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Offering Circular dated 19 October 2012

COFINIMMO SA/NV

(incorporated in the Kingdom of Belgium as a limited liability company (société anonyme/naamloze vennootschap) and closed-end real estate investment company (sicafi/vastgoedbevak))

€40 million 3.598 per cent. Bonds due 2020

(to be consolidated and form a single series with the €100 million 3.598 per cent. Existing Bonds due 2020 issued on 7 August 2012)

Issue Price 101.137 per cent. (plus €302,782.51 accrued interest from, and including, 7 August 2012 to, but excluding, the New Issue Date)

The €40 million 3.598 per cent. bonds due 2020 (ISIN: BE6241505401 / Common Code: 081199701) (the "Bonds") to be consolidated and form a single series with the the €100 million 3.598 per cent. bonds due 2020 issued on 7 August 2012 (the "Existing Bonds") will be issued by Cofinimmo SA/NV (the "Issuer") on or about 23 October 2012 (the "New Issue Date"). Interest on the Bonds is payable annually in arrear on 7 February in each year. Payments on the Bonds will be made without deduction for or on account of taxes of the Kingdom of Belgium to the extent described under "Terms and Conditions of the Bonds - Taxation".

The Bonds mature on 7 February 2020 at their principal amount. The Bonds are subject to redemption in whole, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Kingdom of Belgium. See "Terms and Conditions of the Bonds — Redemption and Purchase".

The Bonds will constitute direct, unconditional, unsubordinated and, subject to the Terms and Conditions of the Bonds, unsecured obligations of the Issuer. See "Terms and Conditions of the Bonds — Status".

Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list (the "Official List") of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market (the "Market"). References in this Offering Circular to the Bonds being "listed" (and all related references) shall mean that the Bonds have been admitted to the Official List and admitted to trading on the Market. This Offering Circular constitutes a prospectus for the purpose of the Luxembourg Law dated 10 July 2005 on prospectuses for securities.

The Bonds will be issued in dematerialised form in accordance with Articles 468 *et seq.* of the Belgian Company Code in denominations of €100,000 in principal amount. The Bonds will be represented in the records of the clearing system operated by the National Bank of Belgium (the "NBB") or any successor thereto (the "NBB Clearing System") by book-entries and in the records of financial intermediaries authorised to hold dematerialised securities on behalf of third parties, and will be consolidated and form a single series with the Existing Bonds. The Bonds can be held by their holders through participants in the NBB Clearing System, including Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg or other participants in the NBB Clearing System. Holders of the Bonds will not be entitled to exchange the Bonds into definitive Bonds in bearer form.

The Bonds are expected to be rated BBB by Standard & Poor's Credit Market Services Europe Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular.

Lead Manager

J.P. MORGAN

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This Offering Circular may only be used for the purpose for which it has been published.

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Issuer and its subsidiaries taken as a whole (the "Group") and the Bonds that is material in the context of the issue and offering of the Bonds, the statements contained in it relating to the Issuer and the Group are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly held and are based on reasonable assumptions, there are no other facts in relation to the Issuer, the Group or the Bonds the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Offering Circular misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

To the fullest extent permitted by applicable law, J.P. Morgan Securities plc (the "Lead Manager") accepts no responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Lead Manager or on its behalf in connection with the Issuer or the issue and offering of the Bonds. The Lead Manager accordingly disclaims, to the extent permitted under applicable law, all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, from the requirement to publish a prospectus for offers of Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Lead Manager has authorised, nor does it authorise, the making of any offer of Bonds in circumstances in which an obligation arises for the Issuer or the Lead Manager to publish a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This Offering Circular is to be read in conjunction with all the documents which are incorporated by reference (see "Documents Incorporated by Reference").

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Lead Manager to subscribe or purchase, any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Bonds and distribution of this Offering Circular, see "Subscription and Sale" below.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Lead Manager. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial

position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

All references in this Offering Circular to "euro", "EUR", or "€" refer to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty on European Union as amended.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular shall be read and construed in conjunction with the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2011 and 31 December 2010 and the half-yearly financial statement of the Issuer as at 30 June 2012 together in each case with the audit report thereon, and with the press releases listed hereunder, which have been previously published or are published simultaneously with this Offering Circular and which have been filed with the Luxembourg Stock Exchange. Such documents shall be incorporated in, and form part of this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular may be obtained from the registered offices of the Issuer, the website of the Issuer (*www.cofinimmo.com*) and the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

The table below sets out the relevant page references for the audited consolidated annual statements for the financial years ended 31 December 2011 and 31 December 2010 as set out in the Issuer's 2011 annual report and for the half-yearly financial statement as at 30 June 2012 as set out in the Issuer's half-yearly financial report 2012.

The Issuer confirms that it has obtained the approval from its auditors to incorporate by reference in this Offering Circular the auditor's reports for the financial years ended 31 December 2011 and 31 December 2010.

Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purpose only.

Consolidated audited annual financial statements of the Issuer for the financial years ended 31 December 2011 and 31 December 2010 and half-yearly financial statement as at 30 June 2012

Cofinimmo Annual Report 2010

Consolidated accounts	Pages 122 - 125
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Cofinimmo Annual Report 2011

Corporate Governance Statement	Pages 64 - 83
Consolidated accounts	Pages 126 - 131
Notes to the financial statements	Pages 132 - 175
Statutory Auditor's Report	Pages 176 - 177
Report by the real estate experts	Pages 122 - 124

Cofinimmo Half-Yearly Financial Report 2012

Corporate Governance Statement	Pages 31 - 32
Consolidated accounts	Pages 32 - 45
Notes to the financial statements	Pages 46 - 58
Statutory Auditor's Report	Pages 63
Report by the real estate experts	Pages 60 - 62

Other documents incorporated by reference

1. Press release of 31 January 2012: Establishment of an institutional sicafi as a co-investment with Senior Assist
2. Press release of 12 April 2012: Acquisition of 100% of the shares of the company Immopol Dendermonde SA
3. Press release of 23 April 2012: Cofinimmo wins the tender for the contract for "works and services relating to student housing" of the Université Libre de Bruxelles (Brussels University)
4. Press release of 24 April 2012: Acquisition of an EHPAD in the context of the partnership agreement between Cofinimmo and the Orpea Group
5. Press release of 2 May 2012: Terms and conditions for the optional dividend in shares
6. Press release of 2 May 2012: Intermediate declaration of the Board of Directors comprising the results on 31 March 2012
7. Press release of 29 May 2012: Result of the optional dividend offer for the year 2011
8. Press release of 5 July 2012: Capital modification as a result of conversion of preference shares into ordinary shares

9. Press release of 1 August 2012: The forecasts for the net current result (€7.47 per share) and the dividends (€6.50 gross for the ordinary share and €6.37 gross for the preference share) for the full year 2012 are confirmed

10. Press release of 7 August 2012: Closing of a private placement of a 7.5 year bond for a total amount of €100 million

11. Press release of 16 August 2012: Regulated information regarding the agreement between Cofinimmo SA, Livingstone Residential, Cordeel Zetel Temse NV and Cordeel Finance NV relating to the reconversion of the Livingstone office building into residential units

12. Press release of 28 September 2012: Acquisition of an orthopaedic treatment clinic in Naarden (The Netherlands)

13. Press release of 8 October 2012: Capital modification as a result of conversion of preference shares into ordinary shares

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Risk Factors

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer believes are material for the purpose of assessing the market risks associated with the Bonds are described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate and the Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive. The sequence in which the risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular or incorporated by reference in this Offering Circular and reach their own views prior to making any investment decision and consult with their own professional advisors if they consider it necessary. Terms defined in "Terms and Conditions of the Bonds" (the "Conditions") below shall have the same meaning where used below.

Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with the Bonds

General Market Risk

Changes in general economic conditions in the markets in which the Group's properties are located could adversely affect the Group's level of rental income, the value of its property portfolio, as well as its investment policy and, consequently, its growth prospects.

The Group is exposed to local, regional, national and international economic conditions and other events and occurrences that affect the markets in which the Group's properties are located.

Changes in the principal macroeconomic indicators or a general economic slowdown in Belgium, in particular in Brussels, or one or more of the Group's other markets, or on a global scale in general, could result in lower demand for office or other property space, higher vacancy rates, reduced public and consumer spending adversely affecting the Group's office properties, nursing homes/clinics and public-private partnerships, and higher risk of default by tenants, building contractors and other counterparties, any of which could materially adversely affect the Group's rental income and the value of its property portfolio.

The Group is exposed to deflation risk.

Deflation risk is the risk that prices throughout the economy decline over time and could lead to downward pressure on rents. As a result of such downward pressure, a decrease in the indexation rate in respect of the Group's current leases that pay an income stream that is fixed or otherwise adjusted to reflect such deflation could adversely impact the Group's income from its properties expressed in nominal currency terms.

In addition, deflationary pressures are generally followed by a decline in market rents, which could result in lower rents on lease renewals. There can be no assurance that in a situation where rents in the markets decrease, the tenants will renew or choose not to terminate their leases, in order to benefit from lower market rates in other premises not part of the Group's portfolio, or, in anticipation of this, may try to renegotiate their contractual rents with the Group, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Property Portfolio and Operational Risk

A large portion of the Group's real estate portfolio is concentrated in the city of Brussels.

As at 31 December 2011, 48.7 per cent. of the fair value of the Group's investment properties was represented by offices located in Belgium, of which approximately 65 per cent. were rented by private sector tenants. Moreover, as at 31 December 2011, 88.9 per cent. of the fair value of the Issuer's office portfolio, or 43.1 per cent. of the Group's total property portfolio by fair value, consisted of office properties in Brussels. This concentration exposes the Group to the currently difficult rental climate for office properties in Brussels, where the office property vacancy rate was 11.6 per cent. as at 31 March 2012[1] and several high-quality office properties have remained unlet. As a result of the geographic concentration of the Group's property portfolio, negative economic, political or other developments or events, including decisions of Belgian central government or public sector entities, the European Union or international organisations that are the Group's tenants to relocate their activities away from Brussels, as well as a further deterioration of the rental situation for office properties, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may pursue an inappropriate investment strategy.

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

In the offices segment, for example, when considering development project investments, the Group needs to estimate the economic and market conditions that will prevail in the market where the project is located at the time the project is completed and becomes operational, and there is uncertainty at the beginning of a development project about the economic and market conditions at the time of completion of the project. Such estimates are difficult to make since it takes a considerable period of time before development projects are completed and become operational and levels of demand/supply may have changed from the expectations held at the beginning of the project. Further, during this time, economic conditions can change unfavourably and lower the Group's return on investment. A given market may experience an oversupply of office properties at the time of a project's completion, leading to lower occupancy rates and, consequently, lower rental income. As a result, the Group may incorrectly time its development project investments or make poor investment decisions, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

More generally, while the Group aims to acquire existing properties as part of its investment strategy to improve the value of its portfolio, it may also engage in development projects. While the Group's current policy is to invest an amount equal to up to 10 per cent. of the fair value of its portfolio in development projects, should the Group at some future point revise this policy upwards or otherwise undertake a higher volume of development projects for its own account, it will be subject to a higher level of uncertainty regarding future property values and rental income. Were such uncertainty to materialise, the Group's rental income and portfolio value could be negatively impacted, potentially leading to a material adverse effect on its business, results of operations, financial condition and prospects.

To diversify its investments, the Group has expanded its business activities into the nursing homes/clinics sector from 2005. This segment represented 33.9 per cent. of the fair value of the Group's property portfolio as at 31 December 2011 and accounted for 29.8 per cent. of the Group's total net rental income in the year

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[1] Source: Jones Lang LaSalle – Brussels Office Market Profile – Q1 2012.

ended 31 December 2011. However, this strategy is subject to a number of risks, including: the onset of increased competition in the Belgian market, where the Group currently enjoys a leading position, thereby reducing the Group's ability to access investment opportunities on favourable conditions or at all; the failure of one of the Group's major counterparties, as three operators accounted for 71.8 per cent. of the Group's total rental income in the nursing homes/clinics segment for the year ended 31 December 2011; the reliance of nursing home/clinics operators on government social security subsidies which could be reduced in the future, thereby affecting the operator's ability to make rental payments to the Group; the loss by one or more operators of licenses required to operate the nursing homes/clinics, thereby resulting in the operator's inability to operate the facility and, consequently, to make rental payments to the Group; and the inability to convert the nursing homes/clinics to alternative uses should tenants not renew leases, thereby requiring the Group to dispose of the relatively illiquid properties in conditions that may not be attractive. Further, as the Group has only been active in this sector since 2005, there may be additional risks not currently appreciated by the Group that may arise in the future. Should any of these risks materialise, they could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group has also entered into the market of distribution property networks with the acquisition in 2007 from AB InBev of an entire portfolio of pubs (the "Pubstone portfolio") and the acquisition in December 2011 of 281 sites (branches and offices) of the group MAAF (a subsidiary of the French insurance group Covéa). The pubs were leased back to AB InBev (and sub-leased to AB InBev's tenants) under a commercial lease for an initial average term of 23 years and the insurance branches were leased back to MAAF for an initial term of 9.7 years. The distribution property networks segment represented 16.1 per cent. of the fair value of the Group's property portfolio as at 31 December 2011 and accounted for 13.7 per cent. of the Group's total net rental income for the year ended 31 December 2011. Should AB InBev or MAAF not renew their rental agreements when they expire, or should they face operational difficulties that render them unable to pay their rent, the Group may not be able to find new tenants for such specialised and illiquid properties in an efficient manner or at favourable rates, or at all. This could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is also focusing on participation in Public-Private Partnerships ("PPP"), which enable certain public services to be offered by private lenders, the necessary funding for the construction of buildings which must meet specific requirements. Historically, the Issuer has supervised the quality and execution of the construction work and also taken charge of the upkeep and maintenance of the facilities throughout the duration of the relevant lease. As the Group is responsible for providing a wider array of services as part of PPP arrangements than it provides as part of its historical property operations, it may face difficulties in successfully establishing and maintaining the functions necessary to fulfil its obligations. In addition, while the construction of the Leuze-en-Hainaut Prison PPP Project in Belgium is carried out by a designated general contractor, in contrast to previous PPP projects, the Group remains responsible to the government for timely execution of the project. This could adversely effect the Group's reputation and have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group's development projects may experience delays and other difficulties.

The Group may incur significant costs relating to the development or large-scale renovations of the properties that it owns or acquires. These projects normally require large investments in their early stages and start generating rental income only after a certain period of time because of the long-term nature of construction work.

These projects are also subject to various risks, each of which could cause delay to delivery of a project and therefore increase the time until a project starts generating rental income, increase the costs of a project compared to the budget, cause the loss or decrease of expected income of a project or, in some cases, even cause the termination of a project. Poor management of major works may result in severe delays and

increased costs, thereby reducing profitability. Such risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to the risk of revaluation losses with respect to its properties.

In the consolidated financial statements of the Group, the investment properties held by it are recorded as assets based on the fair value method pursuant to International Accounting Standard 40. Any gain or loss arising from a change in the fair value of the Group's investment property is assessed quarterly and recognised as profit or loss in the period in which it arises.

The fair value of the properties of the Group, reflecting their market value, is subject to change. The market value of real estate properties depends on a variety of factors, some of which are exogenous and may not be within the control of the Group, such as decreasing demand or occupancy rates in the markets in which the Group operates, movements in expected investment yields or increases in transaction costs in respect of purchasing and selling property. In addition, many qualitative factors affect the valuation of a property, including the property's expected rental income, its condition and need for refurbishment, the level of refurbishment costs and its location. Should the factors considered or assumptions made in valuing a property change to reflect new developments or for other reasons, subsequent valuations may result in a decrease in the fair value ascribed to such property. If such valuations reveal significant decreases in fair value compared to prior valuations, the Group will incur significant revaluation losses with respect to such properties which could have a material adverse effect on the Group's net result, the debt ratio and the net asset value.

As at 31 December 2011, a change in value of 1 per cent. for the Group's property portfolio would have had an impact of approximately €32.5 million on the net result for the year ended 31 December 2011, approximately €2.14 on the intrinsic value per share and an impact on the debt ratio of approximately 0.46 per cent. Depending on their extent, revaluation losses with respect to the Group's properties could have a material adverse affect on its business, results of operations, financial condition and prospects.

The valuation of the properties of the Group contained in the valuation reports is inherently subjective and uncertain.

The valuation of real estate is inherently subjective due to the individual nature of each property and characteristics of the local, regional and national real estate markets, which change over time and may be affected by various factors and the valuation methods used. Moreover, any valuation of real estate is made on the basis of certain assumptions, such as assumptions with regard to prospective lettings, transaction costs and indexation of rents that may not prove to be accurate at the time the valuations were made or in the future. Accordingly, the valuations in the valuation reports may not reflect actual sales prices even if any such sales were to occur shortly after the date of this Offering Circular. To the extent that real estate included in the valuation reports has been overvalued, on the sale or subsequent revaluation of such properties, the Group will suffer a loss. Such a loss could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to risks arising from the illiquidity of its portfolio.

The market for the types of properties the Group owns or is likely to acquire in the future is generally illiquid. Were the Group required to liquidate parts of its portfolio on short notice for any reason, including raising funds to support its operations or repay outstanding indebtedness, or exiting an investment the Group no longer wishes to own, the Group may not be able to sell any portion of its portfolio on favourable terms or at all. In the case of an accelerated sale, there may be a significant shortfall between the fair value of the property and the price at which the Group could sell such property. Even in planned disposals in the ordinary course of business, an illiquid or weak market may result in a sales price that is lower than anticipated or in a delay of the sale. Prices obtained may be less than the acquisition cost or carrying value of the property sold.

Any such shortfall could have a material adverse effect on the Group's business results of operations, financial condition and prospects. In addition, the Group may be subject to restrictions on its ability to sell properties pursuant to the agreements under which it acquired certain properties, the agreements pursuant to which it assigned lease receivables or pursuant to covenants limiting asset disposals in the Group's financing agreements.

