.4 % levered internal rate of return on the Egmont I and II buildings throughout the period during which it held the assets. The unlevered internal rate of return stands at 9.1 %.

NautaDutilh, Liedekerke and CBRE acted as counsel for Cofinimmo in this transaction.

Transaction impact

- Reduction of the risk related to Cofinimmo's property portfolio
  The Egmont I and II buildings alone represented almost 3 % of Cofinimmo's total portfolio surface area. As it was the case with the disposal of the North Galaxy office building in 2014, the signing of the long-term leasehold on the Egmont I and II complex enables Cofinimmo to reduce the rental risk concentration in the case of a lease termination and to improve its portfolio granularity.

- Potential to further invest in healthcare real estate
  The buyback of the lease receivables and the signing of the long-term leasehold deed on the Egmont I and II buildings have the immediate effect, on the one hand, of reducing the share of offices in Cofinimmo's global portfolio (36.2 % versus 38.1 % at 31.12.2017), and, on the other hand, of reducing the Group's debt ratio (see appendix 1), thus increasing its financial firepower, namely for investments in healthcare real estate. With this transaction, Cofinimmo comes one step closer to its goal to see the share of healthcare real estate in its global portfolio increase to 50 % by the end of 2019.

- Improvement of the net result from core activities – Group share per share and of the net cash flow from core activities per share in 2018
  Taking into account the buyback of the lease receivables and the signing of the long-term leasehold deed on the Egmont I and II buildings, and barring any major events, Cofinimmo foresees a net result from core activities – Group share of 6.56 EUR/share (see appendix 2), a net cash flow from core activities of 5.97 EUR/share (also see appendix 2) and a gross dividend of 5.50 EUR/ordinary share for the financial year 2018.


Egmont II office building – Brussels Centre

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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 3.5 billion EUR, representing a total surface area of over 1,838,000 m². Riding on demographic trends, its main investment segments are healthcare properties (45 %), offices (38 %) and distribution networks (16 %). 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, Paris and Breda.
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 31.12.2017, 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

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Appendix 1: Projected consolidated balance sheet at 31.12.2018 (x 1,000 EUR)

	31.12.2018 Updated forecast	31.12.2018 Previous forecast[1]	31.12.2017 Realised
Non-current assets	**3,672,851**	**3,754,275**	**3,689,016**
Goodwill	85,156	85,156	85,516
Investment properties	3,472,532	3,553,956	3,506,981
Finance lease receivables	102,963	102,963	85,148
Other non-current assets	4,440	4,440	4,441
Participations in associated companies and joint ventures	7,760	7,760	7,290
Current assets	**93,449**	**93,698**	**93,566**
Assets held for sale	0	0	800
Finance lease receivables	1,899	1,899	1,826
Cash and cash equivalents	22,531	22,531	22,532
Other current assets	69,019	69,268	68,408
TOTAL ASSETS	**3,766,300**	**3,847,973**	**3,782,582**
Shareholders' equity	**2,027,820**	**1,999,673**	**1,986,440**
Shareholders' equity attributable to shareholders of the parent company	1,942,659[2]	1,914,512	1,903,160
Minority interests	85,161	85,161	83,280
Liabilities	**1,738,480**	**1,848,300**	**1,796,142**
Non-current liabilities	**1,113,450**	**1,226,493**	**1,222,857**
Non-current financial debts	1,004,826	1,116,526	1,112,890
Other non-current debts	108,624	109,967	109,967
Current liabilities	**625,030**	**621,807**	**573,285**
Current financial debts	510,083	510,000	462,810
Other current debts	114,947	111,807	110,475
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,766,300**	**3,847,973**	**3,782,582**
DEBT RATIO	**42.5 %**	**44.4 %**	**43.8 %**

[1] Published in the press release dd. 08.02.2018, available on our website www.cofinimmo.com, and in the 2017 Annual Financial Report, available on our website www.cofinimmo.com as from 06.04.2018.
[2] The change in shareholders' equity corresponds to the change in the net result, which is made up of the net result from core activities, the result on financial instruments and the result on the portfolio.

