

Capital increase of EUR 83.3 million (share premium included) for the financing of the Egmont project

- Public offering of 797,276 new preference shares convertible into ordinary shares -
 - The subscription price is set at EUR 104.44 per new preference share -
 - The gross yield for the subscriber amounts to 6.10% -
 - The subscription period runs from 27 May until 11 June 2004 included-
- 12 No. 12 coupons detached from the existing shares will allow to subscribe to 1 new preference share

Brussels, 26.05.2004 - Cofinimmo, the listed real estate investment company specialised in office properties, today announces a capital increase of EUR 83.3 million by public offering of 797,276 new preference shares, with preferential right to the existing shareholders, in the proportion of one (1) new share for twelve (12) shares held.

The main characteristics of preference shares are:

- priority right to an annual fixed gross dividend of EUR 6.37, capped at this amount, which represents a gross yield of 6.10% compared to the subscription price or a net yield of 5.18% after deduction of the 15% withholding tax;
- priority right in case of liquidation to a distribution equal to the issue price, capped at this amount;
- option for the holder to convert his preference shares in ordinary shares from the 5th anniversary of their issue date (2009), at a rate of one new ordinary share for one preference share ;
- option for a third party designated by Cofinimmo (for example one of its subsidiaries) to purchase in cash and at their issue price, from the 15th anniversary of their issuing, preference shares that have not yet been converted;
- the preference shares are registered, listed on Euronext Brussels First Market and carry a voting right identical to ordinary shares.

The subscription price of EUR 104.44 is equal to the average closing price of the ordinary share from 19 to 25 May 2004 included.

The subscription period will run from 27 May until 11 June 2004 included. The subscription right, materialised by coupon No. 12, will be listed on Euronext Brussels during this entire period, allowing existing shareholders who do not wish to subscribe to sell their rights. As the subscription price has been set without discount compared to the last quotations of the existing share, the theoretical value of the right is however at the start near zero.

Preferential rights not exercised by 11 June 2004 will be represented by “scrips” that will be auctioned on Euronext Brussels on or about 16 June 2004. The purchasers of “scrips” may subscribe the remaining new preference shares during a second period ending on 22 June 2004.

The subscription price of EUR 104.44 is in line with the net asset value of the ordinary share of Cofinimmo.

The capital increase is organised by Bank Degroof. Cofinimmo benefits from an underwriting commitment from this bank, the conditions of which are mentioned in the prospectus.

This capital increase will finance about half of the amount of EUR 173.7 million disbursed by Cofinimmo for the acquisition of the Egmont I building and the land on which the new Egmont II building will be erected, adjacent to the Palais d'Egmont. Egmont I is let to the Régie des Bâtiments of the Belgian State for a period of 18 years, starting on 01.06.2004. Egmont II will also be let to the Régie des Bâtiments for a period starting on the first day of the month after provisional acceptance (estimated at 01.06.2006), and ending the same day as Egmont I. The occupant will be the Public Federal Service of Foreign Affairs, Foreign Trade and Development Aid.

The prospectus of the offering is available on Cofinimmo's website (www.cofinimmo.com)

For more information:

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