The Group may not be able to successfully engage in acquisitions, disposals, refurbishments or expansions of properties.

The Group intends to acquire new properties and to sell, refurbish or expand its existing properties in order to increase the value of its portfolio. The ability of the Group to engage in acquisitions, disposals, refurbishments or expansions may be limited by its ability to identify appropriate properties, as well as by conditions beyond its control, such as the availability of attractively priced acquisitions, the availability of willing purchasers of properties that the Group may decide to sell, the condition of the relevant property market or changes in governmental and municipal regulations. In addition, the ability of the Group to acquire additional properties may be limited by an inability to obtain financing on terms attractive to it, or by other conditions with which the Group is required to comply in order to maintain its status as a SICAFI or SIIC or restrictions contained in its current or future financing agreements. Each acquisition, disposal, refurbishment and expansion will entail uncertainties and risks, including the risk that such project may not be completed after the Group has invested significant amounts of time and money.

The Group may not be able to maintain or increase its current occupancy rates.

The Group's main source of revenue is income from rent. The rental income generated from real estate assets, in particular from offices, may be adversely affected if the demand for rental space declines as a result of an imbalance between demand and supply created by adverse economic or market conditions leading to higher vacancy rates, tenants attempting to renegotiate their contracts before such renegotiation is contractually permitted, there is an increase in costs in connection with attracting new tenants (for example, due to longer rent-free periods) or if there is downward pressure on rent levels generally. Of the abovementioned factors, the vacancy rate is particularly important.

The Group's overall portfolio occupancy rate was 95.3 per cent. as at 31 December 2011. The ability to manage occupancy rates at the Group's properties depends in large part on the condition of the relevant property market in the countries where the Group operates. A negative change in any of the factors affecting the property markets and its occupancy rates, including the prevailing economic and market conditions, could adversely affect the Group's business, results of operations, financial condition and prospects. As at 31 December 2011, 33.3 per cent. of the Group's office leases and 1.4 per cent. of the Group's nursing homes/clinics leases expire within six years. There can be no assurance that the Group's tenants will renew their leases at the end of their tenancies or, if they do not, that new tenants of equivalent standing will be found to take up replacement leases which, in turn, may result in increased vacancy rates. During periods of vacancy, the Group will suffer a rental shortfall and incur substantial costs in procuring new tenants. Even if tenant renewals or replacements are effected, there can be no assurance that such renewals or replacements will be on terms that are as favourable to the Group as before or that new tenants will be as creditworthy as previous tenants. Loss of rental income or downwards revision of rents may lead to a fall in value of the properties. These could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Maintenance and redevelopment costs could increase in the future.

The attractiveness and value of the Group's property portfolio, existing or potential tenants' perception of the Group's properties and the level of rents it charges for its properties could be undermined by a number of factors, such as the architectural and technical condition of the property (including partial or full destruction

of the property), the location of the property, the adequacy and quality of maintenance and general management of projects. Generally, as properties age, they require greater maintenance, refurbishment and redevelopment costs, which generally result in lower investment and fair values for such properties. The Group's properties may become less attractive to tenants and result in lower profitability of the projects or become vacant, if the Group does not carry out such maintenance, refurbishment and redevelopment activities or if the Group carries them out at higher costs than budgeted, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's buildings may be badly damaged or destroyed and the Group may be insufficiently insured against all losses, suffer uninsured losses or suffer material losses in excess of insurance proceeds.

The Group seeks to maintain insurance policies covering its properties and employees with policy specifications, insured limits, deductibles and other terms which the Group believes are customary for the real estate business in its markets. In respect of the Pubstone portfolio and nursing homes/clinics, the Group does not maintain insurance policies and the Group's tenants or their subtenants are obligated in their lease agreements to ensure a certain level of insurance coverage. The Group's properties are generally insured against property damages and third party liability, in most cases on the basis of their replacement costs, with loss of rent covered for a period of one to three years. There are, however, certain types of risks that are generally not insured or not fully insured against, such as damages caused by flood, earthquake, war risks, acts of terrorism, malicious intent, civil riots, damages caused by natural heating and pollution or other force majeure events and civil liability for environmental damages. There can be no assurance that the Group, or the Group's tenants or their subtenants, are sufficiently and effectively insured against all contingencies at all times. The occurrence of a significant event not fully insured or indemnified against or the failure of the Group (its tenants or their subtenants) to meet insurance payment obligations could result in a loss of all or a portion of the capital invested in a property as well as the anticipated future revenue from that property. These risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may be liable for environmental issues on or in its properties.

The operations and properties of the Group are subject to various laws and regulations in the countries in which it operates concerning the protection of the environment, including but not limited to regulation of air, soil and water quality, controls of hazardous or toxic substances and guidelines regarding health and safety. Such laws and regulations may also require the Group to hold certain permits or licenses to conduct its operations, which it may not be able to obtain in a timely manner or at all. The Group may be required to pay for clean-up costs (and in specific circumstances, for aftercare costs) for any contaminated property it currently owns or owned in the past. As a property owner, the Group may also incur fines or other penalties for any deficiencies in environmental compliance and may be liable for remedial costs. In addition, contaminated properties may experience decreases in value. Although the Group, in connection with property acquisitions, typically obtains an indemnity in respect of environmental liability, the Group may not be able to successfully claim under these indemnities.

The Group may lose key management and personnel or fail to attract and retain skilled personnel.

Loss of its managerial staff and other key personnel or the failure to attract and retain skilled personnel could hamper the Group's ability to successfully execute its business strategies. The Group believes that its performance, success and ability to fulfil its strategic objectives depend on retaining executives and members of its managerial staff who are experienced in the markets and business in which the Group operates. The Group might find it difficult to recruit suitable employees, both for expanding its operations and for replacing employees who may resign, or recruiting such suitable employees may entail substantial costs both in terms of salaries and other incentive schemes. The unexpected loss of the services of one or more of these key

individuals and any negative market or industry perception arising from such loss could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Client Risk

The Group is exposed to the risk that tenants default on rent payments.

The Group bears the risk that its tenants will be unable to pay amounts due under lease contracts that are not secured by deposits or bank guarantees. During the years 1996-2011, the rate of defaults under lease contracts (calculated by dividing the provisions for impairment of receivables less any write-backs by the total rental income during the year) was 0.067 per cent. The Group may suffer from a decline in revenues and profitability in the event one or more of its major tenants are unable or unwilling to pay rent owed when due or seek bankruptcy, insolvency or similar law protection. The Group is not insured against this credit risk. A defaulting tenant may increase the vacancy rate of the portfolio and the Group may incur substantial costs to attract a new tenant or may be obliged to accept less favourable conditions to lease the building.

The Group is exposed to the risk that a major tenant or significant number of tenants in the Group's property portfolio default on their lease payments.

During the year ended 31 December 2011, the Group's five and ten largest tenants accounted for 46.3 per cent. and 66.7 per cent. of the Group's total rental income, respectively; the five and ten largest tenants in the offices segment accounted for 52.7 per cent. and 62.3 per cent. of the total rental income in that segment, respectively; and the five largest operators in the nursing homes/clinics segment accounted for 88.8 per cent. of the total rental income in that segment. All properties in the distribution property networks segment are leased to two tenants (AB InBev for the pub portfolio and MAAF for the insurance branches). A downturn in business, bankruptcy or insolvency of such tenants or operators could result in a default on their rental obligations and/or higher vacancy rates. Such a default, in particular by a series of the Group's tenants or by several of the Group's largest tenants or operators, could result in a significant loss of rental income, a reduction in asset "property" value and increased bad debts. The Group could also find it costly or impossible to replace such a defaulting tenant on similar terms, or at all. Each of the factors above could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Regulatory Risk

The Group would suffer adverse consequences if it fails to maintain its SICAFI status.

As of the date of this Offering Circular, the Issuer and three of its subsidiaries in Belgium qualify as closed-end real estate investment companies (SICAFI /vastgoedbevak). The Issuer is a public SICAFI and the three subsidiaries are institutional SICAFIs (see "REIT Regulation—Belgian SICAFI status"). To maintain its SICAFI status, the Issuer and the relevant subsidiaries must comply with certain activity restrictions, diversification requirements, restrictions at subsidiary level, leverage restrictions, profit distribution requirements, conflict of interest procedures and governance requirements. The ability of the Issuer and the relevant subsidiaries to meet the conditions required for the SICAFI status depends upon their ability to successfully manage their assets and indebtedness on an ongoing basis as well as on rigorous internal control procedures. The Issuer and the relevant subsidiaries may not be able to continue to meet the existing requirements in the event of a change in their financial condition or for any other reason.

In case of persistent or serious breach of the SICAFI requirements by the Issuer, or the relevant subsidiaries, the Belgian supervisory authority (FSMA) could take a variety of measures, such as the appointment of a trustee, a trading suspension of the Issuer's shares, a reshuffling of the Issuer's board of directors or even a revocation of the SICAFI status. If the Issuer, or any of the relevant subsidiaries lose their SICAFI status, they would become corporate tax payers. The loss of the SICAFI status by the Issuer or the relevant subsidiaries

would constitute an event of default under most credit facilities and would have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group could suffer adverse consequences if it fails to maintain SIIC status for itself or its French subsidiaries.

As of the date of this Offering Circular, the Issuer, through its French permanent establishment, and most of its French subsidiaries qualify as listed real estate investment companies (*société d'investissements immobiliers cotées, or SIIC*). (see "*REIT Regulation—French SIIC status*"). The ability to meet the conditions required for the SIIC status depends upon, among other things, the Issuer's ability to successfully manage its ancillary activities and the assets allocated to such activities. Changes may also occur in the Issuer's shareholding structure, which are beyond its control, such that the conditions for election of the SIIC regime are no longer fulfilled.

If the Issuer's French permanent establishment no longer meets the conditions for election of the SIIC regime, it (and its subsidiaries which also elected for the SIIC regime) would lose the benefit of such regime and become corporate tax payers, permanently or, under certain circumstances, on a temporary basis, which, among other things, would result in: (i) future profits derived from rental income and/or capital gains being taxed at the general French corporate income tax rate of 33.33 per cent. (34.43 per cent. including additional contributions) as from the first day of the financial year concerned, (ii) if the exit occurs within the ten-year period following the election for the SIIC regime, taxation at a 19 per cent. rate of the real estate capital gains that were subject to a reduced capital gains tax at the time of the election, and (iii) a taxation at a 25 per cent. rate of the built-in gains born during the period in which the Issuer and its subsidiaries were subject to the SIIC regime. An exit of the SIIC regime during the ten-year period following the election entails an additional taxation of 19 per cent. on latent capital gains and on capital gains accrued during the period of application of the SIIC regime.

The Group may be adversely affected by a change in governmental laws and regulations.

As the owner of properties in Belgium, France and the Netherlands, the Group is subject to a wide range of European Community, national and local laws and regulations. These include town planning, health and safety, environmental, tax and other laws and regulations. New laws and governmental regulations could enter into force or changes in existing laws and governmental regulations, or their interpretation by agencies or the courts, could occur and require the Group to incur significant additional costs in respect of one or more of its properties, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Changes in the social security reimbursements for nursing homes/clinics could have a negative impact on a tenant's solvency and it's ability to honour the payment obligations under its lease contract.

The Group could be adversely affected by unfavourable changes in the SICAFI or SIIC regimes.

The Issuer is subject to the risk of future unfavourable changes to the SICAFI regime in Belgium and, in respect of the Issuer's activities in France, of future unfavourable changes to the SIIC regime.

It can be expected that, as a SICAFI, the Issuer could be considered as a self-managed fund falling under the scope of the Alternative Investment Fund Managers Directive ("AIFMD") which was adopted at European level in 2011 and will need to be implemented in Belgium by July 2013. If the Issuer falls under the scope of AIFMD, the Group's business and result of operations could be adversely affected, depending on the technical standards and implementing legislation will ultimately be adopted.

In that respect, the Issuer could be affected by the Regulation No 648/2012 of the European Parliament and of the Council of 4 July 2012 on over-the-counter (OTC) derivatives, central counterparties and trade repositories (commonly referred to as the "European Market Infrastructure Regulation" or "EMIR

Regulation") which entered into force on 17 August 2012, if the Issuer is considered to qualify as financial counterparty and hence falls under the scope of the EMIR Regulation. One of the EMIR Regulation's core requirements is that businesses deemed to be "financial counterparties" must post cash collateral into margin accounts to provide cover in the event of default of a hedging counterparty. This is of particular relevant for the Issuer, which uses interest rate swaps to protect against fluctuating interest rates. The definition of "financial counterparties" included in the EMIR Regulation include real estate investment funds which qualify as alternative investment funds (AIF) within the meaning of AIFMD. Therefore, should the Issuer be considered to qualify as an AIF, it would be subject in the future to onerous margin calls primarily designed for entities that speculate with derivatives rather than ordinary businesses that use interest rate swaps for risk management. Crucially, for real estate investment companies such as the Issuer, the rules would also preclude it from using its physical assets to secure its hedging transactions. Only highly liquid collateral would be acceptable security for central counterparties.

Financing Risk

The Group is exposed to the risk that access to capital on satisfactory terms necessary for maintaining, growing and developing the Group's business is not available.

In the ordinary course of business, the Group requires access to significant capital for the acquisition, development and maintenance of properties. The Group has to date financed its capital expenditures principally through its operating cash flows and a variety of debt facilities and equity instruments. In addition, proceeds from sales of properties and lease receivables have been to date reinvested in the business.

As at 31 December 2011, the Group had outstanding indebtedness of €1,681.41 million and €1,953.55 million of outstanding long term financial credit lines, of which 12.1 per cent. was scheduled to mature in 2012 and 18.3 per cent. in 2013. The Group's policy is to refinance maturing debt well in advance. The undrawn portions of existing credit facilities as well as the proceeds of the issue of the Bonds will be used for refinancing purposes. Any deterioration in the Group's business or prospects, or an inability to comply with applicable financial covenants could inhibit the Group's ability to draw on these facilities or to refinance existing borrowings.

The ability of the Group to obtain further debt financing could also depend on several factors, some of which are beyond its control, such as general economic conditions, the availability of credit from financial institutions, and global and European monetary policy. In addition, a deterioration in the Group's business results, financial condition or credit ratings could lead to higher financing costs or other unfavourable commercial terms. The Group may not be able to obtain financing and any financing that it can obtain may not be on terms satisfactory to the Group. Moreover, in the event of a severe banking crisis in which liquidity in the banking system is constrained, there is a risk that the Group's financial counterparties will not be able to provide funds under the facilities agreed with the Group.

The Group also relies on its ability to raise capital in the equity and equity-linked markets. The market price of the Group's shares has been volatile in the past, and may continue to fluctuate in the future, due to a variety of factors, many of which are beyond the Group's control. As a result, the volatility of the Group's share price may impair its ability to access the equity and equity-linked markets or obtain capital on terms satisfactory to it. If capital is not available when needed, or is available only on unfavourable terms, the Group may not be able to execute its business strategy, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

If the Group is unable to access funding available under its existing or new credit facilities, it may be unable to meet its financial obligations, including interest payments, loan or bonds repayments, operating expenses, development costs and dividends, when they become due or to replace funds needed to finance its operations.

If any of the foregoing circumstances were to arise, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects as well as the Issuer's ability to pay interests as principal under the Bonds.

The Group's business is subject to risks concerning the credit quality of counterparties to the Group's financial instruments ("credit risk").

Changes in the credit quality of the companies that serve as the Group's counterparties with respect to financial instruments may affect the value of those instruments. In the normal course of business, the Group enters into certain interest rate hedging instruments, such as caps, generally combined with the sale of floors, or interest rate swaps to cover its overall interest rate risk exposure. The Group is exposed to the risk of default of its hedge counterparties. Most of the Group's hedge counterparties do not post collateral and, if such counterparties default as to payment, the Group is likely to experience losses and reduced liquidity. Although the Group seeks to deal only with counterparties of high creditworthiness, by entering into derivatives with them, the Group assumes the risk that its counterparties could experience financial hardships. In the event of default or insolvency of a counterparty, the Group may sustain losses or be unable to liquidate a derivatives position. The realisation of any of these risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to interest rate risk.

Interest rates are highly sensitive to many factors beyond the Group's control, including the fiscal and monetary policies of governments and central banks in the jurisdictions in which the Group operates. In particular, the policies of the EU's Economic and Monetary Union as well as the European Central Bank can have a significant impact on the interest rates and such policies are subject to change.

While the Group historically has entered into financial instruments to hedge its exposure to movements in interest rates, these instruments may not be effective, particularly if interest rate changes remain within certain thresholds. As a result, an increase in interest rates that remains below the interest rate threshold covered by the Group's hedging instruments will affect the amount of interest payments on its debt. As most of the Group's debt is contracted on a floating rate basis and the Group's debt contracted at fixed interest rates has often been converted into floating rate debt using derivative instruments, the Group is exposed to the risk of a rise in short-term rates which could result in higher interest payments on its debt.

The Group has historically used caps, generally combined with the sale of floors, and interest rate swaps to cover its overall interest rate risk exposure. Changes in interest rates affect the fair value of these instruments recorded in the Group's financial statements. In particular, a fall in the interest rates below their current levels would adversely impact the fair value of the Group's hedging instruments and the Group's income statement. Further, changes in interest rates may increase the costs of unwinding hedging instruments as a result of changes in the fair market value of such instruments at the time of their unwinding relative to their fair market value as recorded at the end of the previous quarter. The realisation of any of these risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to the risk of non-compliance with certain covenants under its existing debt arrangements.