Appendix 2: Projected consolidated income statement 2018 (x 1,000 EUR)

	2018 Updated forecast	2018 Previous forecast[1]	2017 Realised
Rental income, net of rental-related expenses	204,643	203,210	203,862
Writeback of lease payments sold and discounted (non-cash item)	8,815	13,731	12,473
Rental-related expenses and taxes on rented properties not recovered	-1,650	-1,650	-1,432
Taxes on refurbishment not recovered	-4,655	-4,655	-2,113
Redecoration costs, net of tenant compensation for damages	-2,459	-2,459	-2,847
Property result	**204,694**	**208,177**	**209,943**
Technical costs	-7,011	-7,269	-5,396
Commercial costs	-1,515	-1,515	-1,593
Taxes and charges on unlet properties	-4,499	-4,499	-5,128
Property result after direct property costs	**191,670**	**194,895**	**197,836**
Corporate management costs	-24,736	-24,736	-25,789
Operating result (before result on the portfolio)	**166,933**	**170,159**	**172,047**
Financial income	8,740	5,398	5,594
Net interest charges	-30,592	-30,872	-29,926
Other financial charges	-438	-438	-626
Share in the net result from core activities of associated companies and joint ventures	470	470	466
Taxes	-452	-452	-3,865
Net result from core activities	**144,662**	**144,265**	**143,690**
Minority interests related to the net result from core activities	-4,858	-4,858	-4,600
Net result from core activities - Group share	**139,804**	**139,407**	**139,090**
Number of shares entitled to share in the results of the period	21,308,702	21,308,702	21,308,702
Net result from core activities – Group share per share	**6.56**	**6.54**	**6.53**
Net cash flow from core activities per share	**5.97**	**5.88**	**5.92**

[1] Published in the press release dd. 08.02.2018, available on our website www.cofinimmo.com, and in the 2017 Annual Financial Report, available on our website www.cofinimmo.com as from 06.04.2018.

Appendix 3: Assumptions made for the 2018 forecast

Asset valuation
The fair value of the real estate portfolio included in the projected consolidated balance sheet at 31.12.2018 corresponds to the fair value of the overall portfolio at 31.12.2017, plus the large-scale renovation expenses planned for 2018. It also takes into account the long-term leasehold on the Egmont I and II office building. Only their residual value remains on the balance sheet at 31.12.2018.

Maintenance, repairs and large-scale renovations
The projections, produced per building, include maintenance and repair costs which are booked as operating expenses. They also include large-scale renovations which are capitalised and covered by self-financing or debt. The cost of large-scale renovations taken into account in the 2018 projections are in the amount of 17.9 million EUR for office buildings and 6.1 million EUR for the pubs/restaurants of the Pubstone portfolio.

Investments and divestments
The following investment and divestment projects are included in the 2018 projections:

- investments in healthcare real estate in Belgium, France, the Netherlands, and Germany in the amount of 43.7 million EUR, resulting from the delivery of new units or the extension of existing units to which we are legally committed;
- sales of pubs/restaurants (Pubstone portfolio) and of insurance companies (Cofinimur I) in the amount of 5.3 million EUR;
- buy-back of the lease receivables sold in 2009 and long-term leasehold on the Egmont I and II office buildings, for a net amount of 137.1 million EUR.

Rents
The rent projections take into account assumptions about tenant departures for each lease contract, analysed on a case-by-case basis. The contracts in effect are indexed. The projections also include the cost of refitting, a vacancy period, rental charges and taxes on empty premises which are applicable in the event of tenant departure, as well as agent commissions to re-rent the premises. The rent projections are made with regard to current market conditions, with no anticipated recovery or deterioration. They also include the rents perceived on the Egmont I and II office buildings between the date the lease receivables were bought back and the date of the signing of the long-term leasehold.
The property result also includes writebacks of lease payments sold and discounted for the gradual reconstitution of the full value of the buildings whose rents have been sold to a third party. The writeback of lease payments sold and discounted relating to the Egmont I and II buildings stops at 13.02.2018, i.e. the day on which the lease receivables were bought back.
A positive or negative change of 1 % in the occupancy rate of the office portfolio would lead to a cumulative increase or decrease in the net result from core activities per share and per year of 0.03 EUR.