The Group depends significantly on the readiness of its financing counterparties to extend financing to the Group on acceptable terms for new projects as well as to refinance existing loans that are maturing. The earnings potential of its portfolio is, therefore, significantly influenced by developments in the credit markets. General conditions for financing real estate are subject to constant change, in particular in the levels of interest rates in general and for the real estate sector in particular.

Under its existing credit facilities, the Group's loan-to-value ratio (the "LTV ratio") may not exceed 60 per cent. and the LTV ratio may not exceed 57.5 per cent. for more than six months at a time. The Group is also subject to interest cover ratios under its existing credit facilities. There can be no assurance that the Group will continue to maintain the LTV and interest cover ratios or comply in the future with the covenants under the Group's existing debt arrangements, which could result in a cancellation of existing loans and mandatory early repayment of outstanding amounts.

In addition, a breach of any of the covenants to pay amounts due above certain threshold under certain of the Group's debt arrangements could result in an event of default. Such a default could allow debt holders (including the holders of the Bonds, in the circumstances set out in "Terms and Conditions of the Bonds"), to accelerate such debt as well as any other debt to which a cross-default provision applies, declare all borrowings outstanding thereunder to be due and payable and/or to cancel undrawn commitments.

The realisation of any of these risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Any downgrading in the credit rating of the Issuer may affect its ability to raise new loans and increase its costs of funding.

The Issuer has been rated by Standard & Poor's. There can be no guarantee that this rating will not be downgraded. The ratings provided by Standard & Poor's may be suspended, withdrawn or revised at any time. Any revision or downgrading in the Issuer's credit rating may adversely affect the Issuer's ability to raise new loans either from financial institutions or in the capital markets and increase its costs of funding.

Factors which are material for the purpose of assessing the market risks associated with the Bonds

The Bonds may not be a suitable investment for all investors

Each potential investor in any Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex debt financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Bonds which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under

changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the Bonds generally

Set out below is a brief description of certain risks relating to the Bonds generally:

Modification and waivers

The Terms and Conditions of the Notes contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Unsecured obligations of the Issuer which do not benefit from any guarantee

The right of the Bondholders to receive payment on the Bonds is not secured or guaranteed. The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 1(c)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are mandatory of general application. Upon a winding-up of the Issuer or if insolvency proceedings are brought in relation to the Issuer, the Bonds will be effectively subordinated to all of the Issuer's secured indebtedness, to the extent of the value of the collateral securing such indebtedness.

EU Directive on the taxation of savings income

EC Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive") requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment to an individual were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

The Issuer may not have the ability to repay the Bonds

The Issuer may not be able to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds in the event of a default as set out in the Terms and Conditions. If the Bondholders were to ask the Issuer to repay their Bonds following an event of default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer’s ability to repay the Bonds will depend on the Issuer’s financial condition (including its cash position resulting from its ability to receive income and dividends from its subsidiaries) at the time of the requested repayment. The Issuer’s failure to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

Change of law

The Terms and Conditions of the Bonds are based on Belgian law in effect as at the date of issue of the Bonds. No assurance can be given as to the impact of any possible judicial decision or change to Belgian law or administrative practice after the date of issue of the Bonds.

The Issuer may be able to incur substantially more debt in the future.

The Issuer may incur substantial additional indebtedness in the future, some of which may be structurally senior in right of payment to the Bonds, including in connection with future acquisitions, some of which may be secured by some or all of the Issuer’s assets. The Terms and Conditions of the Bonds will not limit the amount of indebtedness the Issuer may incur.

A holder’s effective yield on the Bonds may be diminished by the tax impact on that holder of their investment in the Bonds

Payments of interest on the Bonds, or profits realised by the holder upon the sale or repayment of the Bonds, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. Holders of the Bonds should contact their own tax advisers for advice on the tax impact of an investment in the Bonds. See “*Taxation*”.

Issuer’s insolvency and bankruptcy

The Issuer has been incorporated in Belgium under the laws of the Kingdom of Belgium as a commercial company and is subject to Belgian insolvency legislation. There can be no assurance that the Issuer will not be declared insolvent or bankrupt. Furthermore, the Bonds are unsecured obligations of the Issuer.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

No established trading market may have developed since the date of issue of the Existing Bonds, as a consequence of which the Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, and notwithstanding the fact that the

Bonds will be consolidated and form a single series with the Existing Bonds, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds. Further, the market for debt securities is influenced by economic and market conditions, interest rates and currency exchange rates. Global events may lead to market volatility which may have an adverse effect on the price of the Bonds.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro (the "Specified Currency"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Bonds are legal investments for it, (2) Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Bonds, or to other securities issued by the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be downgraded revised or withdrawn by the rating agency at any time.

Terms and Conditions of the Bonds

The following, save for the paragraphs in italics, is the text of the Terms and Conditions of the Bonds, to be consolidated and form a single series with the Existing Bonds.

The issue of the Bonds was authorised by a resolution of the Board of Directors of the Issuer passed on 27 September 2012. The Bonds are issued subject to and with the benefit of a domiciliary and paying agency agreement entered into about 6 August 2012, as amended and supplemented by a supplemental domiciliary and paying agency agreement to be entered into on or about 22 October 2012, between the Issuer and BNP Paribas Securities Services SCA, Brussels branch, acting as domiciliary and paying agent (the "Agent"), which expression shall include any successor Agent under the Agency Agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "Agency Agreement"). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of the Agent (Boulevard Louis Schmidt 2, 1040 Brussels, Belgium). The Bondholders are bound by and deemed to have notice of all provisions of the Agency Agreement applicable to them.

References herein to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

(a) Form, Denomination and Title

The Bonds are in dematerialised form in accordance with Article 468 of the Belgian Company Code. The Bonds will be represented by book entry in the records of the clearing system operated by the National Bank of Belgium ("NBB") or any successor thereto (the "NBB System"). The Bonds can be held by their holders through participants in the NBB System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear, Clearstream, Luxembourg, or other participants in the NBB System. The Bonds are accepted for clearance through the NBB System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 (each as amended or re-enacted or as their application is modified by other provisions from time to time) and the rules of the NBB System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the "NBB System Regulations"). Title to the Bonds will pass by account transfer. The Bondholders will not be entitled to exchange the Bonds into definitive bonds in bearer form.

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator.

The Bonds are in principal amounts of EUR 100,000 each (the "Specified Denomination") and can only be settled through the NBB System in nominal amounts equal to that denomination or integral multiples thereof.

(b) Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 1(c) (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any

preference among themselves. The payment obligations of the Issuer under the Bonds shall, subject to Condition 1(c) (*Negative Pledge*) and save for such exceptions as may be provided by applicable legislation, at all times rank at least equally and rateably with all its respective other present and future unsecured and unsubordinated obligations but, in the event of a winding-up, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

(c) Negative Pledge

So long as any Bond remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any Security Interest for the benefit of any one or more creditors, upon assets representing in aggregate 30 per cent. or more of the consolidated gross assets of the Group (measured on the basis of the latest available consolidated financial statement of the Issuer), unless the benefit of such Security Interest is extended to secure the Bonds equally and rateably.

The provisions of this Clause 1(c), however, do not apply to Security Interests arising pursuant to mandatory provisions of law.

2 Definitions and Interpretation

(a) Definitions

In these Conditions, unless otherwise provided:

"**Bondholder**" means, in respect of any Bond, the person entitled thereto in accordance with the NBB System Regulations.

"**Existing Bonds Issue Date**" means 7 August 2012.

"**EUR**", "**euro**" or "**€**" means the currency of the economic and monetary union established in accordance with Article 3.4 of the Treaty on European Union.

"**Event of Default**" means each of the events set out in Condition 7.

"**Extraordinary Resolution**" means a resolution passed at a meeting of Bondholders duly convened and held in accordance with Condition 9 by a majority of not less than three quarters of the votes cast.

"**Group**" means the Issuer and each of its Subsidiaries from time to time.

"**Material Subsidiary**" means a subsidiary of the Issuer:

(a) whose operating profits represent 10 per cent. or more of the consolidated operating profits of the Group or whose assets represent 10 per cent. or more of the total consolidated assets of the Group, those consolidated operating profits or assets being measured on the basis of the latest available consolidated financial statement of the Issuer; or

(b) to which is transferred all or a substantial part of the assets and liabilities of another Subsidiary which immediately prior to such transfer was a Material Subsidiary.

"**New Issue Date**" means 23 October 2012.

"**Security Interest**" means any mortgage, charge, lien, pledge or other security interest (*sûreté réelle/zakelijke zekerheid*).

"**Subsidiary**" means, at any particular time, a company or other entity which is then directly or indirectly controlled, or more than 50 per cent. of whose issued share capital (or equivalent) is then beneficially owned by the Issuer and/or one or more of its Subsidiaries. For this purpose, for a

company to be "**controlled**" by another means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the Board of Directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company.

"**TARGET Business Day**" means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer TARGET2 payment system, or any successor thereto.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

3 Interest

(a) Interest Rate

The Bonds bear interest on their outstanding principal amount from and including the Existing Bonds Issue Date at the rate of 3.598 per cent. per annum, payable annually in arrear on 7 February in each year (each an "**Interest Payment Date**"), except that the first payment of interest, to be made on 7 February 2013, will be in respect of the period from and including 7 August 2012 to but excluding 7 February 2013 and will be calculated on an actual/actual basis.

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions, the period beginning on and including the Existing Bonds Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "Interest Period".

Interest in respect of any Bond shall be calculated per Specified Denomination. The amount of interest payable per Specified Denomination for any period shall be equal to the product of 3.598 per cent, the Specified Denomination and the day-count fraction for the relevant period, rounding down the resulting figure (as calculated in respect of the nominal amount of Bonds held by a holder in its account with the NBB, for so long as the Bonds are represented by book entry in the NBB Clearing System) to the nearest cent.

(b) Accrual of Interest

Each Bond will cease to bear interest from the due date for redemption or repayment unless payment of principal is improperly withheld or refused by the Issuer. In such event it shall continue to bear interest at such rate (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are paid by the Issuer to the Agent for the benefit of the Bondholders.

4 Redemption and Purchase

(a) Final Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 7 February 2020 (the "Maturity Date"). The Bonds may not be redeemed at the option of the Issuer other than in accordance with Conditions 4(b) (*Redemption for taxation reasons*) and 4(c) (*Redemption at the Option of Bondholders upon a Change of Control Prepayment Event*).

(b) *Redemption for Taxation reasons*

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 and no more than 60 days' notice to the Bondholders in accordance with Condition 10 (*Notices*) (which notice shall be irrevocable) at their principal amount (together with interest accrued to the date fixed for redemption), if :

(i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Belgium, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Existing Bonds Issue Date, and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds would then due. Prior to the publication of any notice of redemption pursuant to this Condition 4(b), the Issuer shall deliver to the Agent (x) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (y) an opinion of independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Issuer shall redeem the Bonds after the expiry of the notice referred to in this Condition 4(b).

(c) Redemption at the Option of Bondholders upon a Change of Control Prepayment Event

(i) Exercise of Put Option

In the event that a Change of Control Prepayment Event occurs then each Bondholder will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at the Put Redemption Amount (as defined below).

To exercise such right, the relevant Bondholder must, during the Change of Control Put Exercise Period, deposit a duly completed put option notice (a "**Change of Control Put Exercise Notice**"), substantially in the form as provided by the Agent, with the Agent and transfer the relevant Bond(s) to the account of the Agent. Upon receipt of such Change of Control Put Exercise Notice, the Agent shall deliver a duly completed receipt for such Change of Control Put Exercise Notice to the depositing Bondholder and provide promptly a copy of the Change of Control Put Exercise Notice to the Issuer. The Agent will inform the Issuer of the total amount of Bonds subject to Change of Control Put Exercise Notices no later than the fifth TARGET Business Day following the end of the Change of Control Put Exercise Period.

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

Bondholders should note that the exercise by any of them of the option set out in Condition4(c)(i) will only be effective under Belgian law if, prior to the occurrence of the Change of Control Prepayment Event, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such Change of Control Resolutions have been filed with the Clerk of the Commercial Court of Brussels (greffe du tribunal de commerce / griffie van de rechtbank van koophandel). The Issuer has undertaken pursuant to Condition 4(c)(ii) to use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the latest at the next annual general meeting of Shareholders of the Issuer and to file a copy of the resolutions immediately thereafter with the Clerk of the Commercial Court of Brussels (greffe du tribunal de commerce / griffie von de rechtbank van koophandel). If a Change of Control Prepayment Event occurs prior to the approval and filing of the Change of Control Resolutions, holders will not be entitled to exercise the option set out in Condition4(c)(i). There can be no assurance that such approval will be granted at such meeting.

If, as a result of this Condition 4(c)(i), holders of the Bonds submit Change of Control Put Exercise Notices in respect of at least 85 per cent. of the aggregate principal amount of the Bonds for the time being outstanding, the Issuer may, having given not less than 15 nor more than 30 days notice to the Bondholders in accordance with Condition 10 (*Notices*) (which notice shall be irrevocable and shall specify the Change of Control Put Date), redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified above.

Change of Control Notice

Within 10 TARGET Business Days following a Change of Control Prepayment Event, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 10 (*Notices*) (a "Change of Control Notice"). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 4(c)(i).

The Change of Control Notice shall also specify:

(i) the nature of the Change of Control;

(ii) the last day of the Change of Control Put Exercise Period;

(iii) the Change of Control Put Date; and

(iv) the Put Redemption Amount.

(ii) If the Change of Control Resolutions are not passed

If by not later than 31 May 2013 (the "Long Stop Date"):

(i) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or

(ii) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Brussels,

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the rate of interest payable on the Bonds shall be increased by 0.50 per cent. per annum.

The Issuer shall use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the latest at the next annual general meeting of Shareholders of the Issuer and to file a copy of the resolutions immediately thereafter with the Clerk of the Commercial Court of Brussels. For the purposes of this Condition 4(c):

A "**Change of Control Prepayment Event**" occurs if, within the period of 120 days from and including the date on which a Change of Control occurs, either (i) the Issuer has a Corporate Credit Rating at the time of such Change of Control and a Rating Downgrade occurs or (ii) at such time the Issuer has no Corporate Credit Rating and the Issuer fails to obtain (whether by failing to seek a rating or otherwise) a Corporate Credit Rating from a Rating Agency of at least Investment Grade (a "Negative Rating Event"), in each case after giving *pro forma* effect to the transaction giving rise to such Change of Control (that Change of Control and the related Rating Downgrade or, as the case may be, Negative Rating Event, together (but not individually) constituting the Change of Control Prepayment Event). If at the time such Change of Control occurs the Issuer has a Corporate Credit Rating, the Issuer shall within 10 TARGET Business Days of such Change of Control give written notice thereof to the applicable Rating Agency.

A "**Change of Control**" shall occur if an offer is made by any person to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled (such entitlement being unconditional and not being subject to any discretion of the offeror as to whether to exercise it or not) to acquire as a result of such offer, post completion thereof, ordinary shares or preferential shares or other voting rights of the Issuer so that it has the right to cast more than 50 per cent. of the votes which may ordinarily be cast at a general meeting of the Issuer.

The "**Change of Control Put Date**" shall be the 14th TARGET Business Day after the last day of the Change of Control Put Exercise Period.

"**Change of Control Put Exercise Notice**" means a notice given by a Bondholder requiring the Issuer to redeem a Bond on a Change of Control Put Date in accordance with Condition 4(c)(i).

"**Change of Control Put Exercise Period**" means the period commencing on the date of a Change of Control Prepayment Event and ending 120 calendar days following the Change of Control Prepayment Event, or, if later, 120 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 4(c)(ii)

"**Change of Control Resolutions**" means one or more resolutions duly passed, approved or adopted at a general meeting of Shareholders of the Issuer approving the provisions of Condition 4(c) (i).

"**Corporate Credit Rating**" means a rating of the Issuer of at least Investment Grade.

"**Investment Grade**" means a rating of BBB- (Standard & Poor's), Baa3 (Moody's) and BBB- (Fitch), or their respective equivalents for the time being, or better.

"**Put Redemption Amount**" means 100 per cent. of the principal amount of each Bond.

"**Rating Agency**" means Standard & Poor's Ratings Services, Moody's Investors Service Ltd. or Fitch IBCA or any of their respective subsidiaries and their successors.

"**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if, within 120 days from and including the date on which the Change of Control occurs, the rating assigned to the Issuer by any Rating Agency provided at the invitation of the Issuer which is current immediately before the time the Change of Control occurs (i) if Investment Grade, is either lowered by such Rating Agency such that it is no longer Investment Grade or withdrawn and not replaced by an Investment Grade rating of another Rating Agency or (ii) if below Investment Grade, is not raised by such Rating Agency to Investment Grade.

"Shareholders" means the holders of ordinary shares or preferential shares issued by the Issuer.

(d) Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

(e) Cancellation

All Bonds which are redeemed will be cancelled and may not be re-issued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held or resold at the option of the Issuer or relevant Subsidiary, or cancelled.

5 Payments

(a) Method of Payment

Payments of principal, interest and other sums due under the Bonds will be made in accordance with the NBB System Regulations through the NBB, and any payment so made to the NBB will constitute good discharge for the Issuer. Each payment in respect of the Bonds pursuant to this Condition 5(a) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(b) Payments subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 6 (*Taxation*).

(c) Payments on TARGET Business Days

If any date for payment in respect of any Bonds is not a TARGET Business Day, the Bondholder shall not be entitled to payment until the next following TARGET Business Day, nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

(d) Paying and Domiciliary Agent

The initial Agent and its initial specified office are stated above. The Issuer reserves the right under the Agency Agreement at any time to vary or terminate the appointment of the Agent and appoint another paying and domiciliary agent, provided that it will at all times maintain a paying and domiciliary agent which is a participant in the NBB Clearing System. Notice of any change in the Agent or its specified office will promptly be given by the Issuer to the Bondholders in accordance with Condition 10.

(e) No Charges

The Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment in respect of the Bonds.

6 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

***(a) Other connection**:*

Held by or on behalf of a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of its having some connection with the Kingdom of Belgium other than the mere holding of the Bond; or

***(b) Payment to individuals**:*

where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

***(c) Non-Eligible Investor**:*

to a Bondholder, who at the time of issue of the Bonds, was not an eligible investor within the meaning of Article 4 of the Belgian royal decree of 26 May 1994 on the deduction of withholding tax or to a Bondholder who was such an eligible investor at the time of issue of the Bonds but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or

***(d) Conversion into registered securities**:*

to a Bondholder who is liable to such Taxes because the Bonds were upon its request converted into registered Bonds and could no longer be cleared through the NBB System.

7 Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing:

***(a) Illegality**:*

it becomes unlawful for the Issuer to perform its obligations under the Bonds;

***(b) Non-payment**:*

the Issuer fails to pay the principal of or interest on any of the Bonds when due and such failure continues for a period of seven TARGET Business Days;

***(c) Breach of other covenants**:*

the Issuer fails to perform or comply with any one or more of its covenants (other than in respect of payment as contemplated in Condition 5) in connection with the Bonds and such failure continues for a period of 15 TARGET Business Days after notice thereof is given by any Bondholder to the Issuer;

***(d) Breach of Euro MTF requirements**:*

the Bonds are delisted or suspended from the Euro MTF market for a period of 15 consecutive TARGET Business Days for a reason attributable to the Issuer, unless the Issuer obtains an effective listing and admission to trading of the Bonds on another regulated market or multilateral trading facility within the European Economic Area by the end of that period;

***(e) Cross-default**:*

the Issuer or any of its Material Subsidiaries fails to pay any indebtedness in an aggregate amount of EUR 20,000,000 on the due date therefor or (as the case may be) within any originally applicable grace period in respect thereof, and (a) a formal demand (*mise en demeure / aanmaning*) for payment thereof has been made by the creditors concerned or (b) one or more holders of the 5 per cent. 2009-2014 bonds or of the 3.125 per cent. 2011-2016 convertible bonds of the Issuer have demanded early repayment of these bonds by reason of such failure;

***(f) Reorganisation or change of business**:*

the Issuer or any of its Material Subsidiaries is subject to any reorganisation which leads to a reduction of more than 50 per cent. of the assets of the Group (measured on the basis of the latest available consolidated financial statements of the Issuer), or a substantial change occurs in the business of the Issuer or the Group which is prejudicial to the interests of the Bondholders, unless in each case the Issuer has been able to remedy the same within a period of three months; or

***(g) Bankruptcy or insolvency**:*

the Issuer or any of its Material Subsidiaries is in a situation of cessation of payments, a liquidator (save in the case of a voluntary liquidation of a Material Subsidiary in the context of an internal reorganisation), a judicial administrator or an ad hoc representative is appointed to the Issuer or any of its Material Subsidiaries, or any corporate action, legal proceedings or other procedure or step is taken in relation to the liquidation, the amicable or judicial dissolution, an amicable or judicial moratorium of all or a material part of the indebtedness, the judicial reorganisation or the bankruptcy of, or any similar situation in respect of, the Issuer or any of its Material Subsidiaries (provided that summons for

bankruptcy or judicial reorganisation given by a third party will only constitute an Event of Default if they have not been dismissed within 60 days of service),

then, each Bondholder may, by written notice addressed to the Issuer and delivered to the Issuer with a copy to the specified office of the Agent, declare its Bonds to be immediately due and payable, whereupon such Bonds shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.

8 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within a period of 10 years in the case of principal and five years in the case of interest following the due date for payment thereof.

Claims against the Issuer for payment in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within a period of 10 years following the due date for payment thereof.

9 Meetings of Bondholders, Modification and Waiver

(a) Meetings of Bondholders:

Meetings of Bondholders may be convened to consider matters relating to the Bonds, including the modification or waiver of any provision of these Conditions. Any such modification or waiver may be made if sanctioned by an Extraordinary Resolution. For the avoidance of doubt, any such modification or waiver shall always be subject to the consent of the Issuer.

All meetings of Bondholders will be held in accordance with the provisions of Article 568 et seq. of the Belgian Company Code with respect to Bondholders' meetings. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Bondholders holding not less than one fifth of the aggregate principal amount of the outstanding Bonds. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the Bonds for the time being outstanding. No quorum is required at any adjourned meeting.

A meeting of Bondholders will be entitled (subject to the consent of the Issuer) to exercise the powers set out in Article 568 of the Belgian Company Code and generally to modify or waive any provision of these Conditions (including any proposal (i) to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment; (ii) to effect the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) to change the currency in which amounts due in respect of the Bonds are payable; or (iv) to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution) in accordance with the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal.

Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting at which such resolution was passed and whether or not they vote in favour of such a resolution.

Convening notices for meetings of Bondholders shall be made in accordance with Article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (*Moniteur Belge / Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium. Convening notices shall also be made in accordance with Condition 10 (*Notices*).

A resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) Modification and Waiver:

The Agency Agreement, any agreement supplemental to the Agency Agreement and these Conditions may be amended without the consent of the Bondholders to correct a manifest error or to comply with mandatory provisions of law. In addition, the parties to the Agency Agreement may agree to modify any provision thereof or any agreement supplemental to the Agency Agreement, but the Issuer shall not agree, without the consent of the Bondholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the parties to the Agency Agreement, not materially prejudicial to the interests of the Bondholders.

(c) Meetings of shareholders and right to information:

The Bondholders shall be entitled to attend all general meetings of the shareholders of the Issuer, in accordance with article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

10 Notices

Notices to the Bondholders shall be valid if (i) delivered by or on behalf of the Issuer to the Clearing System for communication by it to the Clearing System participants and (ii) published on its website (at the New Issue Date of the Bonds: www.cofinimmo.com). Any such notice shall be deemed to have been given on the latest day of (i) the date and at the time of its delivery to the Clearing System and (ii) publication on its website.

The Issuer shall further ensure that all notices are duly published in a manner which complies with the rules and regulations of the Euro MTF and on any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication. So long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market, notices to the holders of the Notes shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and/or in a daily newspaper with general circulation in Luxembourg (which is expected to be the Luxemburger Wort).

11 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine

at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds.

12 Governing Law and Jurisdiction

(a) Governing Law

The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Belgian law.

(b) Jurisdiction

The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds and any non-contractual obligations arising out of or in connection with the Agency Agreement or the Bonds ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Description of Issuer

General Information

Corporate name:	Cofinimmo SA/NV.
Registered office:	Boulevard de la Woluwe 58, 1200 Brussels, Belgium.
Telephone number:	+32 2 373 00 00.
Date of incorporation:	29 December 1983.
Duration:	Unlimited term.
Corporate form:	Limited liability company (société anonyme / naamloze vennootschap) organized under the laws of Belgium, making or having made a call on public savings within the meaning of Article 438 of the Belgian Company Code.
Regulatory status:	Since 1 April 1996, the Issuer has been approved as a société d'investissement à capital fixe immobilière publique / openbare vennootschap met vast kapitaal voor belegging in vastgoed, in short sicafi publique / openbare vastgoedbevak (public closed-end real estate investment company). It is registered with the FSMA. In that capacity, Cofinimmo is subject to the SICAFI legislation.
Register of legal entities:	RPR (Brussels) 0426.184.049.
Financial year:	1 January to 31 December.
Interim statements	In addition to its annual financial statements, the Issuer publishes quarterly and half-yearly financial statements.

Corporate Purpose and Investment Policy

Corporate purpose

The corporate purpose of the Issuer is set forth in article 3 of the articles of association as follows (in translation from the French original text).

The Issuer's principal purpose is the collective investment in real estate.

Consequently, as its principal activity, the Issuer invests in real estate, as defined in the SICAFI legislation, being:

- real estate as defined in Articles 517 et seq. of the Civil Code and in rem rights on real estate;
- shares with voting rights issued by real estate companies and shares in institutional SICAFIs, provided a joint or exclusive control on such companies exists;
- shares in public SICAFIs;
- option rights on real estate;
- shares of foreign REITS, within the conditions laid out in the SICAFI legislation;
- real estate certificates;

- rights arising from contracts pursuant to which one or more assets are leased (financial lease) to the company or granting similar rights of use.

To that effect the Issuer may carry out all operations relating to real estate assets such as the purchase, transformation, fitting out, letting, subletting, management, exchange, sale, development, transfer to common ownership, investment, whether by merger or otherwise, in any enterprise with similar or supplementary activities, and, more generally, all operations directly or indirectly linked to the company's corporate purpose. The Issuer may not act as a real estate developer except on an occasional basis.

As an accessory or temporary activity, the Issuer may invest in certain other securities. Such investments shall be diversified in order to ensure the adequate spreading of risk. The Issuer may hold short-term liquid funds in any currency as current or deposit accounts or in the form of any money market instrument which can easily be converted. The Issuer may in addition carry out securities lending transactions and hedging transactions, provided the latter exclusively aim at hedging interest and foreign exchange risks. The Issuer is not allowed to enter into any securities lending or hedging transactions for speculative purposes.

The Issuer and its subsidiaries may give one or more real estate properties in finance lease. Finance lease activity with purchase options on the real estate properties may only be carried out on an ancillary basis, unless the relevant real estates properties have a public interest destination in which case the activity may be carried out on a principal basis.

In carrying out its activities and operations, the Issuer must comply with all rules and limitations provided for in the SICAFI legislation and any other applicable legislation.

Investment Policy

Article 4 of the articles of association of the Issuer describes the Issuer's investment policy as follows.

Collective investment in real estate property will be made in the first instance in office properties, residential properties, nursing homes and clinics, commercial properties, semi-industrial properties and warehouses, in Belgium, in France and in the Netherlands and on an ancillary basis: in any type of real estate property located in Europe.

In order to ensure adequate allocation of the investment risk, the real estate investments of the Issuer and its subsidiaries are divided into six categories:

- office properties leased on a long-term basis to regional, federal or international public authorities;
- other office properties;
- commercial properties;
- semi-industrial properties;
- residential properties and/or nursing homes and clinics
- on an ancillary basis: all other types of properties, including but not limited to properties used for housing, lots, forestry.

Business

General

The Issuer is the largest listed Belgian real estate company by portfolio (in fair value) and market capitalisation as at 31 December 2011, focusing on acquisition, ownership and management of commercial property in Belgium, France and the Netherlands. The Issuer operates as a closed-end property investment company incorporated under the laws of Belgium. It is licensed as a REIT in Belgium (under the sicafi/vastgoedbevak regime) and supervised by the FSMA. Cofinimmo France and certain of the Issuer's other French subsidiaries have elected to be taxed on the basis of the Société d'investissement Immobiliers Cotés (SIIC) tax regime, which is the French REIT regime.

It is listed on Euronext Brussels, where it is included in the BEL20 index. Its shareholders are mainly private individuals and institutional investors from Belgium and abroad. As at 31 December 2011, Cofinimmo's market capitalisation amounted to approximately €1,471 million.

Its core investment segments are office property and nursing and care institutions, which represented 48.7 per cent. and 33.9 per cent. respectively of the Group's total portfolio as at 31 December 2011. The portfolio also includes a "Distribution property networks" segment, which accounted for 16.1 per cent., grouping the Pubstone portfolio (pubs leased to AB Inbev) and the Cofinimur I portfolio (insurance branches leased to Maaf).

The majority of the assets are located within the Belgian territory (79.5 per cent. as at 31 December 2011). The foreign part consists of nursing homes/clinics and the Cofinimur I portfolio in France (15.9 per cent.) and the Pubstone portfolio in the Netherlands (4.6 per cent.). As at 31 December 2011, the properties had an area of 1,790,071m² and a fair value of €3,189.4 million.

No single property has a fair value exceeding 5 per cent. of the Cofinimmo's total portfolio. As at 31 December 2011, the top ten properties by fair value represented 22.5 per cent. of Cofinimmo's portfolio.

As at 31 December 2011, the top ten tenants of Cofinimmo were AB InBev (13.6 per cent. of contractual rents), the Federal Buildings Agency in Belgium (10.5 per cent.), Korian Group (8.8 per cent.), Armonea, (6.8 per cent.), Senior Living Group (6.6 per cent.), the EU institutions (5.9 per cent.), AXA Group (5.1 per cent.), MAAF (3.5 per cent.), Belfius Bank (3.1 per cent.) and Senior Assist (2.7 per cent.).

The Issuer's strategic priorities are the creation of value for its investors, a sound relationship of trust with its clients and sustainable management of its investments.

The Issuer is an independent company, which manages its properties and clients-tenants in-house. This internalised property management aims to provide an all-in one property solution to its tenants and includes services such as the fitting out of office space, maintenance and security. Although some of these services are subcontracted, Cofinimmo acts as a single contact point for its tenants.

Offices

As at 31 December 2011, Cofinimmo's office portfolio consisted of 87 buildings[2] representing a total area of 787,493m² above ground and a fair value of €1,551.56 million. These office buildings are all located in Belgium, with the vast majority in Brussels approximately 43.1 per cent.

2011 was marked by the debt crisis and the resulting economic slowdowns. As a result the general business climate is characterised by prudence and cost control, both of which do little to boost the office rental market.

[2] Business parks are considered as a single asset, but may be composed of several buildings.

In 2011, gross take-up on the Brussels market remained well below the 400,000 m² threshold recorded in 2009, i.e. it has reached its lowest level in 10 years. This very low take-up, generally caused by relocation accompanied by downsizing of office space, has not had any significant beneficial effect on the overall vacancy rate in Brussels, which remained at 11.5 per cent. or 1.5 million m² at year end 2011[3].

On the other hand, there is surplus supply of office area, more than a quarter of which exists in buildings delivered less than five years ago. A positive trend is that the delivery of new projects, which had already started to decrease in 2010, continued to fall in 2011, reaching 189,000m²[4], i.e. equally its lowest level for 10 years.

This situation has affected rental levels, which are still under pressure. However, very few new development projects at risk have been initiated in 2011.

Nursing homes / clinics

In view of the current and expected trends in the demography of the dependent elderly and consequently in infrastructural needs, Cofinimmo pinpointed nursing and care homes as a property investment segment at the end of 2005. Six and a half years later, after intensive development in Belgium and France, the Issuer has the largest portfolio in healthcare property in Continental Europe.

Demographic evolution

Demographic projections[5] indicate that the number of people in the regions in which Cofinimmo operates aged over 60 will increase by 60 per cent. between now and 2050. As a result, no less than one out of three persons will be over 60 on that date. This growth will be even greater for the highest age bracket (over 80s), for whom the trend shows an increase of no less than 150 per cent. over the same period.[6]

Although people enter a nursing home increasingly late in life, their degree of dependence is particularly high. This dependence is further accentuated by the decrease in the number of home helpers, generally from the immediate family, and their own ageing as life expectancies increase.

Legislation

Belgian and French residential care services are governed by a strict authorisation and accreditation system, constituting a high entry barrier. As a result of this regulation, the two countries have occupancy rates of nearly 100 per cent.

The social security system participates in the daily fee to be paid by the occupants at approximately 50 per cent. and 20-30 per cent.[7] respectively for Belgium and France, the remaining part being covered by insurance bodies (mutual or private insurance companies, etc.) and by the resident.

Market

The market for care homes remains highly fragmented, the structures and sizes of establishments being highly diverse with the number of individual homes still very high, though with a trend towards consolidation.

Both in Belgium and in France, care institutions operators are from the public sector, non-profit organisations or the private commercial sector. In Belgium, each holds approximately a third of the total housing capacity,

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[3] Source: DTZ Wissinger et Associés

[4] Source: DTZ Wissinger et Associé

[5] Source: Ageing Working Group/European Commission, INSEE, SPF/FOD Economie, DREES.

[6] Source: Ageing Working Group/European Commission, INSEE, SPF/FOD Economie, DREES.

[7] With the exception of psychiatric clinics and rehabilitation centre in France for which the participation varies between 75 per cent. and 100 per cent.

while in France the public sector represents nearly half of the beds as against 30 per cent. for the private sector.

However, it is the private sector that has grown most markedly over the last ten years, with similar trends in the two countries.

In view of these dependency rates, there is a shortfall in the number of care homes. For 2011, the number of beds available in Belgium stood at approximately 130,000 and in France at 684,000[8], which falls short of the needs identified in demographic estimates. Furthermore, the quality of the accommodation in nursing and care homes is often insufficient, requiring partial or total renovation.

Cofinimmo

In this context, Cofinimmo believes it can play an important role. More specifically, Cofinimmo invests in rest homes (called Établissements d'Hébergement pour Personnes Âgées Dépendantes ("EHPAD") in France), nursing and care homes, service flats, rehabilitation centres (called cliniques de Soins de Suite et de Réadaptation ("SSR") in France) and psychiatric clinics. It invests exclusively in establishments approved by public authorities.

To achieve this, Cofinimmo enters into arrangements with the major nursing and care houses operators in the Belgian and French markets[9], pursuant to which it acquires their properties or builds a new one for long-term let (27 years in Belgium, 12 years in France). These acquisitions are subject to prior due diligence to analyse the profitability of the project and also the solvency of the operators. This solvency analysis is repeated annually, with the operators undertaking to provide regular financial reports. Cofinimmo offers operators access to real estate and architectural expertise. As a property company with its own project management department specialising in the health segment, in renovation and construction projects, it acts as a consultant in sustainable and ecological construction techniques.