Inflation

The contracts in effect are indexed. The inflation rate used for rent increases is between 1.1 % and 2.2 % depending on the country, for leases indexed in 2018[1].

The sensitivity of the projections to variations in the inflation rate is low for the period considered. A positive or negative change of 50 basis points in the expected inflation rate would lead to a cumulative increase or decrease in the net result from core activities per share and per year of 0.02 EUR.

Expenses

The technical charges are estimated for each building, according to the identified needs and the building's age. These charges should increase between 2017 and 2018 following the recent acquisitions in healthcare real estate in the Netherlands and Germany, where the maintenance obligations for the landlord are more important than in the other countries.

The corporate management costs are estimated per expenses type according to the evolution of the Group contemplated for the financial year. Their positive evolution between 2017 and 2018 is mainly due to one-off charges booked in 2017.

The calculation of the financial expenses is based on the assumption of a change in interest rates as anticipated by the future rate curve[1] and on the current bank and bond contract loans. Given the hedging instruments implemented, the total cost of debt in 2018, margins included, should be under 2.0 %. The financial income, on the other hand, includes the reversal of a provision related to the Egmont I and II office buildings, following the signing of the long-term leasehold on these buildings.

The forecasted tax charges include, on one hand, the estimation of the recurring tax charges per company, and on the other hand, an anticipation of the evolution of the identified tax risks.

Consolidated income statement

No assumptions for changes in the value of financial instruments due to variations in rates have been included in the 2018 outlook, either in the balance sheet or the income statements.

The future market value of the buildings is uncertain. It would, therefore, be hazardous to venture a projection for the unrealised result on the portfolio. It will depend on market rent trends, changes in their capitalisation rates and the expected cost of building refurbishments. The result on the portfolio is thus limited to the realised gain on the long-term leasehold on the Egmont I and II office buildings.

Changes in shareholders' equity will depend on the net result from core activities, the result on financial instruments, the result on the portfolio as well as the distribution of dividends.

Shareholders' equity takes into account the dividend payment relating to the 2017 financial year and is presented before the dividend distribution relating to the 2018 financial year.

[1] External data.

Appendix 4: Statutory Auditor's report on the 2018 forecasts

Deloitte.

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29 March 2018

For the attention of the board of directors of Cofinimmo SA/NV
Boulevard de la Woluwe 58
1200 Brussels

Dear Sirs

We report on the forecasted Net result from core activities (Group share) of Cofinimmo SA/NV ("the Company") and its subsidiaries (together "the Group") for the 12 months period ending 31 December 2018 (the "Forecast") prepared on 29 March 2018. The Forecast, published in the Press Release dated 8 Februay 2018, has been revised in order to include the financial consequences of the final sales agreement for the buildings Egmont I and Egmont II. The Forecast, and the material assumptions upon which it is based are set out on pages 5 to 8 of the Press Release ("Press Release") issued by the Company dated 3 April 2018. We do not report on the other elements of the projected consolidated income statement, on the projected consolidated balance sheet nor on the projected dividend as mentioned on pages 3, 6 and 7 of the Press Release, dated 3 April 2018.

This report is prepared in accordance with the principles as defined under Annex I item 13.2 of the European Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that rule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Forecast in accordance with the Prospectus Directive Regulation.

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

Save for any responsibility arising under art. 61 of the Law of 16 June 2006 to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the registration document.

Basis of Preparation of the Forecast

The Forecast has been prepared on the basis of assessments stated on pages 5 to 8 of the Press Release dated 3 April 2018 and is based on a projection for the 12 months to 31 December 2018. The basis of preparation of the Forecast should be in accordance with the Group's principles of financial reporting.

Deloitte.

Basis of opinion

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

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

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

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

Opinion

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

Declaration

For the purposes of art. 61 of the Law of 16 June 2006 we are responsible for this report as part of the registration document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the registration document in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

The statutory auditor

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BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Rik Neckebroeck