At year end 2011, the Issuer's share in the Belgian and French markets stood at approximately 5.5 per cent. and less than 1 per cent. respectively[10]. Today these markets continue to be dominated by the public sector and charities. With a 100 per cent. occupancy rate and leases mainly of the triple net[11] kind, signed for a long-term with operators, these investments have a particularly stable and perennial rental profile. The rates are fixed and do not depend on the occupancy rate by the residents. They are also indexed annually. As for ends of lease, most lease agreements provide for the possibility to extend leases for two consecutive nine-year periods in Belgium and for nine to 12 years in France. In the event of non-extension of the long term lease (Belgium) or of the commercial lease (France), Cofinimmo will seek to lease the property to another operator or will consider its redevelopment, in particular as a residential property. The relatively low price per square meter resulting from the alignment of the rates at a level compatible with long-term operation by the operators, offers potential in the event of conversion into housing.

As at 31 December 2011, Cofinimmo's total nursing homes and clinics portfolio consisted of 118 properties, with approximately 12,500 beds for residents (7,700 in Belgium and 4,800 in France), representing a total area of 577,532m² aboveground and a fair value of €1,080.36 million.

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[8] With a need for 7,500 to 10,000 new beds per year.

[9] In number of beds in France, the four leading private healthcare operators in descending order are: Orpea, Korian, Medica and Dolcea. In Belgium, these are Armonea, Senior Living Group, Orpea Belgium and Senior Assist.

[10] This calculation is based on the figures provided by the RIZIV/INAMI (Belgium) and ARS (France) regarding the total number of beds in the market.

[11] A "triple net" lease provides that all the costs (including those relating to the structure of the building and its technical equipment), taxes and insurance are payable by the tenant. The yield in double net equivalent allows a valid comparison to be made with the yields on offices, the leases for which provide that the costs relating to the structure and technical equipment of the buildings are payable by the owner.

The leases being almost exclusively of the triple net kind, operators are almost exclusively responsible for technical and property management.

To date, Cofinimmo leases nursing and care houses to nine operators, among which six are active in the Belgian market and three are active in France.

Distribution property networks

Cofinimmo seeks to develop long-term real estate business ventures with companies in respect of their operating properties, whereby Cofinimmo acquires the company's property portfolio and then simultaneously leases it back to the seller. As is the case for the care homes, these property business ventures are designed to relieve the companies from responsibility for financing their property assets while retaining responsibility for operating the properties, which is carried out exclusively by the tenant. Responsibility for maintenance is either assumed to a limited degree by Cofinimmo or entirely assumed by the tenant.

Cofinimmo embarked on this diversification in 2007, at the time of the acquisition of the entire portfolio of pubs held by Immobrew SA, a subsidiary of AB Inbev, and renamed Pubstone SA.

December 2011 marked a second important stage in its strategy of the acquisition of distribution property networks with the purchase of a portfolio of 263 insurance branches, 15 office blocks and 3 mixed-use buildings (offices/branches) from the insurance group MAAF.

Pubstone

In 2007, Cofinimmo entered into a real estate business venture with AB InBev (through its subsidiary Immobrew SA), in the form of a sale and lease back of a portfolio of pubs located in Belgium and the Netherlands.

The pubs are mainly located in central locations in large towns, such as Antwerp, Bruges, Brussels, Leuven, Ghent and Liège for Belgium and Breda, Eindhoven, Maastricht and Tilburg for the Netherlands. In most cases they are in strategic locations such as shopping streets or town squares.

The pubs acquired by Cofinimmo are leased to three AB InBev entities pursuant to a master lease agreement for the properties located in Belgium and two other master lease agreements for the properties located in the Netherlands. These master lease agreements combine all head lease agreements with respect to the individual pubs. The pubs are sub-leased by the AB InBev entities to pub operators by means of individual sub-lease agreements. For Belgium, both the master lease agreement and the sub-lease agreements are governed by the Act of 30 April 1951 on commercial leases. For the properties located in the Netherlands, the "General Conditions for leasing retail space and other business premises" apply.

Each head lease agreement is entered into until 31 October 2034. Given the contractually agreed break-clauses, the initial average lease period for the Pubstone portfolio amounts to 23 years.

The rent is linked to the health index in Belgium and to the regular CPI in the Netherlands. Cofinimmo does not assume the risk in respect of the operations of the pubs and is not subject to a risk of a payment default by the pub operator as its counterparties are the above-mentioned AB InBev entities and not the pub operators. However, Cofinimmo does have responsibility for structural maintenance in respect of repairs of roofs, walls, façades, external woodwork and exterior painting and, regarding Dutch pubs only, of heating systems.

The Pubstone portfolio is owned through a group of subsidiaries located in Belgium and in the Netherlands, in which AB InBev has a 10 per cent. (indirect) interest. Cofinimmo's subsidiary that owns the properties located in Belgium (Pubstone SA/NV) has been subject to the institutional SICAFI regime since 30 June 2011. This regime enables Pubstone SA/NV to benefit from the same tax regime as the Issuer.

As at 31 December 2011, the Pubstone portfolio consisted of 819 properties located in Belgium and 245 properties in the Netherlands, representing a total area of 343,127m² above ground and a fair value of € 407.31 million (Belgium: €258.08 million, Netherlands: €149.23 million).

Cofinimur I

December 2011 marked a second important stage in the distribution property network acquisition strategy. The Issuer and Foncière ATLAND acquired, in partnership, through an exclusively controlled subsidiary Cofinimur I SA, a portfolio in France of 263 insurance branches, 15 office buildings and three buildings with mixed use (offices/branches) from the insurance group MAAF. The properties are located mainly in France, in large town centres or at the entry of agglomerations; most are in strategic locations, such as shopping streets, market squares or business parks.

All these buildings are let for an initial average term of 9.7 years to MAAF, a subsidiary of the French insurance group Covéa, which has a network totalling 587 branches throughout France. The branches are operated by MAAF employees.

Foncière ATLAND REIM, a subsidiary of Foncière ATLAND, is responsible for asset and property management for the entire portfolio on behalf of the acquisition structure held jointly by Cofinimmo and Foncière ATLAND. Cofinimur I issued mandatory convertible bonds (MCB) for an amount of €52 million.

Foncière ATLAND is a French SIIC (Real Estate Investment Trust) operating in Ile-de-France and certain French regions.

Public private partnerships

Since 2005, Cofinimmo entered into several Public-Private Partnerships (PPPs) agreements with public authorities. Public authorities have a growing need to renovate or construct buildings to create better quality public premises and to improve the standards of accommodation for their occupants. PPPs offer public authorities an option to transfer the responsibility for building and maintaining these properties to private companies.

The PPPs to which Cofinimmo is a party take various forms:

- the Antwerp Court house was acquired by Cofinimmo from the Buildings Agency in 2005. Cofinimmo granted a long term lease right in 2001 to Justinvest (the contractor who built the Court house), for a period of 27 years. Cofinimmo subsequently leased back the court house and sub-leased it to the Buildings Agency for occupancy by the Federal Public Service, pursuant to two lease agreements entered into in 2005 for a fixed term of 36 years, ending on 31 October 2041. At the end of the initial lease period, the sub-lease agreement can be renewed for consecutive periods of six years by the Buildings Agency.

- the HEKLA project concerns the construction and financing by Cofinimmo of a police station in Edegem, Antwerp. The land on which the police station has been built between 2006 and 2008, was acquired by Cofinimmo in 2000. In 2008, Cofinimmo entered into a long-term lease agreement with a group of 5 police stations (HEKLA), for a fixed term of 27 years, starting in April 2008 (i.e. the date of the provisional delivery of the building). At the expiry of the long term lease agreement, HEKLA can acquire the building for an amount of €0.21 million pursuant to a purchase option.

- Cofinimmo was selected in 2006 through a public tendering procedure for the construction and financing of a new fire station in Antwerp. The City of Antwerp leases the fire station from Cofinimmo for a fixed term of 37 years as from November 2008. Cofinimmo is the owner of the building until 2045.

- For the Dendermonde police station, the PPP project awarded in 2010 took the form of a design, build and maintenance contract. The building is let since April 2012 to the Buildings Agency (Belgian State) for a 18-year period.
- For the prison at Leuze-en-Hainaut, the Buildings Agency (Belgian State) awarded the consortium Future Prisons, of which Cofinimmo is a part, the public tender drawn up on the basis of the Design-Build Finance-Maintain model for the building and maintenance of a new prison in Leuze-en-Hainaut. The financial close took place in October 2011.

Strategy

Cofinimmo's management follows a corporate strategy aimed at generating stable, resilient cash flows with a low-risk profile. Consistent with this strategy, the Issuer focuses on concluding long-term lease contracts with high-quality tenants and aims at building up sound relationships with its clients, supporting long-term business collaborations.

It is the Issuer's objective to further strengthen its operations through active asset management and continued acquisitions. The process of identifying promising asset classes suitable for Cofinimmo's further portfolio diversification is based on several criteria, including (i) the increase of the Issuer's overall lease length, (ii) acquisitions outside the Belgian office segment at attractive pricing levels and with revaluation potential, (iii) the ability to continue to operate under the applicable REIT regimes and to apply these regimes, to the fullest extent possible, to all envisaged acquisitions, (iv) the broadening of Cofinimmo's regional presence outside the Belgian market and (v) seeking to avoid exposure to the operational risk of the tenants' underlying markets.

The Issuer's development business involves construction and renovation of properties for its own account. The amount invested in this activity is limited to 10 per cent. of the portfolio fair value, of which the majority of projects are currently already pre-let, thereby limiting the Issuer's exposure to development risk. As at the date of this Offering Circular, Cofinimmo does not intend to increase the 10 per cent. limit on development activities.

Cofinimmo has a specific strategy for each segment in which it operates:

- its offices investment strategy aims at maintaining or increasing the average residual length of its lease contracts and keeping its existing and finding new high quality tenants. In addition, Cofinimmo pursues an active arbitrage policy, regularly conducting divestments aimed at taking advantage of attractive prices achievable in the market. In parallel, it selectively acquires new assets meeting its investment criteria, with a view to improving the overall quality of its portfolio.
- as a significant important property investor in the nursing homes and clinics sector, Cofinimmo's intention is to further leverage the know-how built up in this segment and to explore new property investment areas of the broader healthcare property sector in the regions in which it operates. Demographic trends suggest strong expansion potential in this property segment.
- With a view to further strengthening its long-term cash flow generation, Cofinimmo intends to build upon its Pubstone and Cofinimur I transactions by selectively acquiring other corporate operating assets, which will be subsequently leased back to the seller thereof.
- Cofinimmo participates in several public-private partnerships regarding publicly owned properties with various governmental entities in Belgium. These operations involve, among others, fire and police stations and are structured as long-term finance leases. Cofinimmo in principle does not retain

ownership of the relevant properties when these leases expire[12]. Public-Private Partnerships are attractive to Cofinimmo due to the length of the leases and the very low credit risk of counterparties. Cofinimmo intends to pursue further selected PPPs if, as and when such opportunities become available as evidenced by the Leuze-en-Hainaut prison PPP project.

Cofinimmo's financing strategy relies on its ability to access both equity and debt capital markets, whilst maintaining and developing strong relationships with existing and new banking partners to secure its bank debt borrowing capacity.

Group Structure

The table below gives an overview of all subsidiaries of Cofinimmo as of the date of this Offering Circular[13].

NAME AND ADDRESS OF REGISTERED OFFICE Fully consolidated subsidiaries	VAT or national number (NN)	Direct and indirect shareholder and voting rights (in per cent.)
BELLIARD I-II PROPERTIES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 832 136 571	100.00
BELLIARD III-IV PROPERTIES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 475 162 121	100.00
BOLIVAR PROPERTIES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 878 423 981	100.00
COFINEA I SAS Avenue de l'Opéra 27, 75001 Paris (France)	FR 74 538 144 122	100.00
COFINIMMO FRANCE SA Avenue de l'Opéra 27, 75001 Paris (France)	FR 88 487 542 169	100.00
SAS IS II Avenue de l'Opéra 27, 75001 Paris (France)	FR 74 393 097 209	100.00
SCI AC Napoli Avenue de l'Opéra 27, 75001 Paris (France)	FR 71 428 295 695	100.00
SCI Beaulieu Avenue de l'Opéra 27, 75001 Paris (France)	FR 50 444 644 553	100.00
SCI Chamtou Avenue de l'Opéra 27, 75001 Paris (France)	FR 11 347 555 203	100.00
SCI Cuxac II Avenue de l'Opéra 27, 75001 Paris (France)	FR 18 343 262 341	100.00
SCI de l'Orbieu Avenue de l'Opéra 27, 75001 Paris (France)	FR 14 383 174 380	100.00

[12] Cofinimmo is not the beneficiary of the residual value as the counterparty has a purchase option at the end of the contract.

[13] It should however be noted that the merger by absorption by Cofinimmo of its subsidiaries IMMOPOL DENDERMONDE NV, KOSALISE NV and PARSIDE INVEST SA is subject to the approval of the Company's extraordinary general meeting of shareholders of 26 October 2012.

SA Domaine de Vontes Avenue de l'Opéra 27, 75001 Paris (France)	FR 67 654 800 135	100.00
SCI du Donjon Avenue de l'Opéra 27, 75001 Paris (France)	FR 06 377 815 386	100.00
SNC du Haut Cluzeau Avenue de l'Opéra 27, 75001 Paris (France)	FR 39 319 119 921	100.00
SARL Hypocrate de la Salette Avenue de l'Opéra 27, 75001 Paris (France)	not subject to tax NN 388 117 988	100.00
SCI La Nouvelle Pinède Avenue de l'Opéra 27, 75001 Paris (France)	FR 78 331 386 748	100.00
SCI Privatel INVESTISSEMENT Avenue de l'Opéra 27, 75001 Paris (France)	FR 13 333 264 323	100.00
SCI RÉSIDENCE Frontenac Avenue de l'Opéra 27, 75001 Paris (France)	FR 80 348 939 901	100.00
SCI Sociblanc Avenue de l'Opéra 27, 75001 Paris (France)	not subject to tax NN 328 781 844	100.00
COFINIMMO LUXEMBOURG SA Boulevard Grande-Duchesse Charlotte 65, 1331 Luxemburg (Luxemburg)	not subject to tax NN 100 044	100.00
COFINIMMO SERVICES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 437 018 652	100.00
COFINIMUR I SA Avenue Georges V 10, 75008 Paris (France)	FR 74 537 946 824	97.65
EGMONT PROPERTIES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 819 801 042	100.00
FPR LEUZE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 831 750 279	50.00
GALAXY PROPERTIES SA Boulevard de la Woluwe 58, 1200 Brussels	BE 872 615 562	100.00
IMMOPOL DENDERMONDE NV Boulevard de la Woluwe 58, 1200 Brussels	BE 845 261 958	90.00
KOSALISE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 467 054 604	100.00
LEOPOLD SQUARE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 465 387 588	100.00
SILVERSTONE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 452 711 074	100.00
PARKSIDE INVEST SA	BE 881 606 373	100.00

Boulevard de la Woluwe 58, 1200 Brussels		
PUBSTONE GROUP SA Boulevard de la Woluwe 58, 1200 Brussels	BE 878 010 643	90.0006
PUBSTONE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 405 819 096	90.001
PUBSTONE HOLDING BV Prins Bernhardplein 200, 1097 JB Amsterdam (The Netherlands)	not subject to tax NN 8185 89 723	90.001
PUBSTONE PROPERTIES I BV Prins Bernhardplein 200, 1097 JB Amsterdam (The Netherlands)	NL 00.11.66.347.B.01	90.001
PUBSTONE PROPERTIES II BV Prins Bernhardplein 200, 1097 JB Amsterdam (The Netherlands)	NL 00.26.20.005.B.01	90.00
RHEASTONE SA Boulevard de la Woluwe 58, 1200 Brussels	BE 893 787 296	100.00
LE PROGRES SPRL Boulevard de la Woluwe 58, 1200 Brussels	BE 458 308 469	100.00
SUPERSTONE NV Claudius Prinsenlaan 128, 4818 CP Breda (The Netherlands)	NL 85.07.32.554.B.01	100.00

Funding Sources

As at 30 March 2012, the consolidated financial long- and short-term debt of the Group stood at €1,686.4 million and consisted of:

- €261.7 million in the form of three bonds, the first one issued in 2004 by Cofinimmo Luxembourg SA and the second one by the Issuer in 2009. Both bonds are repayable in 2014 for a nominal amount of €100 million each. The third bond was issued by the Issuer in 2010 and is repayable in 2013 for a nominal amount of €50 million;
- €168.6 million in the form of a convertible bond issued in April 2011 with a nominal value of €173.3 million and a tenor of five years;
- €394 million of commercial paper, of which €379 million had initial maturity dates of under one year and €15 million had an initial maturity date of over three years;
- €186.4 million of bilateral medium and long-term loans and €570 million of revolving loans with original maturity dates ranging between three and eight years, received from 8 banks;
- €90 million in the form of a syndicated loan from four banks, repayable in June 2012; and
- €15.7 million of other loans and advances (mainly account debits).

Recent Developments, Investments And Trends

Set-up of an institutional sicafi as a co-investment with Senior Assist

Cofinimmo and Senior Assist, a reference operator in the healthcare sector in Belgium, announced in January 2012 that they entered into a co-investment agreement relating to a portfolio of nursing homes operated by Senior Assist for a total value of nearly €150 million, of which €80 million relate to properties already owned by Cofinimmo, €24 million relate to properties which were acquired by Cofinimmo as part of the co-investment agreement and €46 million relate to development projects.

The properties will be owned by a subsidiary of the Issuer, Silverstone SA, in which Senior Assist has a 5 per cent. equity stake. Silverstone SA obtained the institutional sicafi status in December 2011. All properties are let to Senior Assist entities pursuant to long leases (some of which are already in place for a certain number of years) entered into for an initial term of 27 years. See the Issuer's press release of 31 January 2012 for further information (as incorporated by reference – see "Documents incorporated by reference").

Optional stock dividend

The ordinary general meeting of 27 April 2012 decided to distribute a gross dividend of €6.50 per ordinary share for the financial year 2011 and a gross dividend of €6.37 per preference share.

Shareholders were given the ability to receive the dividend in newly issued ordinary shares or in cash, or to opt for a combination of stock and cash. The subscription price for a new ordinary share was set at €82.16 (representing a discount of 2.82 per cent. to the average weighted stock market price of the ordinary share during the subscription period).

A total of 40.8 per cent. of 2011 dividend coupons were contributed to the Issuer's share capital against new shares, resulting in the issuance of 390,778 new ordinary shares for a total amount of €32.1 million. The remaining dividend pay-out was settled in cash for a total gross amount of €67.3 million.

Management changes

Jean-Edouard Carbonnelle was appointed as Chairman of the Executive Committee and Chief Executive Officer of the Issuer on 30 March 2012, following the departure of Serge Fautré.

Following the appointment of Jean-Edouard Carbonnelle as Chief Executive Officer, the Issuer's Board has appointed Marc Hellemans, Head of Corporate Finance and International Develop-ment, as Chief Financial Officer and Member of the Executive Committee on 7 June 2012 (subject to approval by the FSMA). Marc Hellemans joined Cofinimmo in 2000.

Finally, the appointment of Marc Hellemans as member of the Board of Directors will be subject to the approval by Cofinimmo's extraordinary general meeting of shareholders of 26 October 2012.

Results for the first quarter 2012

The Issuer announced its results for the first quarter 2012 on 2 May 2012. The net current result (excluding IAS 39 impact) – Group share amounted to €2.45 per share, compared to €1.96 at 31 March 2011. The increase was due to a non recurrent indemnity paid by Belfius Bank (formerly Dexia Bank) in compensation for terminating its lease on the Livingstone Building which was agreed by Belfius Bank and is located in Brussels. This exceptional indemnity of €11.20 million was paid during Q1 2012 and was entirely included in the quarter's income statement. The net current result (excluding IAS 39 impact) – Group share amounted to €1.90 per share if this indemnity amount is split over the entire financial year 2012, which is €2.80 million per quarter.

The net result – Group share, which includes the negative impact of the valuation of financial instruments and the result on portfolio, amounts to a profit of €2.30 per share, compared with €1.64 for the first three months of 2011.

The result on portfolio amounted to €-1.3 million on 31 March 2012, compared with €-3.8 million on 31 March 2011. This included a positive change in fair value of the property portfolio of €0.6 million.

The average volume of debt increased from €1,606.9 million (31 December 2011) to €1,658.2 million (31 March 2012) and its cost fell from 4.20 per cent. (31 December 2011) to 4.04 per cent. (31 March 2012). The financial result (excluding impact of IAS 39) amounted to €-14.0 million on 31 March 2012, compared with €-12.9 million on 31 March 2011.

For additional information on the Issuer's results for the first quarter 2012, see the press release of 2 May 2012 which is incorporated by reference – see "Documents incorporated by reference".

New loan financing

On 20 April 2012, Cofinimmo signed a new syndicated loan for €220 million with five banks. This revolving credit facility has a term of five years. Considering the loans already in place and undrawn, all loan instalments to be reimbursed in 2012 and 61 per cent. of instalments to be reimbursed in 2013 have now already been refinanced.

Issue of the Existing Bonds

On 7 August 2012, Cofinimmo successfully closed the private placement of a 7.5 year bond, maturing on 7 February 2020, for a total amount of €100 million. The bonds offer a fixed coupon of 3.598 per cent., payable annually on February 7th, with a first short coupon, called the "Existing Bonds". The New Bonds will be consolidated and form a single series with the Existing Bonds.

Investments

For the period from 1 January 2009 to 31 December 2011, the Issuer made real estate investments for a total amount of €462.56 million, of which €141.97 million for the year ended 31 December 2009, €49.12 million for the year ended 31 December 2010 and €271.47 million for the year ended 31 December 2011.

For the period from 1 January 2009 to 31 December 2011, the Issuer spent a total of approximately €178.68 million on constructions and renovations.

For the investments already made in 2012, see the press releases of 2012 which are incorporated by reference – see "Documents incorporated by reference".

For the year 2012, the Issuer has a committed pipeline of €124.7 million available, of which €87.9 million is for acquisition and refurbishment in the healthcare segment, €14.4 million for the acquisition of a police station in Dendermonde which took place on 11 April 2012 and €22.4 million for renovation.

Management and Corporate Governance

Board Of Directors

The Issuer's Board of directors currently comprises 11 directors: eight non-executive directors (three of whom are independent within the meaning of Article 526ter of the Belgian Company Code[14]) (each, an "Independent Director") and three executive directors.

The table below gives an overview of the current members of the Board of directors and their term of office:

Name Function	Year of birth	Nationality	Start of term of office	Last renewal	End of current term of office
André Bergen Chairman of the Board Independent Director	1950	Belgian	30 April 2010	-	April 2013
Jean-Edouard Carbonnelle Chief Executive Officer, Executive Director	1953	Belgian	30 April 1999	29 April 2012	April 2016
Xavier de Walque Non-executive Director Member of the Nomination, Remuneration and Corporate Governance Committee	1965	Belgian	24 April 2009	29 April 2012	April 2016
Chevalier Vincent Doumier Non-executive Director Member of the Audit Committee	1955	Belgian	28 April 2006	29 April 2012	April 2016
Xavier Denis Chief Operating Director, Executive Director	1972	Belgian/ French	01 July 2011	-	April 2015
Robert Franssen Non-executive Director	1955	Belgian	19 February 2004	29 April 2011	April 2015
Gaëtan Hannecart Independent Director, Chairman of the Nomination, Remuneration and Corporate Governance Committee	1964	Belgian	28 April 2006	29 April 2012	April 2016
Françoise Roels Secretary General and Group Counsel, Executive Director	1961	Belgian	27 April 2007	30 April 2010	April 2013
Alain Schockert Non-executive Director	1950	Belgian	27 April 2007	30 April 2010	April 2013
Gilbert van Marcke de Lummen	1937	Belgian	30 April 2004	30 April	April 2013

[14] Since 30 April 2010.

Independent Director, Chairman of the Audit Committee				2010	
Baudouin Velge Independent Director, Member of the Audit Committee	1955	Belgian	28 April 2006	29 April 2012	April 2016

Executive Committee

The Executive Committee was established by the Board of directors in accordance with Article 524bis of the Belgian Company Code and the Issuer's Articles of Association. The Executive Committee is a decision-making body founded on the principle of collective responsibility and operation (collegiate body).

The Executive Committee's role is to:

- Make recommendations to the Board with regard to Cofinimmo's strategy;
- Carry out and implement this strategy, including decisions to acquire or dispose of properties (or rights in connection with such properties) or the shares of property companies or to pledge them;
- Carry out the day-to-day management of the Issuer;
- Report on the above to the Board of directors.

As of the date of this Offering Circular, the members of the Executive Committee are:

- Jean-Edouard Carbonnelle (Chairman and CEO)
- Marc Hellemans[15] (CFO)
- Xavier Denis (COO)
- Françoise Roels (Secretary General and Group Counsel)

Audit Committee

The Audit Committee is a consultative committee of the Board of directors which role is to assist the Board of directors in:

- Monitoring the process of preparing financial information;
- Monitoring the effectiveness of the Issuer's internal control and risk management systems;
- Monitoring the Issuer's internal audit and its effectiveness;
- Monitoring the preparation of the annual and consolidated accounts and the statutory audit thereof, including following up on the questions and recommendations formulated by the external auditor and, as the case may be, by the auditor responsible for verifying the consolidated accounts;
- Examining and monitoring the independence of the external auditor and, as the case may be, of the company auditor responsible for verifying the consolidated accounts, in particular with respect to the provision of additional services to the Issuer.

[15] The Board of Directors has appointed Marc Hellemans as a member of the Executive Committee on 7 June 2012.

According to its charter, the Audit Committee must be composed of at least three non-executive directors, of which at least two must be independent, within the meaning of Article 526ter of the Belgian Company Code. As of the date of this Offering Circular, the members of the Audit Committee are:

- Gilbert van Marcke de Lummen (Chairman)
- Baudouin Velge
- Vincent Doumier

Appointments, Remuneration and Corporate Governance Committee

The Appointments, Remuneration and Corporate Governance Committee is a consultative committee of the Board of directors with the role of assisting and advising the Board of directors in all matters relating to the composition of the Board of directors and its committees, as well as the Executive Committee, to the methods and criteria for appointing and recruiting directors and members of the Executive Committee as well as in matters relating to corporate governance. Its responsibilities are as follows:

- Appointments: evaluating the appropriate size and composition of the Board of directors and its committees and of the Executive Committee; seeking qualified candidates to serve as directors, assessing potential candidates and submitting a list of selected candidates to the Board of directors, accompanied by an assessment; overseeing the process for the re-election or succession of the Chairman of the Board of directors; proposing to the Board of directors the candidates to be appointed as members of the Board; assessing potential candidates for offices in the Executive Committee and submitting recommendations to the Board of directors for the appointment or removal of members of the Executive Committee, including the CEO; assessing the efficiency of the Board of directors and its committees;
- Emoluments and remunerations: proposing to the Board of directors the remunerations to be paid to the directors (the ultimate decision being made by the General Meeting); proposing a remuneration policy for the CEO and other members of the Executive Committee; determining the performance objectives of the CEO and the other members of the Executive Committee and assessing the performances of the CEO and the other members of the Executive Committee in relation to their targets; assessing and examining the remuneration, any benefits and any arrangements for severance pay for the CEO and other members of the Executive Committee;
- Other responsibilities: various other tasks and supervision of matters relating to the governance of the Issuer.

According to its charter, the Appointments, Remuneration and Corporate Governance Committee must comprise at least three non-executive directors, and a majority of the members of the Committee must be independent, within the meaning of Article 526ter of the Belgian Company Code. As of the date of this Offering Circular, the members of the Appointments, Remuneration and Corporate Governance Committee are:

- Gaëtan Hannecart (Chairman)
- André Bergen
- Xavier de Walque

Corporate Governance

The Issuer has adopted a corporate governance charter in line with the Belgian Code on Corporate Governance of 12 March 2009 (the "Belgian Code on Corporate Governance"). The Issuer applies the nine corporate governance principles contained in the Belgian Code on Corporate Governance, complying with the provisions set forth in the Belgian Code on Corporate Governance.

Members of the Board of Directors and the Executive Committee

The following paragraphs contain brief biographies of each of the directors and members of the Executive Committee:

Jean-Edouard Carbonnelle is Cofinimmo's Chief Executive Officer since March 2012, Chairman of the Executive Committee and member of the Board of Directors. Mr. Carbonelle joined Cofinimmo in 1998 as Chief Financial Officer. Prior to joining the Group, Mr. Carbonnelle worked as Investor Relations Manager at Umicore S.A. and as member of the Executive Committee at SIBEKA S.A. (Brussels, 1998). He also worked as Director and Chief Financial Officer at Diamant Boart S.A. (Brussels, 1997) and, previously, as Strategic Planning Coordinator for subsidiaries in the cement, transport, iron and steel, and trading sectors at Société Générale de Belgique (Brussels, 1990). Mr. Carbonnelle began his professional career in the sphere of industrial project financing at the World Bank (Washington DC, 1980). He obtained a Master of Business Administration (Wharton School, University of Pennsylvania, 1977) and a Business Engineering Master degree (Solvay Brussels School of Economics and Management, "Université Libre de Bruxelles", 1976).

Xavier Denis is Cofinimmo's Chief Operating Officer, member of the Executive Committee and member of the Board of directors since 1 July 2011. He joined Cofinimmo in 2002 as Head of Project Development and Area Manager. Prior to joining the Group, Mr. Denis worked between 1996 and 2001 at the Chapman Talor and HOK Sport architectural practices in London. He has a 15-year experience in the management of technical, financial and commercial aspects of real estate portfolios. He is also chairman of the Investors Commission at UPSI the Belgian Real Estate Sector Organisation. He obtained a Master degree in Civil Engineering Architecture ("Université catholique de Louvain", 1996) and a Master of Business Administration (INSEAD 2002).

Marc Hellemans was appointed Cofinimmo's Chief Financial Officer and member of the Executive Committee in 7 June 2012, subject to the approval of the FSMA. He joined Cofinimmo in 2000 as Head of Corporate Finance and International Development. Before that, he was Senior Auditor at Deloitte. He is a graduate in commercial engineering (Solvay Business School - ULB 1996) and followed the INSEAD International Executive Program (IEP May-July 2006).

Françoise Roels is Cofinimmo's Secretary General and Group Counsel. She joined Cofinimmo in 2004. Ms. Roels serves as head of Cofinimmo's legal department and is in charge of the Secretary General of the Issuer. Ms. Roels is also responsible for shareholders' relations and the relations with the Belgian financial control authorities. She is a member of the Executive Committee and of the Board of directors. Prior to joining the Group, Ms. Roels worked for Loyens, Euroclear/J.P. Morgan and the Belgacom Group. She was responsible for fiscal matters, corporate governance and the legal management of subsidiaries. She obtained a Law degree and a degree (candidate) in Philosophy (RUG, State University Ghent, 1984) and a Tax degree (E.S.S.F. Brussels "Ecole Supérieure des Sciences Fiscales", 1986).

André Bergen is director of NYSE Euronext. He holds various positions in different companies such as Euronext NV, Ahlers SA, NIBC bank (The Hague), Sapient Investment Managers (Cyprus), Zuhair Fayez Partners (Saudi Arabia), King Baudouin Foundation, Recticel NV, Festival of Flanders (Ghent). Mr. Bergen previously worked as CEO of KBC Group and KBC Bank. He also was member of the board of Fund for

Scientific Research, member of the board Flemish industry association (VOKA) and member of the Walloon industry association (UWE). He obtained a Master in Economics (“Katholieke Universiteit Leuven”, 1974).

Xavier de Walque is Chief Financial Officer and a member of the executive committee of Cobepa SA. Prior to joining Cobepa in 1991 where he led the Belgian Corporate Finance activities, Mr. de Walque started his career in 1988 as adviser to the Belgian Vice-Prime Minister in charge of economic, financial and tax affairs. Between 2001 and 2011, he worked for Dexia Group where he held various executive management positions, lastly as vice-chairman of the management board and Chief Financial Officer of Dexia Bank Belgium, and chairman of the board of directors of Dexia Insurance Belgium. He is graduated from the Solvay Business School.

Chevalier Vincent Doumier is managing director and chairman of the executive committee of Compagnie du Bois Sauvage SA. Mr. Doumier also holds various functions within Neuhaus Holding, Ceran ILC, Codic International SA, Bank Degroof SA, John Berenberg Gossler & Co KG (D), and several companies of the Compagnie du Bois Sauvage Group, Finaspil SA, Assainissement & Amélioration du Logement Populaire SCRL, Les Petits Riens ASBL, Centre Interdiocésain ASBL, Cercle Royal Gaulois Artistique et Littéraire ASBL and Recticel SA. He previously worked at Ter Beke SA, Compagnie Financière du Château SA, Fauchon Group, Trade Credit Re Insurance Company (TCRé) SA and Nanocyl SA.

Robert Franssen is chairman of the executive committee of Allianz Belgium. He joined Allianz Belgium in 2001 as member of the executive committee before becoming Chief Executive Officer in 2004. Prior to joining Allianz Belgium, he started his career in 1980 as Sales Manager for Donaldson Europe NV. Between 1983 and 2001, he worked for Fortis AG where he held various positions, lastly as director of the Corporate Planning and Risk Management (1997-2001). He obtained a Master degree in Civil Engineering in Electronic (“Université de Liège”, 1978) and in Civil Engineering in the Industrial Policy (“Katholieke Universiteit Leuven”, 1979) and a Licence in Actuarial Science (“Université Libre de Bruxelles”, 1990).

Gaëtan Hannecart is managing director and chairman of the executive committee of Matexi Group. He joined the Matexi Group in 1994 which is a private holding company whose businesses extend over three areas: property development, residential house-building and investments in listed small and mid-cap companies. Mr. Hannecart is also director of several companies within Matexi Group, director of the listed companies Home Invest Belgium, Cofinimmo and Real Dolmen, director of the Union Professionnelle du Secteur Immobilier (UPSI), director and co-founder of the not-for-profit Network for Training Entrepreneurship (NFTE Belgium) and director and co-founder of the think tank Itinera Institute and a member of the Strategic Advisory Board on Urban Planning to the Flemish government. Prior to joining Matexi Group, Mr. Hannecart worked with IBM in Brussels and Stuttgart and with Kone Lifts in London. Mr. Hannecart obtained an MSc in Electromechanical Engineering (“Katholieke Universiteit Leuven”, 1988) and obtained an Master in Business Administration from Harvard Business School (Cambridge, Massachusetts, USA, 1994).

Alain Schockert is managing director of Bank Degroof. He was actively involved in the initial public offering of more than forty Belgian companies, including Cofinimmo. He was one of the founders of Cofinimmo on December 29th, 1983. He teaches corporate finance (“valuation”) at the HEC-ULg Management School (“Université de Liège”). He holds an applied Economics degree and a Master in Administration and Management (“Université catholique de Louvain”). He also obtained a certificate from the Goethe Institut, from the Ecole Supérieure des Sciences Fiscales and from the Belgian Financial Analysts Society (ABAF).

Gilbert van Marcke de Lummen is a Director of D’Ieteren SA. He previously worked as director at Maison de la Radio Flagey, Belron (until 2007) and Avis (until 2007). He obtained a Master in Civil Engineering (“Université Libre de Bruxelles”).

Baudouin Velge is managing director of Interel Belgium, a communications and public affairs consulting company. He serves also on the board of Bekaert NV and Ducroire SA. He is visiting professor of strategic communication at UCL ("Université catholique de Louvain"). He worked previously as chief economist at employers federation FEB and as Chief Executive Officer of retailer federation Fedis (now Comeos). Mr. Velge is also a director of BECI, Ducroire, Fondation Bernheim, École pour le Management (EPM) SA and Cercle de Lorraine. He holds a Ph. D. in Economics (University of Pennsylvania, 1983).

Major Shareholders, Related Party Transactions and Share Capital

Shareholders

The Issuer has a wide shareholder base, composed of institutional and retail investors both in Belgium and abroad. It does not have a controlling shareholder.

The table below provides an overview of the shareholders that filed a notification with the Issuer pursuant to applicable transparency disclosure rules, up to 10 October 2012. Although the applicable transparency disclosure rules require that a disclosure be made by each person passing or falling under one of a relevant thresholds, it is possible that the below information in relation to a shareholder is no longer up-to-date.

Company	Number of Ordinary Shares	per cent.	Number of Preferential Shares	Total number of Shares (voting rights)	per cent.
Cofinimmo Group (own shares)	870,595	5.22 per cent		870,595	5.22 per cent.
Free float[16]	15,808,645	94.78 per cent.			95.78 per cent.
Number of shares issued	16,679,240	100.00 per cent.	689,546	16,679,240	100.00 per cent.

Share Capital

Share capital

On the date of this Offering Circular, the Issuer's share capital amounts to €893,817,196.27 and is fully paid up. It is represented by 16,679,240 shares without nominal value.

The Issuer's shares are divided in three different classes: Ordinary Shares, Preferential Shares "P1" and Preferential Shares "P2".

Number of shares in issue per class on the date of this Offering Circular:

Shares	Number	per cent.
Ordinary (COFB)	15,989,694	95.86
Preferential(COFP1)	395,198	2.37
Preferential (COFP2)	294,348	1.76
TOTAL	16,679,240	100.00

The key features of the Preferential Shares are:

- priority right to an annual fixed gross dividend of €6.37 per share, capped at this amount, which represents a gross yield of 5.90 per cent. compared to the subscription price or a net yield of 4.66 per cent. after deduction of the 21 per cent. withholding tax;
- priority right in case of liquidation to a distribution equal to the issue price, capped at this amount;

[16] This free float calculation, commonly used by NYSE Euronext, includes all shareholders, holding individually less than 5 per cent. of the capital.

- option for the holder to convert the Preferential Shares into Ordinary Shares as from the 5th anniversary of their issue date (i.e. as from 1 May 2009) during the 10 last days of each quarter, at a rate of one new Ordinary Share for one Preferential Share;
- option for a third party designated by Cofinimmo (for example one of its subsidiaries) to purchase in cash and at their issue price, as from the 15th anniversary of their issue (i.e. as from 1 May 2019), the Preferential Shares that have not been converted at that time;
- the preferential shares are in registered form;
- they are admitted to trading on Euronext Brussels;
- they carry a voting right identical to that of Ordinary Shares.

Authorised capital

According to article 6.2 of the Issuer's Articles of Association, the Board of Directors is entitled to increase the Issuer's share capital in one or several tranches up to a maximum amount of €799,000,000 on the dates and according to the procedures to be decided by the Board of Directors, in accordance with Article 603 of the Belgian Company Code. Since 31 May 2011, the amount of the authorised capital is €680,708,352.56.

Treasury stock

On 10 October 2012, the Cofinimmo Group holds 870,595 treasury shares, which represents a level of 5.22 per cent. of its share capital.

Other securities with voting rights or giving access to voting rights

€173.30 million convertible bond due 2016

In April 2011, the Issuer issued a €173.3 million convertible bond due 28 April 2016. The convertible bond is listed on NYSE Euronext Brussels and pays interest at the rate of 3.125 per cent. annually in arrears.

The convertible bond constitutes a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and ranks pari passu and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer.

The bondholders are entitled to convert the bond into Ordinary Shares at the initial conversion price of €116.60 per Ordinary Share at any time up to the date falling seven business days prior to the final maturity date of the convertible bond. The conversion price may be adjusted in certain circumstances, including upon issues of shares or other securities by the Issuer and distributions exceeding a threshold amount of €6.50 per Ordinary Share in a year. Under the terms of the bond, upon conversion, the Issuer will have the option to deliver new and/or existing Ordinary Shares, cash, or a combination thereof. The Issuer may, however, only deliver new shares to retail investors and, in certain circumstances, new and/or existing shares to existing shareholders who are qualified investors.

The convertible bond is redeemable at maturity at 100 per cent. of the principal amount. The Issuer may exercise a call option and redeem the bond at any time after three years from the issue date, provided the Issuer's share price exceeds 130 per cent. of the conversion price on each of at least twenty dealing days in any period of thirty consecutive dealing days ending not earlier than seven days prior to the giving of the relevant optional redemption notice. Unless previously repurchased and cancelled, redeemed or converted, the convertible bond will be redeemed at the principal amount at maturity.

The convertible bond contains customary covenants, notice provisions, negative pledge provisions and events of default, including a cross-default by the Issuer or one of its subsidiaries for an amount of at least €20

million. The holders of the convertible bond will have the right to require the Issuer to redeem the convertible bond following the occurrence of a change of control in respect of the Issuer.

Mandatory convertible bonds issued by Cofinimur I

In December 2011, Cofinimur I, a French subsidiary of the Issuer, issued a €52 million mandatory convertible loan ("MCB" or "ORA") to finance part of the acquisition from the insurance group MAAF of a portfolio of insurance branches located in France (the Cofinimur I portfolio). These MCBs are listed on the Marché Libre Paris and have the following features:

- the number of MCBs issued is 541,667 and the issue price (par value) amounts to €96, corresponding to the issue price of the Cofinimur I shares;
- the MCBs will be reimbursed in new shares of Cofinimur I in 2023, at an exchange ratio of one Cofinimur I share for one MCB. The exchange ratio may be adjusted in certain circumstances, in accordance with anti-dilution provisions customary for this type of transaction;
- the MCB holders will have the option, just prior to redemption in 2023, to exchange their MCBs for shares of the Issuer, at an exchange ratio of one ordinary share of the Issuer for one MCB. The exchange ratio may be adjusted in certain circumstances, in accordance with anti-dilution provisions;
- the MCBs bear an annual interest of 5.5 per cent. The annual coupon will be indexed in accordance with the French ILC index (commercial rents index) as from the second coupon payable in 2014, subject to a minimum rate of 1 per cent. and a maximum rate (equal to the lower of the following two amounts: 9 per cent. of the par value or 86.5 per cent. of the net current result per share of Cofinimur I. As from 2021, the interest coupon will be increased by 20 per cent. (step-up) and the 9 per cent. cap will no longer be applicable. The coupon will only exceed the guaranteed minimum if Cofinimur I has distributed a dividend for the previous financial year.

REIT Regulation

Belgian Sicafi Status

Cofinimmo's application of the SICAFI regime

In Belgium, Cofinimmo is licensed as a closed-end property investment company (sicafi / vastgoedbevak) since April 1996. The SICAFI regime is the Belgian REIT status which was introduced under Belgian law by a royal decree of 10 April 1995. This decree has been replaced by the Belgian Royal Decree of 7 December 2010 on REIT (SICAFIs/vastgoedbevaks) (the "Belgian SICAFI Royal Decree"). As public undertakings for collective investment, SICAFIs are also subject to certain provisions of the law of 20 July 2004 on such undertakings. Companies licensed as a SICAFI such as the Issuer are supervised by the FSMA.

Belgian CIT exemption pursuant to the SICAFI regime

A company qualifying as a SICAFI is subject to corporate income tax (CIT) at the normal rate of 33.99 per cent., but on a reduced tax base, consisting only in (1) abnormal or gratuitous benefits it has received, (2) certain non-deductible expenses and (3) so-called secret commissions (i.e. 309 per cent. additional tax base in case of remuneration / commission payments not disclosed by means of the relevant remuneration slip).

Companies applying for the SICAFI regime or that merge with, or transfer a portion of their immovable assets to a SICAFI by way of a contribution in kind or a (partial) demerger, are subject to an exit tax of 16.995 per cent. (including the crisis tax uplift of 3 per cent.) on the net unrealised gains and on tax-exempt reserves transferred. This exit tax is treated in the same way as a liquidation tax.

Conditions under the SICAFI regime

Activities

The SICAFI's activity must consist of property investment, with the exclusion of project development activities (unless such project development activity is for own account or is carried out occasionally). Such property investment can be made directly or through subsidiaries. Specific rules apply to subsidiaries with minority shareholders, amongst others regarding the total assets which may be owned through such subsidiaries and the minimum stake to be held by the SICAFI in the subsidiary. If a subsidiary is owned in joint ownership with a third party, arrangements must be put in place enabling the SICAFI to acquire the partner's stake or to sell its own stake to the partner in case of deadlock.

The SICAFI must have a diversified property portfolio. The portfolio may not consist in a single property risk (which may for example consist of a specific property or a specific lessee) representing more than 20 per cent. of the consolidated assets. The property portfolio is valued by an independent appraiser on an annual basis; such valuation must be updated on a quarterly basis. In principle, each property must be valued prior to it being acquired or sold by the SICAFI or any of its subsidiaries (an exception exists for transactions representing less than the lower of 1 per cent. of the consolidated assets or €2.5 million). In case of a property transaction with a related party, the SICAFI may not sell the property below the valuation made by the independent appraiser or, as the case may be, purchase the property at a price exceeding such valuation. The scope of article 18 of the Belgian SICAFI Royal Decree which deals with related party transactions is in this respect broader than the equivalent provision in the Belgian Company Code.

Properties are carried at their fair value, as determined pursuant to the appraiser's valuations. No depreciations are accounted for.

Profit distributions obligation

A SICAFI must distribute at least 80 per cent. of the adjusted current cashflow, as calculated pursuant to the Belgian SICAFI Royal Decree. This profit distribution obligation is without prejudice to the company law provisions on dividend distributions, pursuant to which the SICAFI may not distribute dividends if its non-consolidated net assets are below the company's share capital and unavailable reserves (or drop below such minimum amount as a result of the dividend distribution).

Leverage

The SICAFI regime provides for a maximum debt ratio and a maximum interest cover ratio, aiming at limiting the SICAFI's leverage. The consolidated debt of the SICAFI may not exceed 65 per cent. of the market value of the company's consolidated assets, the non-consolidated debt of the SICAFI may not exceed 65 per cent. of the market value of the company's non-consolidated assets and interest expenses may not exceed 80 per cent. of total income of the SICAFI. Properties may be the subject of security interests up to a maximum of 50 per cent. of the total fair value of the SICAFI's consolidated properties and no security interests may be granted in respect of a specific property for an amount exceeding 75 per cent. of such property's fair value.

Listing and shareholders requirements

The SICAFI's shares must be admitted to trading on a Belgian regulated market and at least 30 per cent. of the SICAFI's shares must be owned by investors which are not related parties of the SICAFI's sponsors. The SICAFI's abiliy to issue new shares is subject to specific rules imposing additional restrictions compared to ordinary listed companies incorporated under Belgian law.

Management

The SICAFI regime provides for specific requirements regarding the company's organisation, the Board composition and the management team. Any change of a director or of a member of the management team is subject to prior notice to the FSMA. Specific conflict of interests rules apply to transactions with related parties of the SICAFI.

Conditions for election of the SICAFI regime by a Belgian subsidiary

Since the entry into force of the Belgian SICAFI Royal Decree, Belgian subsidiaries of a SICAFI may benefit from the same tax regime as a SICAFI if they are registered with the FSMA as an institutional SICAFI. The institutional SICAFI regime is less stringent than the requirements set out for a public SICAFI. An institutional SICAFI must be controlled by a SICAFI, its shareholders must be professional or institutional investors and the institutional SICAFI's shares do not have to be admitted to trading on a stock exchange. The institutional SICAFI as such is not subject to specific leverage restrictions (although leverage restrictions apply on a consolidated basis to the Group) but has the same profit distribution obligations as a SICAFI. Specific requirements apply to the institutional SICAFI's organisation, albeit a large part of the institutional SICAFI's operations can be outsourced to a company's affiliate.

Three subsidiaries of the Issuer operate under an institutional SICAFI status: Pubstone SA/NV (which owns all Belgian properties of the Pubstone portfolio), Silverstone SA (which owns all nursing homes tensed to the operator Senior Assist) and FPR LEUZE (the project company used for the Leuze-en-Hainaut prison PPP).

- French SIIC status

The Group's application of the SIIC regime

The Group's operations in France benefit from the French REIT regime, referred to as "Société d'investissement Immobiliers Cotée" or "SIIC", a specific tax regime. The Issuer elected for the SIIC regime with effect from 23 July 2008, whilst its subsidiary Cofinimmo France SA and most of the French subsidiaries of Cofinimmo France SA elected for the SIIC regime with effect on 1 January 2009.

French CIT exemption pursuant to the SIIC regime

A company that elects for the SIIC regime benefits from a CIT exemption on the income derived from its real estate activity (rental income, capital gains and dividends), provided it complies with the following distribution obligations:

- 85 per cent. of the SIIC's rental income must be distributed before the end of the following fiscal year;
- 50 per cent. of the SIIC's capital gains realised on the sale of real estate, shares of tax transparent (French Sociétés de personnes) real estate subsidiaries whose purpose is identical to the SIIC and shares of real estate subsidiaries that also elected for the SIIC regime, must be distributed before the end of the second following fiscal year; and
- 100 per cent. of the dividends distributed to the SIIC by subsidiaries that elected for the SIIC regime must be distributed before the end of the following fiscal year.

The total amount of required distributions with respect to the tax exempt income (rental income, capital gains and dividends) in a fiscal year is limited to the total net tax profit equivalent to the tax exempt incomes (rental income, capital gains and dividends) in such fiscal year, determined after deduction of tax deductible expenses pursuant to French standard CIT rules. Moreover, the amount of required distributions pursuant to the above limitation is capped according to the distribution capacity of the company under relevant applicable laws (including accounting and corporate law), with the difference being carried over to subsequent fiscal years.

Dividends paid out of profits exempt from French CIT to a shareholder (other than an individual) holding directly or indirectly at least 10 per cent. of the dividend rights in the SIIC are subject to a 20 per cent. levy if such dividends are not subject to CIT at shareholder level (or are subject to tax at a rate lower than two-thirds of the standard French CIT rate).

Since 1 January 2009, electing for the SIIC regime entails the payment of a 19 per cent. exit tax, computed on latent capital gains on real estate and shareholdings in tax transparent real estate subsidiaries. This tax is payable in four instalments on 15 December of the year the election is made and the following three years.

Conditions for election of the SIIC regime

The specific regime for exemption of French CIT of listed real estate companies (SIIC) is available to companies that meet the following requirements:

- the company is listed on a regulated market pursuant to EU Directive 2004/39/EC;
- the company has a minimum share capital of €15 million represented by stock;
- the company's main purpose is the purchase or construction of real estate for rental purposes and/or direct or indirect shareholding in companies with the same purpose (the performance of ancillary activities is allowed, provided that no more than 20 per cent. of the company's assets are allocated to such activities);

- no shareholder (or shareholders acting jointly) must hold 60 per cent. or more of the company's share capital and/or voting rights (companies that elected the SIIC status before 1 January 2007 must comply with this condition continuously as from 1 January 2010); and
- at least 15 per cent. of the company's share capital and/or voting rights must be held by shareholders who hold separately less than 2 per cent. of the company's share capital and/or voting rights (companies must comply with this condition on the first day of application of the SIIC regime).

Conditions for election of the SIIC regime by a subsidiary of a SIIC

The regime is available to SIICs and those of their subsidiaries that are subject to CIT, of which the SIIC owns, directly or indirectly, at least 95 per cent. and which have the same corporate purpose as the SIIC. Since 1 January 2010, subsidiaries that are at least 95 per cent. jointly owned by several SIICs (or by one or several SIICs and one or several SPPICAVs) can also elect for the tax exemption regime under the same conditions.

Exit of SIIC regime

If one or more of the conditions outlined above is not fulfilled during a fiscal year of application of the SIIC regime, the SIIC (and its subsidiaries) would exit the regime and would become subject to regular CIT as from the first day of the fiscal year concerned. However, in some specific circumstances where condition (iv) outlined above under "Conditions for election of the SIIC regime" is temporarily not fulfilled, the SIIC (and its subsidiaries) does not definitively exit from the SIIC regime, but does so only for the fiscal year concerned, provided it fulfils this conditions again before the end of this fiscal year. If, at the end of this fiscal year, this condition is still not fulfilled, the SIIC must exit the SIIC regime.

The exit of the SIIC regime may entail significant adverse tax consequences, inter alia, if the exit takes place during a ten-year period following the election for the SIIC regime. In such case, an additional taxation on the latent capital gains which were subject to the 19 per cent. exit tax and on capital gains accrued during the period of application of the SIIC regime will be due.

Use of Proceeds

The net proceeds from the issue and sale of the Bonds are expected to amount to approximately €40,133,480 and will be used by the Issuer towards the early and partial repayment of amounts currently drawn down under confirmed credit lines.

Taxation

Belgian Taxation

The following is a summary of certain Belgian tax consequences of the purchase, ownership and disposal of the Bonds, and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds.

The summary is based on Belgian tax laws and practice in effect on the date of this Offering Circular, which are subject to change, potentially with retrospective effect. Potential investors in the Bonds should consult their own tax advisers as to the Belgian and other tax consequences prior to the purchase, ownership and disposal of the Bonds including, in particular, the effect of any state, or local tax laws.

Withholding Tax

Under current Belgian withholding tax legislation, all payments by or on behalf of the Issuer of interest are generally subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 21 per cent. In this regard, ''interest'' means the periodic interest income, any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date) and, in case of a realisation of the Bonds between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However all payments by or on behalf of the Issuer of principal and interest on the Bonds may be made without deduction of withholding tax for Bonds held by certain eligible investors (an "Eligible Investor") in an exempt securities account (an "Exempt Account") with the NBB Clearing System or with a participant in such system (a "Participant").

Eligible Investors are those entities referred to in Article 4 of the Royal Decree of 26 May 1994 on the deduction of withholding tax (*arrêté royal relatif à la perception et à la bonification du précompte mobilier*) which include, *inter alia* :

1. Belgian resident companies subject to corporate income tax as specified in article 2, § 1, 5°, b) of the Income Tax Code of 1992;
2. institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in 1° and 3°, subject to the application of article 262, 1° and 5° of the Income Tax Code of 1992;
3. state-linked social security organisations and institutions assimilated thereto specified in article 105, 2° of the Royal Decree of 27 August 1993 implementing the Income Tax Code of 1992;
4. non-resident savers as specified in article 105, 5° of the same Decree;
5. mutual funds specified in article 115 of the same Decree;
6. companies, associations and other taxpayers referred to by article 227, 2° of the Income Tax Code of 1992, having invested the securities in the exercise of their professional activities in the Kingdom of Belgium and being subject to non-resident tax in accordance with article 233 of the same Code;
7. the Belgian State, for its investments exempted from withholding tax in accordance with article 265 of the same Code;
8. mutual investment funds under foreign law being an undivided estate managed by a management company on behalf of the certificate holders representing an interest in such mutual investment funds,

provided the certificates are not offered publicly in the Kingdom of Belgium nor traded in the Kingdom of Belgium;

9. Belgian resident companies not referred to under 1° above, having an activity that consists solely or mainly of the granting of credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or certain non-profit making organisations.

Upon opening of an Exempt Account with the NBB Clearing System or with a Participant, an Eligible Investor is required to provide a statement of its eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing declaration requirements for Eligible Investors. However Participants are required to make annual declarations to the NBB Clearing System as to the eligible status of each investor for whom they hold Bonds in an Exempt Account.

However, the documentary requirements set out in the preceding paragraph do not apply to the Bonds held by non-resident Eligible Investors in a securities account with Euroclear or Clearstream, Luxembourg or with any non-Belgian intermediary which is a participant in Euroclear or Clearstream, Luxembourg.

An Exempt Account may be opened with a Participant by an intermediary (an "Intermediary") in respect of Bonds that the Intermediary holds for the account of its clients (the "Beneficial Owners"), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor, and (ii) the Beneficial Owners holding their Bonds through it are also Eligible Investors.

Capital Gains and Income Tax

Belgian Resident Individuals

Individuals who are subject to the Belgian personal income tax and who hold the Bonds as a private investment, do not have to declare the interest on the Bonds in their personal income tax return, provided that they have elected for a withholding of the 4 per cent. additional tax on investment income (see below) in addition to the 21 per cent Belgian withholding tax and provided that this additional tax has effectively been borne by the beneficiary of the interest income.

If the 4 per cent additional tax on investment income has not been withheld in addition to the Belgian withholding tax, or if the 4 per cent. additional tax on investment income has been withheld without being effectively borne by the beneficiary of the interest income, the Bondholder will be required to declare the interest income in his/her personal income tax return. Moreover, in such case, certain information (including the amount of interest income and the identity of the Bondholder) will be communicated to a central contact point operated by the Belgian ministry of Finance (separated from the tax administrations) which in turn will communicate the relevant information to the tax administration on an annual basis (if the total amount of investment income communicated with respect to that holder in the relevant year exceeds the threshold of 20,020 Euro mentioned below) as well as on demand.

Interest income which is declared in the annual personal income tax return will in principle be taxed at a flat rate of 21 per cent increased with local surcharges (however, it has been reported that the Belgian federal government has approved a draft bill which, if adopted by the legislator, would abolish such local surcharges) and increased, as the case may be, with the 4 per cent. additional tax on investment income (see below). The Belgian withholding tax and the 4 per cent. additional tax on investment income withheld at source, if any, may be credited and any excess may be refunded.

The above referred to 4 per cent. additional tax on investment income can be summarised as follows. Belgian resident individuals who receive qualifying investment income (qualifying interest and qualifying dividends)

in an amount exceeding 20,020 Euro (amount for income year 2012) on a yearly basis will be subject to an additional tax on investment income of 4 per cent on the income exceeding EUR 20,020. Certain investment income is not subject to the additional tax on investment income, i.e. dividend income taxed at 25 per cent, liquidation bonuses, interest on regulated savings accounts taxed at 15 per cent, the income from government bonds issued and subscribed between 24 November and 2 December 2011 and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts); however, this investment income is in principle first taken into account to determine whether the 20,020 Euro threshold is exceeded, except for liquidation bonuses, the income from the above mentioned government bonds and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts). Interest on the Bonds will be taken into account to calculate the 20,020 Euro threshold and will be subject to the 4 per cent additional tax on investment income if and to the extent that this interest constitutes part of the investment income exceeding the 20,020 Euro threshold.

Belgian resident individuals are not liable to income tax on capital gains realised upon the disposal of the Bonds, unless the capital gains are realised outside the scope of the normal management of one's private estate or unless the capital gains qualify as interest (as defined above in the section "Withholding Tax"). Capital losses realised upon the disposal of the Bonds held as non-professional investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

Belgian Resident Corporations

Holders of Bonds that are residents of Belgium and subject to the Belgian ordinary corporate income tax regime, are liable to corporate income tax on the income of the Bonds and capital gains realised upon the disposal of the Bonds. The Belgian withholding tax, if any, may be credited and any excess may be refunded. Capital losses realised upon the disposal of the Bonds are generally tax deductible.

Belgian Resident Legal Entities

For holders of Bonds that are residents of Belgium and subject to Belgian legal entities income tax, the 21 per cent withholding tax on interest will constitute the final tax. If no withholding tax was levied (for example due to the fact that they hold the Bonds through an X-Account in the NBB Clearing System), they must file a withholding tax return and pay spontaneously the applicable withholding tax to the Treasury.

Belgian legal entities are not liable to income tax on capital gains realised upon the disposal of the Bonds unless the capital gains qualify as interest (as defined above in the section Withholding Tax). Capital losses are in principle not tax deductible.

Non-Residents of Belgium

Bondholders who are not residents of Belgium for Belgian tax purposes and are not holding the Bonds through a Belgian establishment and do not conduct Belgian professional activities will not incur or become liable for Belgian tax on income or capital gains or other like taxes by reason only of the acquisition, ownership or disposal of Bonds provided that they hold their Bonds in an Exempt Account.

Transfer Tax

A *taxe sur les opérations de bourse* (tax on stock exchange transactions) at the rate of 0.09 per cent (subject to a maximum amount of 650 Euro per party and per transaction) will be due upon the sale and purchase of Bonds on a secondary market entered into or settled in Belgium in which a professional intermediary acts for either party. A separate tax is due from each of the seller and the purchaser, both collected by the professional intermediary.

A *taxe sur les reports* (tax on a sale combined with a forward purchase) at the rate of 0.085 per cent (subject to a maximum of 650 Euro per party and per transaction) will be due from each party to any such transaction in which a professional intermediary acts for either party.

However, none of the taxes referred to above will be payable by exempt persons acting for their own account, including investors who are not Belgian residents (subject to certain identification formalities) and certain Belgian institutional investors as defined in Article 126.1, 2º of the *Code des droits et taxes divers* (Code of various duties and taxes).

EU Directive on the taxation of savings income

On 3 June 2003, the Council of the European Union adopted the Council Directive 2003/48/EC regarding the taxation of savings income (hereinafter, the ''**Savings Directive**''), which has been implemented in Belgium by the law of 17 May 2004. The EU Savings Directive entered into force on 1 July 2005.

The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons resident in another Member State (hereinafter "**Disclosure of Information Method**"), except that Austria and Luxembourg may instead impose a withholding system (hereinafter "**Source Tax**") for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period they elect otherwise. A number of third countries and territories have adopted similar measures to the Savings Directive.

Bondholders should note that the European Commission announced proposals to amend the European Council Directive 2003/48/EC. If implemented, the proposed amendments would, inter alia, extend the scope of the Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wide range of income similar to interest.

Application to individuals not resident in Belgium

Interest paid or collected through Belgium on the Bonds and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Application to individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax return. The Source Tax will be credited against the personal income tax and any excess amount will be reimbursed, provided it reaches a minimum of €2.5.

Subscription and Sale

The Lead Manager has, pursuant to a Subscription Agreement dated 19 October 2012 (the "Subscription Agreement"), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Bonds at 101.137 per cent. of their principal amount, plus €302,782.51 accrued interest from, and including, 7 August 2012 to, but excluding, the New Issue Date. In addition, the Issuer has agreed to reimburse the Lead Manager for certain of its expenses in connection with the issue of the Bonds. The Subscription Agreement entitles the Lead Manager to terminate it in certain circumstances prior to payment being made to the Issuer.

General

Neither the Issuer nor the Lead Manager has made any representation that any action will be taken in any jurisdiction by the Lead Manager or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. The Lead Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Offering Circular (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or the Lead Manager in any such jurisdiction as a result of any of the foregoing actions.

United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Lead Manager has agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and it will not offer, sell or deliver the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

The Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

General Information

1. Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to the Official List and to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

2. The Bonds will be issued at a price equal to 101.137 per cent. of the principal amount of the Bonds plus €302,782.5551 accrued interest from, and including 7 August 2012 to, but excluding, the New Issue Date.

3. The Issuer has obtained all necessary consents, approvals and authorisations in the Kingdom of Belgium in connection with the issue and performance of the Bonds. The issue of the Bonds was authorised by resolutions passed by the Board of directors of the Issuer on 27 September 2012.

4. There has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2012 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2011 except for the results on 30 June 2012 as set forth in the half-yearly financial report 2012 which is incorporated by reference – see "Documents incorporated by reference" and the recent developments, investment and trends – see "Recent developments, investments and trends".

5. Neither the Issuer nor any of its subsidiaries or Group companies is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Circular which may have or have had in the recent past material adverse effect on the financial position or profitability of the Issuer or the Group.

6. The Bonds have been accepted for clearance through the clearing system of the National Bank of Belgium (which is the entity in charge of keeping the records) with a Common Code of 081199701. The International Securities Identification Number (ISIN) for the Bonds is BE6241505401.

   The address of the National Bank of Belgium is Boulevard de Berlaimont 14, B-1000 Brussels.

7. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to bondholders in respect of the bonds being issued.

8. As from the date on which this Offering Circular is made available to the public and as long as the Bonds are listed, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Issuer:

   (a) the Agency Agreement;

   (b) the Articles of Association (*statuts / statuten*) of the Issuer (in French and Dutch);

   (c) the published 2011 annual report and the audited consolidated annual accounts of the Issuer for the two years ended 31 December 2010 and 31 December 2011 and the half-yearly financial report 2012 (in French, Dutch and English – only the French version forms legal evidence);

   (d) a copy of this Offering Circular together with any Supplement to this Offering Circular or further Offering Circular; and

   (e) any documents incorporated by reference.

This Offering Circular will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

9. Deloitte Bedrijfsrevisoren/Réviseurs d'Enterprises of Berkenlaan 8b, 1831 Diegem, Belgium (Independent Public Accountants) have audited the accounts of the Issuer for the three years ended 2011.

10. The Lead Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and/or its affiliates in the ordinary course of business.

Financial Information

Selected financial information as at 31 December 2011 and 31 December 2010 is included below. For more information in that respect, see the relevant consolidated accounts and the notes related thereto available in the Issuer's annual reports for 2011 and 2010, which are incorporated by reference - see "Documents Incorporated by Reference". See also the Issuer's half-yearly financial report 2012 which is also incorporated by reference – see "Documents Incorporated by Reference".

Consolidated income statement – Analytical form (x €1,000)

	31.12.2011	31.12.2010
A. NET CURRENT RESULT		
Gross rental income	**191,811**	199,634
Rental-related expenses	**-2,844**	-4,542
Rental income, net of rental-related expenses[1]	**188,967**	195,092
Writeback of lease payments sold and discounted (non-cash)	**20,999**	21,108
Taxes and charges on rented properties not recovered[2]	**143**	-258
Redecoration costs, net of tenant compensation for damages[3]	**-1,540**	-1,622
Property result	**208,569**	214,320
Technical costs	**-4,412**	-3,269
Commercial costs	**-1,560**	-1,357
Taxes and charges on unlet properties	**-3,574**	-3,334
Property result after direct property costs	**199,023**	206,360
Property management costs	**-13,926**	-15,031
Property operating result	**185,097**	191,329
Corporate management costs	**-7,306**	-6,333
Operating result (before result on portfolio)	**177,791**	184,996
Financial income (IAS 39 excluded)[4]	**6,079**	6,036
Financial charges (IAS 39 excluded)[5]	**-63,625**	-64,373
Revaluation of derivative financial instruments (IAS 39)	**-9,561**	-13,757
Share in the result of associated companies and joint-ventures	**213**	
Taxes	**-6,920**	-7,224
Net current result[6]	**103,977**	105,678
Minority interests	**-334**	-243
Net current result – Group share	**103,643**	105,435
B. RESULT ON PORTFOLIO		
Gains or losses on disposals of investment properties	**6,644**	7,253
Changes in fair value of investment properties	**-9,603**	-28,288
Other result on portfolio[7]	**22,067**	-205
Result on portfolio	**19,108**	-21,240
Minority interests	**-4,212**	-399
Result on portfolio – Group share	**14,896**	-21,639
C. NET RESULT		
Net result – Group share	**118,539**	83,796

Number of shares

	31.12.2011	31.12.2010
Number of ordinary shares issued (own shares included)	**15,220,653**	13,667,092
Number of preference shares issued and not converted	**1,067,809**	1,249,310
Number of outstanding ordinary shares	**14,126,279**	13,614,485
Number of preference shares entitled to share in the result of the period	**1,067,809**	1,249,310
TOTAL NUMBER OF SHARES ENTITLED TO SHARE IN THE RESULT OF THE PERIOD	**15,194,088**	14,863,795

1 This section corresponds to the "Net rental income" minus the "Writeback of lease sold and discounted" detailed on page 126 in the IFRS Consolidated accounts statement. 2 This section corresponds to the "Recovery income of charges and taxes normally payable by the tenant on let properties" and the "Charges and taxes normally payable by the tenant on let properties" detailed on page 126 in the IFRS Consolidated accounts statement. 3 This section corresponds to the "Recovery of property charges" and the "Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease" detailed on page 126 in the IFRS Consolidated accounts statement. 4 IAS 39 included, at 31.12.2011 and 31.12.2010, financial income amounted to respectively K€12,320 and K€7,530. This section corresponds to the "Financial result" detailed on page 126 in the IFRS Consolidated accounts statement. 5 IAS 39 included, at 31.12.2011 and 31.12.2010, financial charges amounted to respectively K€-79,427 and K€-79,624. This section corresponds to the "Net interest charges" and " Other financial charges" detailed on page 126 in the IFRS Consolidated accounts statement. 6 Net result excluding gains or losses on disposals of investment properties, changes in fair value of investment properties, and exit tax. 7 This section corresponds to the "Other result on portfolio" and "Exit tax" detailed on page 126 in the IFRS Consolidated accounts statement.

Consolidated balance sheet (x €1,000)

	31.12.2011	31.12.2010
Non-current assets	**3,414,890**	3,304,794
Goodwill	**157,456**	164,012
Intangible assets	**745**	1,427
Investment properties	**3,177,560**	3,041,916
Other tangible assets	**966**	539
Non-current financial assets	**21,880**	38,522
Finance lease receivables	**55,403**	58,349
Trade receivables and other non-current assets	**42**	29
Participations in associated companies and joint-ventures	**838**	
Current assets	**114,051**	77,112
Assets held for sale	**12,025**	170
Current financial assets	**13,779**	9,227
Finance lease receivables	**2,868**	2,780
Trade receivables	**20,840**	18,864
Tax receivables and other current assets	**17,015**	22,137
Cash and cash equivalents	**10,207**	3,265
Deferred charges and accrued income	**37,317**	20,669
TOTAL ASSETS	**3,528,941**	3,381,906
Shareholders' equity	**1,515,544**	1,466,878
Shareholders' equity attributable to shareholders of parent company	**1,460,887**	1,459,781
Capital	**814,228**	796,528
Share premium account	**312,330**	513,093
Reserves	**215,790**	66,364
Net result of the financial year	**118,539**	83,796
Minority interests	**54,657**	7,097
Liabilities	**2,013,397**	1,915,028
Non-current liabilities	**1,601,386**	1,448,760
Provisions	**18,474**	19,234
Non-current financial debts	**1,435,094**	1,226,815
Other non-current financial liabilities	**106,735**	69,693
Deferred taxes	**41,083**	133,018
Current liabilities	**412,011**	466,268
Current financial debts	**246,316**	313,730
Other current financial liabilities	**58,930**	62,780
Trade debts and other current debts	**79,225**	62,631
Accrued charges and deferred income	**27,540**	27,127
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,528,941**	3,381,906

Intrinsic share value (diluted) (in €)

	2011	2010
In fair value	**98.29**	91.72
In investment value	**102.29**	96.07

ISSUER

Cofinimmo SA/NV
Boulevard de la Woluwe 58
1200 Brussels
Belgium

LEAD MANAGER

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

AUDITORS OF THE ISSUER

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
Berkenlaan 8b
1831 Diegem
Belgium

PAYING AND DOMICILIARY AGENT

BNP Paribas Securities Services SCA, Brussels branch
Boulevard Louis Schmidt 2
1040 Brussels
Belgium

LEGAL ADVISERS

To the Issuer
as to Belgian law

NautaDutilh SPRL
Chaussée de la Hulpe 120
1000 Brussels
Belgium

To the Lead Manager
as to Belgian law

Linklaters LLP
Rue Brederode 13
1000 Brussels
Belgium

To the Lead Manager
as to English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom