

housing with care

2014/2015

ANNUAL FINANCIAL REPORT

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1. This chapter is part of the Consolidated Board of Directors' Report.

housing with care

Aedifica aims to position itself as a market leader among listed Belgian residential real estate companies, particularly in terms of senior housing.

Its strategy is based on two demographic trends: population ageing in Western Europe and population growth in Belgium's main cities. The Company aims to create a balanced real estate portfolio that generates recurring revenues and offers potential for capital gains. Aedifica has been quoted on Euronext Brussels (continuous market) since 2006.

Aedifica offers the investor a high-quality alternative to direct investment in residential real estate.



479,000m²
total surface area

€1 billion

investment properties portfolio
as of 30 June 2015



RISK FACTORS

Aedifica carries out its activities in a constantly changing environment, which implies certain risks.

The occurrence of these risks could have a negative impact on the Company as a whole, or on its operations, outlook, financial position or financial result.

Thus, these risks must be duly considered as part of any investment decision.

Aedifica aims to manage these risks to the best of its ability, in order to generate recurring rental income and realise future capital gains.

The Executive Managers and the Board of Directors monitor Aedifica's main risk factors closely. They set conservative policies in this respect, which are updated and adapted as necessary to reflect changing risk factors and circumstances. Please note that completeness in respect of risk factors cannot be ensured, and that the following list is based on information available as of 8 September 2015. It is acknowledged that other risk factors may exist, which are currently unknown, remote or considered as benign for the Company, its operations and/or its financial position.

1. Market risks

1.1 Economic risks

Given the fact that supply and demand in the real estate market is impacted by general economic conditions, any negative shift in the main macro-economic indicators could hurt Aedifica's activity level and outlook. The Company's operations are indeed subject to economic cycles, since these affect the available income of existing tenants (and hence their ability to respect their financial commitments), new demand, and the availability of funds for new investments. The Company can also be affected by the default of its various partners: building managers, credit providers, hedge providers, contractors, etc. To mitigate these economic risks, Aedifica diversifies its investments across several segments in the residential market, which tend to respond differently to economic changes.

1.2 Risks related to the real estate market

Rent levels, vacancy rates, and property values are highly influenced by supply and demand in the real estate market, both in terms of space for sale and for let. The main risk factors faced by the Company arise from lower occupancy rates, decreases in contractual rents or building values on contract renewal, and capital losses when properties are disposed of.

To mitigate these risks, Aedifica's investment strategy is diversified, both geographically (having extended operations beyond Belgium's borders in 2013) and by sector, within the residential market. Aedifica has been active in the senior housing segment in Germany since 2013.

Each segment of the residential market in which Aedifica invests targets different types of tenants who rent premises under contracts with varying maturities (short-term or medium-term for apartments, and long-term for senior housing and hotels). Given the high proportion of long-term contracts (e.g. irrevocable contracts with a minimum initial maturity of 27 years called "emphytéoses / erfpachten"), which represent 78 % of the fair value of marketable investment properties as of 30 June 2015), the average residual maturity of Aedifica's contracts stands at 20 years. This gives the Company a good view on future revenue streams over the long term.

Aedifica also intends to grow its portfolio in order to reduce the weight of each individual property, improve asset management, and increase the operating margin by realising economies of scale.

Aedifica pursues an investment strategy which, until recently, has been focused on the Belgian market. Starting 2013, Aedifica has also been active in the senior housing segment in Germany.

1.3 Inflation risk

At constant interest rates, inflation risk is low for Aedifica, since rents are subject to indexation, in general on an annual basis (mainly according to the local full CPI or, in Belgium, the health CPI). The impact of inflation on rental income can be summarised as follows: an increase of the index of 100 bps would generate additional rental income of approximately €0.6 million.

In the context of increasing nominal interest rates, lower inflation implies higher real interest rates, which in turn implies that financial charges are growing faster than indexation of rental income. Aedifica has taken some important steps to mitigate this risk (see 3.3 below).

In case of negative inflation, most contracts set a floor at the level of the initial rent.

1.4 Concentration risk of operators in the senior housing segment

Given the dynamism of the large group of professional operators active in the senior housing segment, and the ongoing consolidation of this market, it is highly likely that one or more business combinations will occur among groups related to legal entities with which the Company has entered into lease agreements. This may impact the diversification level of the Company's tenant base. Such business combinations have occurred in the past in Aedifica's portfolio, and served to improve the professionalism of these legal entities (operators). The impact of these consolidations on the diversification of Aedifica's tenant base has been offset by the growth in the portfolio, with addition of new operators. The data concerning these groups are given in the Property Report included in the Annual Financial Report and in Note 3 of the Consolidated Financial Statements.

2. Risks related to Aedifica's property portfolio

The Board of Directors and the Executive Managers of Aedifica are aware of the risks linked to the management and quality of the Company's assets and have set clear and strict standards for building improvement, commercial and technical management, and investment and divestment, all with a view to limit vacancy and increase property values.

Up to 31 July 2013, Aedifica's properties were exclusively located in Belgium and consisted mainly of marketable properties used or intended to be used for housing. The composition (number of properties, surface area) and breakdown (by type of property, by segment, geographical) as of 30 June 2015 is provided in section 3.1 of the Consolidated Board of



**Service-Residenz
Schloss Bensberg**
Senior housing -
Bergisch Gladbach
(Germany)

Directors' Report included in this Annual Financial Report. Since summer 2013, Aedifica's portfolio has expanded to include properties located in Germany.

Aedifica is also carrying out works on a portfolio of 22 development projects (see section 4.2. of the Property Report included in this Annual Financial Report). Marketable investment properties and development projects are presented together on the balance sheet, under the heading "I.C. Investment properties" among non-current assets, and real estate offered for sale is recognised under line "II.A. Assets classified as held for sale" among current assets".

2.1 Rents

Aedifica's turnover is completely made up of rental income generated on properties that are rented out to third parties (natural persons, companies, operators of rest homes or assisted-living apartments, or hotels). Bad debt provisions and vacancy rates could have an adverse impact on the income statement. Moreover, when a rental contract matures and a new tenant is found, the new contract may generate lower rental income, especially in view of the current economic environment. A gloomy economic climate can also lead to renegotiations of current leases, in particular to reduce the rent of current contracts in order to rebalance tenants' rent levels

compared to their potential future income, and therefore to maintain the sustainability of the cash flows generated by the building for the benefit of the Company. As property costs cannot always be reduced in line with rental incomes, the Company's income and cash flows could be further affected as a result.

In order to mitigate these risks, Aedifica diversifies its investments in the residential market, in terms of location, market segment, tenant profiles, and contract types. In the senior housing segment for example, Aedifica enters into long leases (mainly under the form of long-term "emphytéoses/erfpachten" in Belgium) with specialised professional operators, which generate high yields. By doing so, Aedifica can offset most risks associated with shorter-term contracts in the other segments (apartment buildings).

The Company is not credit-insured and is, thus, also exposed to the risk of default of its tenants. Procedures have been put in place to monitor the payment pattern of the tenants with whom long leases ("emphytéoses/erfpachten" or others) have been signed, and to closely follow-up on any doubtful debtors. In addition, Aedifica benefits from rental guarantees set up in accordance with market standards and Belgian law, under the form of warranties issued by banks, cash deposits on bank accounts, or other securities.

Nevertheless, the Company continues to face a risk of lost rental income, and this risk can increase in line with any deterioration of the economic conditions. Charges to provisions for bad debts for the financial year amount to less than €0.1 million on €49.9 million in rental income.



In the senior housing segment, Aedifica enters into long leases (mainly in the form of long-term "emphytéoses/erfpachten" in Belgium) with specialised professional operators.

2.2 Asset management

The attractiveness of Aedifica's rental properties, as well as their valuation, depends on the perceived quality of the buildings, the effectiveness of the maintenance programme, and the security level achieved.

For this reason, Aedifica has put in place its own sales and marketing team. By doing so, the Company maintains direct contact with its tenants and strives to remain aware of their needs and wishes.

For the technical management of certain apartment buildings in Belgium, Aedifica employs external service providers who act as asset managers and are permanently monitored by the Company's own building manager. Aedifica employs the same external service providers for the administrative and accounting management of certain apartment buildings. In case of default of any of these service providers, the Company's financial risk exposure is limited, since the tenants pay rents and provisions for charges directly into Aedifica's bank accounts. Asset managers have no access to the bank accounts into which rents are paid; withdrawals from bank accounts into which provisions for charges are paid are strictly restricted. Administrative and accounting management of other apartment buildings was recently internalised; related tasks are now performed internally by Aedifica's property accounting team.

The Company is generally the sole owner of its buildings. However, specific risks could arise from co-ownership or split sales of certain buildings.

Given the limited number of people employed by Aedifica, the organisation could be affected by the departure of key personnel. The unexpected departure of key personnel could also negatively impact the Company's ability to grow.

The Company may be involved in court procedures arising in the normal course of business. Cases currently ongoing present no significant risk, thus no provision had to be raised in relation to these. Given the uncertainties arising from court procedures, however, the Company could face new liabilities in the future.

2.3 Quality and valuation of the buildings

In order to sustain and even increase rental income, and to facilitate new lettings and/or building disposals, Aedifica carries out repair and maintenance works on its real estate portfolio on an ongoing basis. Nevertheless, these investments cannot fully eliminate the risk of impairment of the assets.

Aedifica also acquires planned or in-progress development projects and initiates new projects, which positions the Company to oversee the development works and ensure that buildings delivered are of high quality. This approach to property acquisition is consistent with the Company's long-term vision.

An architect manages the development and renovation projects, and ensures that works contracted to third parties are properly carried out. Even as the Company does its best to negotiate contracts that minimise the risks arising from major works (e.g. delays compared to the expected completion date, deviation from budget, organisational issues, etc.), these cannot be totally avoided.

When a building requiring major renovation works is acquired, the fair value of the building at acquisition date generally reflects its state at that time. The cost of the renovation works to be carried out is included in the Company's financial planning.

The risk that buildings may be destroyed by fire or other calamity is insured for a total reconstruction value of €842 million (including the value of furnishings in the furnished apartments, and excluding the value of the lands). This represents 86 % of the fair value of marketable investment properties as of 30 June 2015 (including lands). Insurance contracts are signed by Aedifica, or by the tenants in the case of long leases. The insurance contracts also cover vacancy costs during the reconstruction period, but do not cover other risks, such as voluntary acts of the insured person, the risk of war, nuclear risks, hidden defects, deterioration, decrepitude, asbestos, etc. Insurance premiums paid by Aedifica amount to €81 thousand for the 2014/2015 financial year.

Halmolen
Senior housing -
Halle-Zoersel (Belgium)



The fair value of investment properties, as assessed quarterly by independent experts, changes over time and is recognised in accordance with IAS 40. A change of 1 % in the fair value of investment properties would have an impact of €10 million on the Company's net income and of approximately €0.71 on the net asset value per share. This would also impact the debt-to-assets ratio by 0.4 %.

2.4 Risk of expropriation

At any time, property can be expropriated by Belgian public authorities, in line with applicable laws.

2.5 Risks arising from mergers, acquisitions and de-mergers

A major part of Aedifica's assets were acquired through mergers, de-mergers, or acquisition of shares in other real estate companies. Aedifica takes all necessary steps to ensure proper due diligence at the time of acquisition (e.g. by carrying out due diligence audits regarding the buildings and/or real estate companies, by obtaining certain warranties and representations, etc.). Nevertheless, it is unavoidable that, as a result of these transactions, hidden liabilities may be transferred to the Company, which are not recoverable from the transferor.

3. Financial risks

Aedifica's financial management practices aim to ensure permanent access to financing, and to monitor and minimise the interest rate risk.

3.1 Debt structure

Aedifica's debt-to-assets ratio (as defined in the Royal Decree of 13 July 2014 on Belgian RRECs) is included in section 3.3 of the Consolidated Board of Director's Report included in this Annual Financial Report. As of 30 June 2015, it amounts to 36.9 % on statutory level and to 37.0 % on consolidated level. This section also discloses the maximum ratio permitted before the Company reaches the maximum debt-to-assets ratio permitted for Belgian REITs (65 % of total assets) or arising due to bank covenants (60 % of total assets). When exceeding the debt-to-assets threshold of 50 %, a financial plan with an implementation schedule must be elaborated, describing the measures taken to prevent the consolidated debt-to-assets ratio from exceeding the maximum permissible threshold of 65 % (Article 24 of the Royal Decree of 13 July 2014).

Aedifica's financial model relies on a structural indebtedness. As a result, cash balances are usually low, amounting to €4 million as of 30 June 2015.

A large graphic of the text '€550M' in a red, outlined font. Below it, the text 'credit facilities as of 30 June 2015' is written in a smaller red font, underlined.

credit facilities as of 30 June 2015

As of 30 June 2015, Aedifica has neither pledged any Belgian building as collateral for its debts, nor has it granted any other securities to debt-holders. Note that in Germany, it is customary that real estate buildings financed by bank credit are linked to a mortgage in favour to the creditor bank. As such, 3 out of the Company's 14 buildings in Germany are linked to a mortgage as of 30 June 2015, respecting the requirements laid down in Article 43 of the Belgian Act of 12 May 2014 (the total amount that is linked to a mortgage cannot exceed 50 % of the total fair value and no mortgage linked to a certain building can exceed 75 % of that building's value). In the context of supplementary financing of assets located in Germany, it is possible that supplementary mortgages will be obtained.

3.2 Liquidity risk

Aedifica enjoys a strong and stable relationship with its banks, which form a diversified pool of multinational institutions. Details of Aedifica's credit facilities are disclosed in Note 40 of the Consolidated Financial Statements included in this Annual Financial Report.

As of 30 June 2015, Aedifica is using credit facilities totalling €367 million (2014: €346 million), out of €550 million in total available credit. The remaining headroom of €183 million is sufficient to cover Aedifica's short-term financial needs (including the development projects in progress) until the end of the 2015/2016 financial year. The investment amount that is budgeted in the Company's financial plan for the existing projects as of 30 June 2015 is estimated at €61 million, to which a hypothetical investment of €50 million should be added. This brings the total investment which is included in the financial plan for the 2015/2016 financial year to €111 million.

Given the regulatory status of Belgian REITs/RRECs, and the type of property in which Aedifica invests, the risk of non-renewal of mature credit facilities is remote even in the context of a credit crunch, except in the event of unforeseen and extreme circumstances. There is a risk of increasing credit

spreads should market conditions deteriorate as compared to those present at the time the current credit facilities were signed.

The Company would be exposed to a liquidity risk which could arise due to a lack of cash flow in the event of early termination of the credit facilities. Should the Company fail to comply with the provisions of credit facility arrangements, the facilities might indeed be cancelled, re-negotiated, or forced into reimbursement. The covenants in place are in line with market practice, and in particular require that the debt-to-assets ratio (as defined by the Royal Decree of 13 July 2014) does not exceed 60 %. Moreover, there is a risk of early termination in the event of a change of control, in case of non-compliance with the Company's obligations, and, more generally speaking, in the event of default as defined in these arrangements. Based on the information available to date, and the prospects for the foreseeable future, there is no indication of a possible early termination of one or more of the existing credit facilities. However, this risk cannot be ignored completely. Moreover, Aedifica does not itself retain control over certain commitments, such as in the event of a change of control, which could lead to the early termination of the credit facilities.

Internally, Aedifica is organised so as to regularly monitor the evolution of the financial markets, optimise the Company's financial structure over both short and long term, and manage financial risks (liquidity risk, interest rate risk). Aedifica aims to further diversify its funding sources, given market conditions.

3.3 Interest rate risk

Almost all of Aedifica's financial debts are floating-rate borrowings. This allows Aedifica to benefit from low interest rates on the non-hedged part of its borrowings. To mitigate the risk of increasing interest rates, Aedifica follows a policy aimed at securing for a period of several years the interest rates related to at least 60 % of its current or highly probable indebtedness.

A large graphic of the text '37%' in a red, outlined font. Below it, the text 'consolidated debt-to-assets ratio as of 30 June 2015' is written in a smaller red font, underlined.

consolidated debt-to-assets
ratio as of 30 June 2015

This policy is supported by the fact that an increase in nominal interest rates, when not coupled with a simultaneous increase in inflation, implies an increase in real interest rates that cannot be offset by increasing rental incomes through indexation alone. Moreover, in case of accelerating inflation, there is a delay between the timing of the increase of the nominal interest rates and the timing of the indexation of rental incomes. When the interest rate curve is sufficiently flat (i.e. when interest does not vary a lot in relation of the maturity date), Aedifica aims to enter into hedges over longer periods, in line with its investment.

For example, assuming that the structure and level of financial debts remain unchanged, and assuming that no hedges have been entered into, simulations show that a 25 bps positive deviation (increase) in the 2015/2016 interest rates over the forecast rates would lead to an additional €1.1 million interest expense for the year ended 30 June 2016.

In order to manage the interest rate risk, Aedifica has put in place hedges (interest rate swaps and caps). All hedges are entered into with leading banks and relate to existing or highly probable risks. Where appropriate, Aedifica applies hedge accounting as defined by IAS 39. An analysis of the Company's hedges is provided in the Consolidated Board of Directors' Report and in Note 33 of the Consolidated Financial Statements included in this Annual Financial Report. The hedges are entered into for long periods; however, hedge agreements include provisions (in line with market practice) that could lead the issuing banks to terminate the hedges early or initiate margin calls (in cash for example) in their own favour in certain circumstances.

Changes in the interest rate curve have a limited impact on the future interest expense, as 60 % of the financial debts are hedged by IRS, caps or collars. Each change in the interest rate curve has an impact on the fair value of hedging instruments against income statement and/or equity (line "I.C.d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS" and line "I.C.e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS"). A sensitivity analysis is provided in Note 33 of the Consolidated Financial Statements included in this Annual Financial Report.

3.4 Counterparty risk

Signing a credit facility or hedging instrument with a bank generates a counterparty risk in the event of counterparty default. In order to mitigate this risk, Aedifica trades with several leading national and international banks to diversify its funding and hedging sources, while remaining cautious about the balance between cost and quality of the services provided. In the context of the current banking crisis, one should bear in mind that one or several counterparties could default.

In line with market practice, the agreements signed with banks include market shock clauses and major adverse change clauses which could lead to, in extreme circumstances, additional costs for the Company or possibly the early termination of the credit facility.

Aedifica has an ongoing relationship with the banks listed in Note 40 of the Consolidated Financial Statements included in this Annual Financial Report. With respect to hedging, the main providers (by order of magnitude) are ING, BNP Paribas Fortis and KBC Bank.

3.5 Foreign exchange risk

Aedifica earns all rental income and incurs all expenses within the euro-zone (except for certain small suppliers which charge for their services in USD and CAD). The borrowings of the Company are all denominated in euros. Thus, Aedifica is not exposed to significant foreign exchange risk.

3.6 Budgeting and financial planning risk

The yearly budget and long-term financial plan are important tools used in the decision-making process and in daily management activities. The budget and financial plan are derived from a computerised model that incorporates a number of assumptions; this model can suffer from programming errors, and human errors which may arise when using it. The potential for wrong assumptions, and undetected programming or human errors might put pressure on the Company's performance or threaten its compliance with regulatory (e.g. legal covenants associated to the Belgian RREC status, such as the debt-to-assets ratio) and contractual provisions (e.g. bank covenants).

To mitigate the risk of increasing interest rates, Aedifica follows a policy aimed at securing the interest rates related to at least 60 % of its current or highly probable indebtedness over a period of several years.

4. Regulatory risks

The Company is aware of applicable regulations and does its best to engage experts to provide supplementary assistance and advice. Nonetheless, it is exposed to the risk of non-compliance with regulations or environmental requirements.

Regulatory changes and new related obligations arising for the Company and/or its service-providers could influence the profitability of the Company or its property values (e.g. through additional obligations at the expense of the Company and/or its tenants).

4.1 Corporate status

As of 17 October 2014, the Company is authorised by the FSMA as a “Regulated Real Estate Company” (“RREC”) under Belgian law (French: “société immobilière réglementée” or SIR, and Dutch: “gereguleerde vastgoedvennootschap” or “GVV”). As a Public RREC, and in order to keep this status, the Company is subject (on a consolidated basis or not) to the requirements of the Act of 12 May 2014 and to the Royal Decree of 13 July 2014. These include restrictions on operations, debt-to-assets ratio, appropriation account, con-

Eyckenborch
Senior housing -
Gooik (Belgium)



RREC status

since 17 October 2014

licts of interest, corporate governance, etc. (Continued) compliance with these specific requirements depends, among other things, of the Company's capacity to manage its assets and its indebtedness successfully, and of its compliance with strict internal control procedures. In event of significant changes in its financial or other situation, it is possible that the Company could become unable to comply with these requirements,

As a public RREC, the Company is exposed to the risk of future changes in legislation relating to Regulated Real Estate Companies. Furthermore, there is also the risk that, in the event of violation of the applicable rules, the supervisory authority (the FSMA) imposes sanctions, including the loss of the Company's public RREC status. In this case, the Company would lose its specific tax regime for public RRECS (see also section 4.2. below). Furthermore, the loss of the public RREC status is, pursuant to the Company's credit facilities, generally considered an event of default or acceleration thus triggering the reimbursement of all credit facilities established by the Company. The loss of this status would also have a negative impact on the Company's operations, results, profitability, financial situation and forecast.

4.2 Tax regime

As a public RREC, the Company benefits from a specific tax regime under which its annual result (rental income and capital gains on disposals, after deduction of operating costs and financial expenses) is not subject to corporate tax at the level of the public RREC (while subsidiaries remain subject to corporate tax as is any other company).

The exit tax is calculated taking into account the provisions of the circular Ci. RH. 423/567.729 of 23 December 2004; the prescribed interpretation or practical application of this circular is subject to change at the

Government's discretion at any time. The "real value" of a property as stated in the circular is calculated after deduction of the registration duties or of the VAT. This "real value" varies from (and can therefore be inferior to) the fair value of the property as listed in the financial statements under IFRS. The group considers itself compliant with the points of the administrative circular concerning the calculation of its exit tax payable.

Moreover, regulatory risks also include the effects of enacted or foreseen provisions, namely in respect of changes in taxation.

The Programme law of 27 December 2012 establishes a 25 % withholding tax on dividends effective as of 1 January 2013. As a public RREC investing directly at least 80 % of its property in housing located in a Member State of the European Economic Area, and in accordance with Articles 171, 3° quater and 269, §1, 3° of the Belgian Income Tax Code, Aedifica benefits from a reduction of the withholding tax to 15 %. The concept of housing includes single-family houses and collective housing such as apartment buildings and rest homes. As of 30 June 2015, Aedifica already exceeded the 80 % investment threshold (87 %). Under this Programme law, public RRECs are also permitted to invest within the European Economic Area.

However, a new risk has arisen (which has been reported in the media since 4 August 2015) in relation to a potential increase in the withholding tax (which could be brought from 15 % to 27 %) for dividends that will be distributed in 2016 and the following years, in the context of the fiscal reform (generally baptised "tax shift" by the media) that is currently under preparation by the Belgian government. The possible disappearance of the reduced withholding tax of 15% for residential REITs could also be an opportunity for Aedifica, by expanding the potential range of its future investments.



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Bergisch Gladbach
(Germany)

In the event that the Company's status as a RREC is lost (this would suppose major and re-iterated disregard for the provisions of the Belgian Act of 12 May 2014 and/or of the Royal Decree of 13 July 2014), the Company would also lose its specific tax status. This risk is considered to be very remote, since the Company undertakes all necessary steps to comply with the legal requirements. Furthermore, the loss of the RREC status is generally considered an event of default, thus triggering the reimbursement of all loans granted to the Company.

Even with RREC status, the Company acts within the broader framework established by the Belgian Companies Code. The reserves available for distribution, computed in accordance with Article 617 of the Belgian Companies Code and with the Royal Decree of 13 July 2014 (i.e. the reserves that the law or the articles of association do not prohibit from being paid-out), amount to €11 million as of 30 June 2015 (see Note 38 of the Consolidated Financial Statements included in this Annual Financial Report).



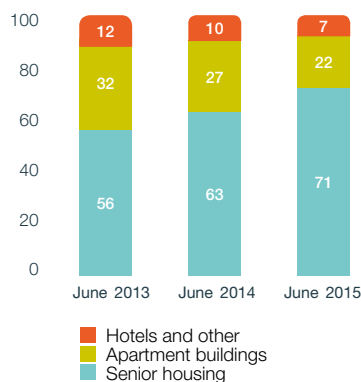
Oase Tienen
Senior housing -
Tienen (Belgium)



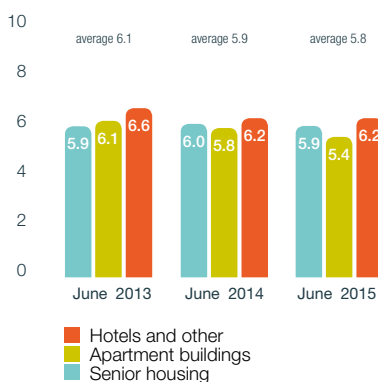
Residentie Sporenpark
Senior housing -
Beringen (Belgium)

KEY FIGURES 2014/2015

Breakdown by segment
in fair value (%)

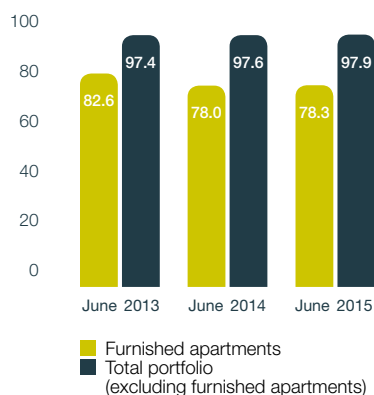


Gross yield by segment
in fair value¹ (%)

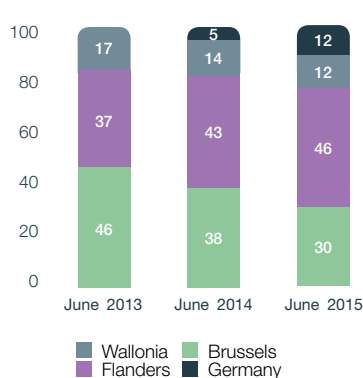


€1 billion
fair value of investment
properties

Occupancy rates (%)



Geographic breakdown in fair value (%)



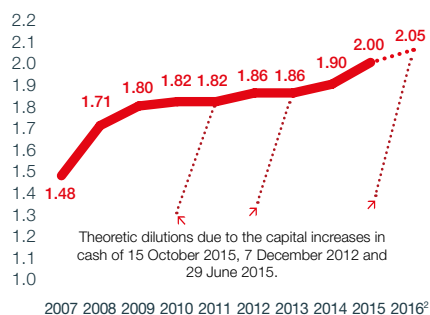
€2.00/share

proposed gross dividend for
2014/2015, representing a
statutory pay-out ratio of 86 %

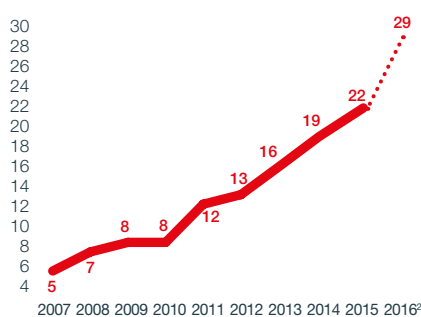
20 years

average remaining lease
maturity of current contracts,
providing an excellent view
toward future income streams

Dividend (€/share)



Dividends distributed (in € million)



1. Based on the fair value (re-assessed every 3 months, increased by the value of goodwill and the furniture in furnished apartments). In the senior housing segment the gross yield and the net yield are generally equal ("triple net" contracts in Belgium, under which operating charges, maintenance costs and rents on empty spaces related to the operations are borne by the operator) or almost equal ("double net" contracts in Germany, under which the repair and maintenance of the roof, structure and facades of the building remain the responsibility of the owner while other costs and risks are borne by operator). The same applies for hotels.

2. Forecast (see section 11 of the Consolidated Board of Directors' Report in this Annual Financial Report).

Investment properties (x €1,000)	30 June 2015	30 June 2014
Marketable investment properties in fair value ¹	983,429	765,789
Development projects	21,734	19,191
Total of investment properties in fair value	1,005,163	784,980

1. Including assets classified as held for sale.

Net asset value per share (in €)	30 June 2015	30 June 2014
Based on fair value of investment properties		
Net asset value after deduction of dividend 2013/2014, excl. IAS 39	45.29	40.57
IAS 39 impact	-2.70	-3.73
Net asset value after deduction of dividend 2013/2014	42.59	36.84

Consolidated income statement - analytical format (x €1,000)	30 June 2015	30 June 2014
Rental income	49,903	40,675
Rental-related charges	-50	-62
Net rental income	49,853	40,613
Operating charges ¹	-10,831	-9,192
Operating result before result on portfolio	39,022	31,421
EBIT margin ² (%)	78 %	77 %
Financial result excl. IAS 39	-13,148	-10,965
Corporate tax	-376	-141
Profit excl. IAS 39 and IAS 40	25,498	20,315
Denominator (IAS 33)	10,658,981	9,917,093
Earnings per share excl. IAS 39 and IAS 40 (€/share)	2.39	2.05
Profit excl. IAS 39 and IAS 40	25,498	20,315
IAS 39 impact: changes in fair value of financial assets and liabilities	374	-2,990
IAS 40 impact: changes in fair value of investment properties	19,259	3,816
IAS 40 impact: gains and losses on disposals of investment properties	428	0
IAS 40 impact: deferred taxes	-395	244
Roundings	1	0
Profit (owners of the parent)	45,165	21,385
Denominator (IAS 33)	10,658,981	9,917,093
Earnings per share (owners of the parent - IAS 33 - €/share)	4.24	2.16

1. Items IV to XV of the income statement. 2. Operating result before result on portfolio divided by the net rental income.

Consolidated balance sheet (x €1,000)	30 June 2015	30 June 2014
Investment properties (fair value) ²	1,005,163	784,980
Other assets included in debt-to-assets ratio	14,073	9,678
Other assets	1,048	65
Total assets	1,020,284	794,723
Equity		
Excl. IAS 39 impact	636,193	435,278
IAS 39 impact ¹	-37,923	-38,203
Equity	598,270	397,075
Liabilities included in debt-to-assets ratio	377,216	356,820
Other liabilities	44,798	40,828
Total equity and liabilities	1,020,284	794,723
Debt-to-assets ratio (%)	37.0 %	44.9 %

1. Fair value of hedging instruments (see Note 33). 2. Including assets classified as held for sale.

Key performance indicators according to the EPRA principles	30 June 2015	30 June 2014
EPRA Earnings (in €/share)	2.39	2.05
EPRA NAV (in €/share)	45.46	40.55
EPRA NNNNAV (in €/share)	42.44	36.61
EPRA Net Initial Yield (NIY) (in %)	5.1	5.2
EPRA Topped-up NIY (in %)	5.1	5.2
EPRA Vacancy Rate (in %)	2	2
EPRA Cost Ratio (including direct vacancy costs) (in %)	22	23
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	22	22



LETTER TO THE SHAREHOLDERS

“The fair value of investment properties rose well above €1 billion during 2014/2015 to reach €1,005 million by 30 June 2015. This marks an increase of €220 million (or 28 %) in just one year.”

Dear shareholders,

Aedifica's investment strategy is built on two underlying demographic trends, namely population ageing in Western Europe and population growth in Belgium's main cities. These trends have contributed to the market's confidence in Aedifica, confidence which has continued to grow over the course of its tenth financial year (2014/2015) as demonstrated by:

- the unanimous approval, by the shareholders' Extraordinary General Meeting held in October 2014, for the change of status from a Real Estate Investment Company (sicafi/vastgoedbevak) into a public RREC (SIR/GVV);
- the success of the November 2014 optional dividend whereby shareholders opted to contribute almost two thirds of their net dividend entitlement back into capital of the Company in exchange for new shares (i.e. instead of cash dividend payment);



Stefaan Gielens, CEO

- the issuance of shares as part of acquisitions made through a partial demerger in December 2014 which were subject to a quick private placement, with a small discount, amongst Belgian and international investors;
- the additional credit facilities of more than €170 million established during the first half;
- and finally, the capital increase in cash of €153 million which was successfully completed in the last days of the financial year (29 June 2015), in spite of a turbulent climate on the European financial markets (due to the Greek crisis) during the period of the public offering.

Aedifica has recently realised an impressive series of new investments, exclusively in the senior housing segment, which has become the Company's principal development pillar. No less than 17 buildings entered into Aedifica's Belgian and German portfolio during the 2014/2015 financial year (not to mention various extensions, redevelopments, etc.). With these acquisitions, the number of senior housing sites has grown to approx. 70. The fair value of investment properties rose well above €1 billion during 2014/2015 to reach €1,005 million by 30 June 2015. This marks an increase of €220 million (or 28 %) in just one year.

Given the low consolidated debt-to-assets ratio (37 %), a result of the successful June 2015 capital increase, the Company is well-positioned to maintain its momentum and continue its growth trajectory at a pace that shareholders come to enjoy over the Company's first ten financial years. New investment opportunities are currently under consideration, both in Belgium and in Germany and preliminary contacts have been established in other neighbouring countries. These potential investments are fully aligned with Aedifica's strategy



**Olivier Lippens,
Chairman of the Board of Directors**

which is highly favoured by the market. Even before considering new opportunities, future growth is also assured for the Company given its existing commitments to acquire, renovate, extend, and/or redevelop multiple sites. These projects fit perfectly with Aedifica's strategy which, in the senior housing segment, aims to improve existing sites and to develop new projects in partnership with tenants/operators. The current pipeline for these types of projects represents a total committed budget of €138 million, to be invested over a four-year period. This strategy allows Aedifica to maintain a portfolio of high-quality buildings that generate attractive net yields.

Given the Group's low debt-to-assets ratio (37 %), a result of the June 2015 capital increase, the Company is prepared to maintain its momentum and thus to continue on this growth path at a pace that the shareholders have been appreciating during the Company's first ten financial years.

Not only interested in investing, Aedifica also strives for optimal management of its real estate portfolio amid today's unstable economic climate. The Company's portfolio consists of:

- senior housing, which represents the most significant segment in terms of value (71 % of the fair value of marketable investment properties), rental income (68 %) and operating result before result on portfolio (87 %);
- apartment buildings (22 % of the fair value of marketable investment properties); and
- hotels (which at 7 % of the fair value of the marketable investment properties, now represent a residual, non-strategic segment for the Company).

Aedifica continues to improve its portfolio management, which translates into excellent and increasing rental incomes (+23 %), an increasing EBIT margin (78 %), and well controlled financing costs. Profit (excluding non-cash elements arising from application of accounting standards on financial instruments and investment properties) has reached €25.5 million (30 June 2014: €20.3 million), an increase of 26 %, i.e. €2.39 per share (30 June 2014: €2.05 per share). This result (absolute and per share) is ahead of the initial budget for the

2014/2015 financial year as published in the Annual Financial Report 2013/2014 and is perfectly in line with the forecast for the 2014/2015 financial year as published in the Securities Note regarding the capital increase of June 2015.

Of the items that have had no effect on the level of the proposed dividend, only the change in the fair value of investment properties (as valued by independent experts) can be observed in € million and warrants mention here: it gave rise to unrealised capital gains (non-cash) for which more than €19 million has been recognised in the income statement.

Taking this item into account, Aedifica's total profit amounts to €45 million (30 June 2014: €21 million).

Aedifica owes its strong results for the 2014/2015 financial year to the enthusiasm, competence, and commitment of its staff who have yet again demonstrated their efforts to ensure the Company's continued growth in Belgium and abroad over the course of the year. Again this year, the Board of Directors expresses its sincere congratulations to the Aedifica team. Moreover, in order to support the growth of the Group, Aedifica has added to its Management Committee a new Chief Operating Officer and a new Chief Legal Officer, and has also established a German property management subsidiary.



For 2015/2016, the Board of Directors expects an increased dividend, at €2.05 per share.

The Board of Directors is excited to unveil Aedifica's new logo and corporate slogan in this Annual Financial Report. The skyline of the original logo has been refreshed and the slogan "The urban way to live" has been changed to "Housing with care" to better reflect Aedifica's strategy and strength: the combination of housing and care services.

Given the Company's strong performance during the 1st half of the financial year, recent investments, the Group's forecasts and the prevailing market conditions, the Board of Directors increased its dividend forecast for the current financial year on the occasion of the Half Year Financial Report in February 2015 to set a revised expectation of €2.00 gross per share (initially €1.93 per share). This was subsequently confirmed in the Securities Note regarding the capital increase of June 2015. Consequently, the coupon representing the dividend was detached on 10 June 2015. Taking into account the consistency of the forecast and Aedifica's actual performance over the whole financial year, the Board of Directors will propose to the Annual General Meeting to distribute a gross dividend of €2.00 per share, an increase of 5 % compared to that distributed for previous financial year.

Despite the instable environment that continues to unfold around the world, the Board of Directors expects a higher dividend for 2015/2016, at €2.05 gross per share, as detailed in the abovementioned Securities Note.

To mark the occasion of the Aedifica's 10th anniversary, and highlight the Company's future potential, the Board of Directors is excited to unveil Aedifica's new logo and corporate slogan in this Annual Financial Report. The skyline of the original logo has been refreshed and the slogan "The urban way to live" has been changed to "Housing with care" to better reflect Aedifica's strategy and strength: the combination of housing and care services.

Stefaan Gielens,
Chief Executive Officer

Olivier Lippens,
Chairman of the Board of Directors



28%

portfolio growth in just one
year

10 YEARS OF GROWTH



2005

- > Constitution of Aedifica
- > Approval as a sicafi/vastgoedbevak by the FSMA
- > First investments
- > First logo and first corporate slogan



2009

- > EBIT margin > 70 %

2007

- > 1st transactions with the Médibelge group (which later became part of the Orpea group)
- > Property portfolio > €300 M

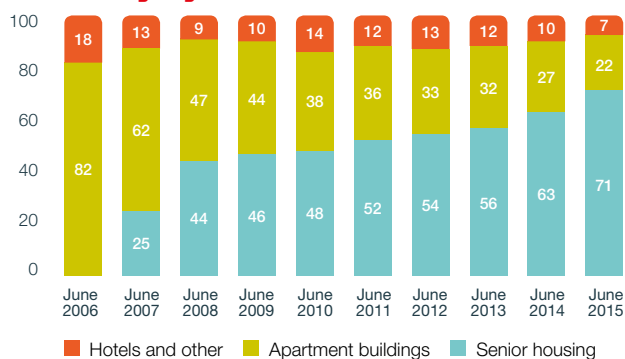
2008

- > 1st transactions with two major players in the senior care market (Armonea and Senior Living Group, of which the latter later became part of the Korian-Medica group)
- > Senior housing becomes the most significant segment, representing 45 % of the portfolio's fair value

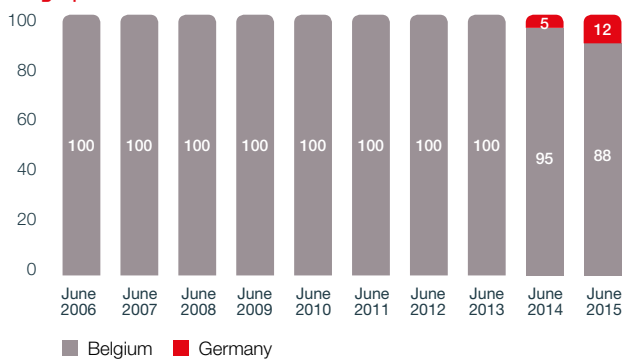
2006

- > IPO
- > First rest homes acquired
- > Property portfolio > €190 M

Breakdown by segment in fair value (%)



Geographical breakdown in fair value (%)



2010

- > 1st SPO¹ (€67 M)
- > Aedifica was the most active Belgian REIT (sicafi/vastgoedbevak) of the year in terms of investments in Belgium
- > More than 100 buildings in the portfolio

2011

- > Property portfolio > €500 M
- > More than 3,000 beds in the senior housing segment
- > The senior housing segment accounts for the majority of the portfolio (> 50 % in fair value)

2012

- > 2nd SPO¹ (€100 M), the biggest public capital increase in Belgium that year
- > EBIT margin > 75 %
- > New website
- > Financial communication published in English

2013

- > 1st acquisitions in Germany (5 rest homes)
- > Market capitalisation > €500 M
- > Inclusion in the EPRA indices

2015

- > 17 new buildings
- > Investment properties portfolio > €1 billion
- > Establishment of Aedifica Asset Management GmbH, a German property management subsidiary
- > 3rd SPO¹ (€153 M)
- > Establishment of a Management Committee consisting of 4 members (CEO, CFO, COO, CLO)
- > "EPRA Gold Award" for the 2013/2014 Annual Financial Report
- > New logo and new corporate slogan



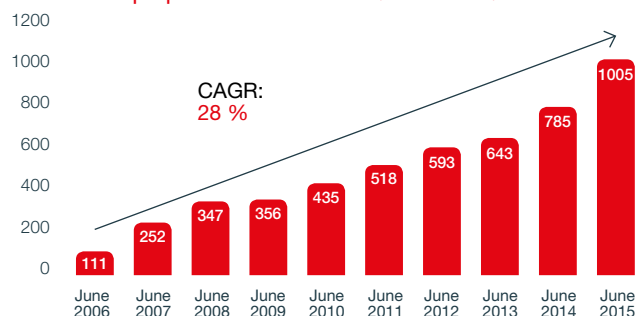
2014

- > Approval as RREC (SIR/GVV)
- > Portfolio > €750 M
- > More than 60 senior housing sites, representing 70 % of the portfolio as of 31 December
- > "EPRA Silver Award" and "EPRA Most Improved Award" for the 2012/2013 Annual Financial Report



1. Secondary Public Offering

Investment properties in fair value (in € million)



€1 billion

real estate portfolio as of 30 June 2015

SENIOR HOUSING

The ageing of the baby-boom generation is progressing at a rapid pace in Belgium as well as in Europe, and will reach a peak by 2050. Professionalisation and consolidation in the senior housing market is evident at a European level. Aedifica participates actively as a real estate investor in Belgium as well as in Germany. Aedifica puts its buildings at the disposal of professional and specialised operators under long-term contracts that generate high net rental yields.

Residentie Sporenpark Beringen (Belgium)

The construction of Residentie Sporenpark was completed in spring 2015. The site comprises 110 beds and 17 assisted-living apartments and is part of a broader project, called be-MINE, located on the former mining site in Beringen-Mijn.



Service-Residenz Schloss Bensberg Bergisch Gladbach (Germany)

This complex consists of 87 classic and assisted-living apartments. It is situated in a private park measuring approx. 4.5 ha and is part of a larger residential and hotel project developed in 2002/2003.





Oase Tienen
Tienen (Belgium)
 Completed in august 2014, this new construction includes 129 beds and 10 assisted-living apartments and is located in a residential area of the city centre of Tienen.

“The numerous acquisitions carried out during the 2014/2015 financial year demonstrate Aedifica’s dynamism. The Company’s growth rate has yet again increased within its main strategic segment, senior housing, which now comprises almost 70 sites.”

Stefaan Gielens, CEO



KEY FIGURES

68

sites

5.9%

gross rental yield

71%

of the portfolio

12%

of the portfolio located in Germany

APARTMENT BUILDINGS

Stephanie's Corner Brussels (Belgium)
Acquired by Aedifica in 2013, this 27-unit building is ideally located in the heart of the Louise district.



Aedifica possesses apartment buildings situated in lively districts that are centrally located and easily accessible within Belgian major cities, mainly in Brussels. The buildings are primarily residential but may also include office or retail space, given their urban locations which commonly feature mixed-use buildings.

The apartment buildings in Aedifica's portfolio offer good returns given their potential for capital gains, which is further strengthened by the possibility to sell individual units within buildings initially acquired in full.





“Aedifica constantly improves the quality of its apartment portfolio, which comprises 865 units. The thorough renovation of the building located at Rue Haute in Brussels, which has recently been completed, is a good example of this. Other large-scale renovations are ongoing, notably in the Flowers district in Brussels.”

Stefaan Gielens, CEO

Résidence Chamaris Brussels (Belgium)

Acquired by Aedifica in 2011, this 23-unit building is located in the Leopold district. It was originally an office building in the 1960s and was converted and renovated in 2009/2010.



Ensemble Souveraine Brussels (Belgium)

Acquired in 2005, these apartment buildings, located near the centre of Brussels, are currently being renovated and refurbished.

KEY FIGURES

865

apartments

22%

of the portfolio

5.4%

gross rental yield

Sablon Brussels (Belgium)

This building is located in Brussels' city centre, in one of the most lively tourist and shopping districts of Europe's capital city. In addition to its 30 apartments, the building also includes The Mercedes House which features a high-end restaurant run by a star chef.

HOTELS AND OTHER

Aedifica acquired 6 hotels in prior years, all located in Belgium, which are operated by two professional and specialised operators under long-term contracts. Hotels are now considered as a residual nonstrategic segment for Aedifica. This segment also includes a number of small properties (office buildings and land reserves).

**Eburon
Tongeren (Belgium)**
The Eburon Hotel is originally the site of an ancient convent. The building has been fully renovated and transformed into a 4-star hotel. It was featured as the set of the TV series "Dag en Nacht" which aired on the Belgian TV channel VTM in 2010, as well as the TV game show "Mijn Restaurant! 2011" which aired on the same channel.



**Martin's Klooster
Leuven (Belgium)**
Located in Leuven's historical centre, the Martin's Klooster contains 103 rooms and, following a complete renovation, now constitutes a unique 4-star hotel.



**Carbon
Genk (Belgium)**

The Carbon hotel is a 4-star design hotel located in the centre of Genk, which won the European prize for best interior restaurant design in 2008. It was nominated as one of the 50 best new hotels in the world by the magazine Forbes Traveler.



**KEY
FIGURES**

6

hotels

7%

of the portfolio

6.2%

gross rental yield

CONSOLIDATED BOARD OF DIRECTORS' REPORT

17

additions to the portfolio
during the 2014/2015
financial year

€1 billion

fair value of investment
properties as of 30 June 2015

97.9%

high occupancy rate for the unfurnished
portion of the portfolio

23%

increase in consolidated
rental income as compared
to 30 June 2014

12%

share of the
portfolio located in
Germany

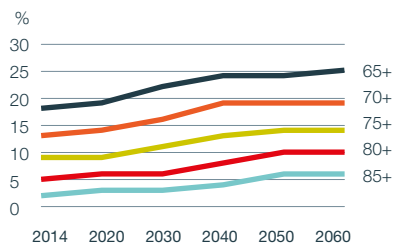
37%

debt-to-assets ratio
as of 30 June 2015



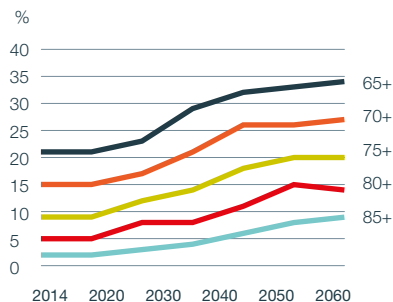
CONSOLIDATED BOARD OF DIRECTORS' REPORT¹

Evolution of Belgian population by age group



Source: "Perspectives de Population 2014-2060",
Belgian Federal Planning Bureau, 2015

Evolution of German population by age group



Source: "Bevölkerung Deutschlands bis 2060",
Statistisches Bundesamt (Deutschland), 2009

1. This Board of Directors' report is based on the Consolidated Financial Statements. It includes, however, some data on the statutory accounts and is mentioned when the case. Full statutory financial statements and the statutory Board of Directors' report will be registered at the National Bank of Belgium within the legal deadlines and may be obtained free of charge via the Internet www.aedifica.be or upon request at the Company's headquarters.

- The fair value of investment properties has risen well above €1 billion as of 30 June 2015, given the addition of 17 senior housing sites to the portfolio during the financial year
- Senior housing now represents more than 70 % of the portfolio
- 12 % of the real estate portfolio now located in Germany, worth more than €100 million
- Occupancy rate for the year ended 30 June 2015: 97.9 % for the unfurnished portion of the portfolio and 78.3 % for the furnished portion (only 7 % of the fair value of marketable investment properties)
- 23 % increase in rental income as compared to 30 June 2014
- 26 % increase in profit excluding IAS 39 and IAS 40 as compared to 30 June 2014
- €19 million increase in the fair value of investment properties (of which €15 million, i.e. +1.5 %, relates to marketable investment properties) recognised in the income statement for the 2014/2015 financial year
- 37 % debt-to-assets ratio as of 30 June 2015; a significant reduction following the successful completion of a €153 million capital increase in June 2015
- Proposed gross dividend distribution of €2.00 per share, representing a statutory pay-out ratio of 86 %
- New logo and new corporate slogan

I. Strategy

1.1. Diversification

Aedifica aims to position itself as a market leader among listed Belgian residential real estate companies, in particular with regard to senior housing.

Our objective is to create a balanced portfolio of residential buildings that generates recurring revenues and offers potential for capital gains. We aim to take advantage of two underlying demographic trends, namely population ageing in Western Europe and population growth in Belgium's main cities. As evidence to support these trends, Belgium's Federal Planning Bureau expects the population of Brussels to increase significantly, surpassing 1.2 million inhabitants by 2020. Moreover, it anticipates that population ageing for the baby-boom generation will continue until it reaches its peak, in Belgium and in Europe, by 2060.

These trends underlie long-term needs in terms of specialised real estate infrastructure. With regard to senior housing in particular, two additional factors should be taken into consideration: (i) consolidation of care operators on a European level and (ii) scarcity of public funding to finance such specialised real estate infrastructure.

The long-term effects of these demographic shifts on overall housing needs, and in particular on the specific needs of an ageing population, shape the key themes of Aedifica's strategy.

To attain its objectives, Aedifica has identified two strategic pillars in which it will concentrate activities: senior housing in Western Europe and apartment buildings in Belgium's main cities. The diversification sought by Aedifica centres on these two strategic pillars, which provide for easy adaptation of the Company's policy in response to shifting market opportunities and economic conditions. The two strategic poles are concentrated in two main segments (senior housing and apartment buildings) with a residual non-strategic seg-

ment comprising hotels and other types of buildings. The weight of each segment may vary from year to year according to changing circumstances. The Company's current stated policy is to grow further in the senior housing segment.

Aedifica's strategy – to specialise in the residential housing market and diversify into two strategic segments – constitutes its most unique feature and greatest strength. The Company strives to be innovative and constructive in order to provide its shareholders with a safe real estate investment over the long run, one that generates recurring revenues for them.

Aedifica's strategy is mainly a buy and hold type, which is by definition oriented over the long-term. Of course, this does not exclude disposals in accordance with an asset rotation policy, which aims to maintain the quality level of the Company's property portfolio and is standard practice for real estate companies. Disinvestments are also realised within the acquisition policy, when an acquired portfolio contains properties that are considered non-strategic.

a. Senior housing

Professionalisation and consolidation in the senior housing market is evident at a European level. Aedifica participates actively in Belgium as well as in Germany by acquiring buildings, engaging in sale and rent back arrangements of existing buildings, by intervening in upstream construction of new buildings, or by undertaking upgrades, renovations and/or extensions of existing sites.

The Company puts its buildings at the disposal of professional and specialised operators under long-term contracts that generate high net rental yields.

Considerable growth potential remains in this sector. As a portion of the number of beds approved by social security (INAMI/RIZIV) in Belgium, Aedifica holds approximately 4 % of the market as of 30 June 2015.

Aedifica responds to the needs of its operators, and to the growing demand arising due to shifting demographics, by holding both rest homes and assisted-living buildings.

- A rest home is a specialised building in which the elderly reside and benefit from continuous assistance in daily-life (catering, cleaning, and nursing or other care).
- An assisted-living complex consists of one or several buildings that contain living spaces designed for the needs of the elderly and which allow residents to maintain autonomous living while benefiting from access to additional services on demand.

The ageing of the baby-boom generation is progressing rapidly in Belgium as well as in Europe, and will reach a peak by 2060.

The senior housing market generates stable and recurring revenues, which provide for the distribution of dividends to Aedifica shareholders. According to a study published by DTZ Research in May 2013, Aedifica held the 2nd position in terms of private real estate investors in rest homes in Belgium for the period 2005-2012, representing 27 % of the total amount invested by REITs, insurers, banks and other types of investors.

Since 2013, the Company has also been active in Germany. This expansion into the German market is consistent with the Company's strategy in the senior housing segment. It allows for better diversification of tenants and extends the Company's operations in a market which tends to structure itself at a European level. This first operation abroad also followed changes in Belgian law, which opened the European market to residential Belgian REITs. The Company positions its ambitions regarding senior housing in a Western European context (see section on "Risk Factors" of this Annual Financial Report). Information on the German senior housing market is given in the "Property Report" section of this Annual Financial Report.

8th

position among the 100 largest
real estate portfolios in Belgium
(36th in 2006)



**Service-Residenz
Schloss Bensberg**
Senior housing -
Bergisch Gladbach
(Germany)

b. Apartment buildings

Aedifica holds apartment buildings (preferably without co-owners) situated in lively districts that are centrally located and easily accessible within Belgium's major cities, mainly in Brussels. The buildings are primarily residential but may also include office or retail space, given their urban locations which commonly feature mixed-use buildings.

The apartment buildings in Aedifica's portfolio offer good yield prospects given their potential for capital gains, which is further strengthened by the possibility to sell individual units within buildings initially acquired in full.

Apartments are most often furnished by the occupants under traditional rental contracts. Others are furnished by Aedifica and tend to be let under short-term rental contracts.

c. Hotels and other

In prior years, Aedifica acquired six hotels that are operated by two professional and specialised operators under long-term contracts.

The portfolio contains two large hotels situated in two of the most touristic cities in Flanders (Bruges and Leuven), and four hotels in Limburg (Genk, Tongeren, and in close proximity to Maastricht).

Given regulations relating to the reduced withholding tax applicable to dividends distributed by Aedifica (see "Risk Factors" section of the Annual Financial Report), hotels (which are not strictly speaking residential investments) now represent a residual, non-strategic segment for the Company.

This segment also comprises a number of small properties including office buildings and land reserves.

1.2. Growth strategy

Aedifica follows a growth strategy which, between 31 December 2006 and 31 December 2014, has seen the Company rise successfully from 36th to 8th place in the ranking of Belgium's 100 largest real estate portfolios (according to the "Investors Directory 2015", published by Expertise BVBA in January 2015). The Company intends to continue on this growth trajectory in order to derive benefits linked to its scale, including:

- strong liquidity, which is an important criterion for investors;
- strong diversification of risks;
- capacity to effectively respond to market opportunities;
- strong portfolio management, which features collaboration with high-level partners;
- predictable revenues; and
- good coverage of fixed costs, with optimal returns for shareholders.

1.3. Possible strategic developments

Aedifica is studying the possibility of investing in new sectors of the real estate market and is continually evaluating the needs and opportunities generated by shifting demographics. Potential new sectors should be of a residential nature and combine housing functions with care and/or hospitality services.

Aedifica is also studying the possibility of investing in geographic markets outside of Belgium and Germany, with a focus on the senior housing segment.

2. Operations carried out before and after the 30 June 2015 closure

2.1. Operations carried out before the 30 June 2015 closure

The most noteworthy event of 2014/2015 is without a doubt the capital increase carried out at the end of the financial year. On 11 June 2015, Aedifica launched a capital increase, in cash and with priority allocation rights to raise a gross amount of €153 million. The primary aim of this capital increase was to increase the equity in order to raise new financial resources that will enable the Company

to continue to pursue its growth strategy with respect to its property portfolio, while maintaining an appropriate debt-to-assets ratio in the range of 50 to 55 %. On 29 June 2015, the REIT issued 3,121,318 new shares at an issue price of €49.00 per share, for a total of €152,944,582 (including share premium). These new shares were admitted into trading the same day and will share in the result of the 2015/2016 financial year.

After the closing of markets on 30 June 2015, the Company's market capitalisation amounted to approx. €706 million (as compared to €508 million on 30 June 2014).

In the short period following the capital increase, Aedifica has already announced two new investments in the senior housing segment.

Investments carried out during the financial year are detailed in sections 2.1.1., 2.1.2. and 2.1.3. The different operations are also described in the Company's press releases, which are available online at www.aedifica.be. The contractual value of acquisitions disclosed in this section complies with the provisions of article 49 §1 of the Act of 12 May 2014 on Regulated Real Estate Companies.

2.1.1. Acquisitions in Belgium

Oase portfolio (Province of Flemish Brabant)

On 12 June 2014, Aedifica announced an agreement in principle for the acquisition of 5 new rest homes in the Province of Flemish Brabant, including the Binkom site, which was acquired on the same date.

On 10 July 2014 and 29 August 2014, Aedifica acquired the companies Woon & Zorg Vg Aarschot SPRL and Woon & Zorg Vg Tienen SPRL (which have since been absorbed by Aedifica), owners of the Aarschot site (164 units, including a 120-bed rest home and an 44-apartment assisted-living complex) and the Tienen site (178 units, namely a rest home comprising 129 beds and 49 assisted-living apartments). The gross contractual value of the two sites (works completed in July and August 2014) amounts to approx. €44 million (excluding the plot of land in Tienen, which was acquired on 30 June 2014). The rest homes are operated under a 27-year triple net long lease, while the assisted-living apartments are operated under an agreement for the right of use. The initial triple net yield of the two sites amounts to approx. 6 %. These sites contribute to the result, with a reduced rent extended for the first year ("step rent"). The disposal of assisted-living apartments at the Aarschot and Tienen sites (considered in this case as non-strategic by the Company) began during the first quarter of 2014/2015. As of 30 June 2015, all 44 assisted-living apartments have been sold at the Aarschot site as have 39 assisted-living apartments (out of the initial 49) at the Tienen site. The value of the apartments that remain available for sale amounts to less than €2 million.

tegic by the Company) began during the first quarter of 2014/2015. As of 30 June 2015, all 44 assisted-living apartments have been sold at the Aarschot site as have 39 assisted-living apartments (out of the initial 49) at the Tienen site. The value of the apartments that remain available for sale amounts to less than €2 million.

De Notelaar (Province of Antwerp) and Overbeke (Province of East Flanders) rest homes

On 4 December 2014, Aedifica realised the acquisition of two rest homes (through the partial demerger of La Réserve Invest SA and through the acquisition of the companies Krentzen SPRL, which has since been absorbed by Aedifica, and of Overbeke SPRL). De Notelaar is located in Olen (Province of Antwerp) and comprises 94 units. Overbeke is located in Wetteren (Province of East Flanders) and comprises 113 units. The buildings were completed at the end of 2012 and are operated by the Armonea Group on the basis of 27-year triple net long leases. The contractual value of the two sites amounts to approx. €29 million, which provides for an initial triple net yield of approx. 6 %.

Vulpia portfolio (Province of Antwerp, Province of Limburg and Province of Liège)

On 11 December 2014, Aedifica announced the signing of an agreement in principle for the acquisition of four senior housing sites (existing or under construction), located in three Belgian provinces. Of the four sites, the Hal-molen rest home (Halle-Zoersel, Province of Antwerp, 140 units) was acquired on that date and the Villa Temporis site (Hasselt, Province of Limburg, 40 units) and the La Ferme Blanche site (Remicourt, Province of Liège, 61 units) were added to the consolidated portfolio on 18 December 2014 through the acquisition of the companies Villa Temporis SCRL and Michri SA. These sites are operated under 27-year triple net long leases. The contractual value of the three sites amounts to approx. €27 million, which provides for an initial triple net yield estimated at less than 6 %. Extension and renovation projects are planned for the sites Villa Temporis and La Ferme Blanche to bring their capacity to 103 and 90 units, respectively.

The fourth site is the object of an agreement signed on 18 December 2014 (subject to certain conditions which remain outstanding) for the future acquisition (together with its subsidiary, Aedifica Invest SA) of 100 % of the shares of the company RL Invest SA. RL Invest SA is the current owner of the Leopoldspark assisted-living apartment building (under construction) and rest home (Leopoldsborg, Province of Limburg), which will comprise a combined total of 150 units. The total contractual value of the site will amount to approx. €20 million, which provides for an initial triple net yield estimated at less than 6 %.

Overall, this portfolio will comprise 483 residential units upon completion of the planned development projects (current capacity of 241 units).

2.1.2. Acquisitions in Germany

8 rest homes (North Rhine-Westphalia and Lower Saxony)

On 16 December 2014, Aedifica acquired the control of three companies (Aedifica Luxemburg I, II and III SARL), owners of eight rest homes located in North Rhine-Westphalia and in Lower Saxony (Germany) which comprise a total of 642 beds. All rest homes are recent constructions built between 2009 and 2011. The contracts in place for these establishments are irrevocable long-term leases with 25-year lease maturities. These are contracts with double net structure, meaning the repair and maintenance of the roof, structure and facades of the building will remain the responsibility of the owner. Aedifica benefits from a triple net 10-year warranty for the maintenance of the buildings. The contractual value amounts to more than €60 million, which provides for an initial gross rental yield (double net) of approx. 7 %. The eight sites contribute to the result, with a reduced rent extended for the first year ("step rent").

Assisted-living apartment complex Service-Residenz Schloss Bensberg (North Rhine-Westphalia)

On 17 December 2014, Aedifica announced the signing of the purchase agreement for an assisted-living apartment complex in North Rhine-Westphalia, Germany. This agreement signed in front of the notary was subject to the usual conditions in Germany, mainly of administrative nature. Having met all conditions in 2015, the purchase price was paid and the property and full use of the buildings was auto-

4

completed development
projects in 2014/2015

matically acquired effective 1 March 2015. The transaction was financed using Aedifica's credit facilities.

The acquired complex comprises 87 apartments and 8 commercial spaces, as well as a swimming pool and 99 underground parking spaces.

Aedifica entered into two leases for the buildings, namely:

- A 7-year fixed lease (with a 5-year extension clause) with the seller of the site, the insurance company AachenMünchener Lebensversicherung: this lease applies to 18 apartments which are rented by AachenMünchener in order to host staff during their time at the on-site training centre.
- A 25-year fixed lease with Schloss Bensberg Management GmbH ("SBM"): this lease applies to all buildings operated by SBM as "assisted-living apartments" for seniors (i.e. excludes the 18 apartments rented to AachenMünchener). SBM sublets the apartments and the commercial spaces to occupants. It is anticipated that SBM's lease will integrate the apartments rented to AachenMünchener in the event that the lease applicable to these apartments is discontinued.

The contractual value of the complex amounts to approx. €14 million, which provides for an initial gross rental yield of approx. 6 %.

2.1.3. Completions of renovation and extension works

Eyckenborch rest home (Province of Flemish Brabant, Belgium)

Extension and renovation works at the Eyckenborch rest home in Gooik were completed during the first quarter of 2014/2015. The site has now a capacity of 142 residents, compared to 78 before the works began.

Klein Veldeken assisted-living apartment building (Province of Flemish Brabant, Belgium)

Extension works at the Klein Veldeken assisted-living apartment building in Asse were completed during the second quarter of 2014/2015. Operations have been transferred to a specialised operator at the site, which has now a capacity of 58 units, compared to 41 before the works began.

Residentie Sporenpark rest home (province of Limburg, Belgium)

On 28 April 2015, Aedifica announced the completion of the new Residentie Sporenpark rest home, located in Beringen (province of Limburg).

Residentie Sporenpark comprises 110 beds and 17 assisted-living apartments. The site is operated by Senior Living Group (a subsidiary of the Korian – Medica group and major player in the European senior care market) on the basis of a 27-year triple net long lease. The investment amounts to approx. €17 million (including plot of land) and generates an initial triple net rental yield of approx. 6 %.

The construction of Residentie Sporenpark began in 2013, as announced in the press release of 18 December 2012 is part of a broader project, called be-MINE, located on the former mining site in Beringen-Mijn. The objective of this project is to redevelop the touristic and recreational aspects of the site by evenly intertwining urban functions such as living, working and shopping. The Houtpark residential project brings together vari-

ous accommodations: single-family dwellings, apartments, a rest home and assisted-living apartments. Aedifica is delighted to have played a part in this ambitious project through the development of Residentie Sporenpark.

't Hoge rest home (Province of West Flanders, Belgium)

Extension and renovation works at the 't Hoge rest home in Kortrijk were completed during the last quarter of 2014/2015. The site has now a capacity of 79 residents, compared to 62 before the works began.

2.1.4. Development projects in progress

The Property Report included in this Annual Financial Report includes a table describing all projects in progress as of 30 June 2015.

As of 30 June 2015, the following development projects are in progress:

- Salve (redevelopment and renovation of a rest home in Brasschaat);
- Helianthus (extension of a rest home in Melle);
- Marie-Louise (reconversion and renovation into assisted-living apartments in Wemmel);
- Villa Temporis (construction of a rest home in Hasselt);
- Plantijn (extension and renovation of a rest home in Kapellen);
- Op Haanven (extension and renovation of a rest home in Veerle-Laakdal);
- Au Bon Vieux Temps (construction of a rest home in Mont-Saint-Guibert);
- 't Hoge (phase II, extension of a rest home in Kortrijk);
- Leopoldspark (construction of a rest home in Leopoldsborg);
- Oase Aarschot Poortvelden (construction of a rest home in Aarschot);
- Oase Glabbeek (construction of a rest home in Glabbeek).

2.1.5. Financing

In terms of financing, the following transactions took place since the beginning of the 2014/2015 financial year:

- Renewal (€15 million) and extension (€15 million) of the bilateral credit facility with BNP Paribas Fortis that was due to mature on 26 August 2014 (as already mentioned in the 2013/2014 Annual Financial Report);
- Entry into force of a bilateral credit facility with KBC (€12 million);
- Early reimbursement of a credit facility with BfS (€5 million);
- Renewal (2 x €25 million) of a bilateral credit facility with ING that was due to mature on 11 April 2015;
- New bilateral credit facility with Banque Européenne du Crédit Mutuel (€30 million);
- New bilateral credit facilities with Belfius (2 x €25 million);
- Take-over on 30 June 2015 (effective 23 July 2015) by the Caisse d'Épargne et de Prévoyance Nord France Europe ("CENFE") of the €25 million credit previously held by Bayerische Landesbank.

Taking into account the abovementioned financing arrangements, the timetable showing the maturity of Aedifica's current credit facilities is as follows (in € million):

– 2015/2016 :	85
– 2016/2017 :	150
– 2017/2018 :	92
– 2018/2019 :	102
– 2019/2020 :	80
– 2020/2021 :	2
– 2021/2022 :	25
– > 2022/2023	14
	550

Establishment of these credit facilities demonstrates the strong and durable relationship Aedifica maintains with its banks.

2.1.6. Other events

Disposal of the semi-industrial building Bara (Brussels, Belgium)

On 12 February 2015, the semi-industrial building Bara, presented among the assets classified as "held for sale" as of 31 December 2014, has been disposed of for approx. €0.6 million. This sale generated a net gain on disposal of more than 50 % as compared to its most recent fair value determined by the Company's independent expert.

Obtaining of the status of a public Regulated Real Estate Company (RREC)

On 1 September 2014, the FSMA (Financial Services and Markets Authority) authorised Aedifica to become a public Regulated Real Estate Company ("public RREC") in accordance with the Act of 12 May 2014 on Regulated Real Estate Companies ("RREC Act"), subject to certain conditions.

The Extraordinary General Meeting of Aedifica's shareholders held on 17 October 2014 approved, with unanimity, the change of status from a Real Estate Investment Company into a public RREC in accordance with the RREC Act.

As no exit rights were exercised, and given that all conditions to which the modification of the Articles of Association and the authorisation by the FSMA were subject were fulfilled, Aedifica converted to public RREC status as from 17 October 2014.

Aedifica is pleased to take advantage of this new status, which permits the Company to continue to carry out present activities in its own best interests, as well as those of its shareholders and other stakeholders.

Aedifica strengthens its team

In order to support the Company's growth, Aedifica has added the positions of Chief Operating Officer ("COO") and Chief Legal Officer ("CLO") to its team and established a German property management subsidiary.

The new positions of COO and CLO are described in the "Corporate Governance Statement" section of this Annual Financial Report.

New subsidiary in Germany: Aedifica Asset Management GmbH

As from 1 January 2015, Aedifica holds a German subsidiary: Aedifica Asset Management GmbH. This subsidiary advises and supports Aedifica in the growth and management of its real estate portfolio in Germany.

Mr. Martin Engel (47), MRICS, has taken up the position of "Geschäftsführer" (managing director) of this new subsidiary. Mr. Engel holds a degree in Business Administration from Technische Universität Berlin ("Diplom-Kaufmann") and has extensive experience related to financing and investment. He worked previously for GE Real Estate as Originator and Senior Asset Manager for over 10 years, managing the senior housing portfolio since 2005, among other responsibilities.

Through this new subsidiary Aedifica has expanded both its operational capacity and its corporate presence in the German market.

Optional dividend 2013/2014

For the first time, Aedifica's Board of Directors decided to offer shareholders the possibility to contribute their 2013/2014 net dividend entitlement back into the capital of the Company in exchange for new shares. Shareholders were given the option to subscribe for one new share at an issue price of €48.45 per 30 No. 12 coupons (valued at €1.6150 net each) contributed. Aedifica's shareholders opted to contribute approximately 64% of their net dividend entitlement back into the capital of the Company in exchange for new shares (i.e. instead of cash dividend payment). This resulted in a capital increase of approx. €11 million for Aedifica.

Partial demerger

On 4 December 2014, the Extraordinary General Meeting approved the partial demerger of SA La Réserve Invest by way of a transfer of part of its net assets to Aedifica. This led to a capital increase of approx. €23 million and to the addition of two rest homes, located in Olen and in Wetteren, to the Company's portfolio (see section 2.1.1. above).

At the request of their holder, the shares created on this occasion were consequently the object of a quick private placement amongst Belgian and international investors, with a discount of 3.1 % compared to the closing price on 4 December 2014.

€550M

credit facilities as of 30 June 2015

PORTFOLIO EVOLUTION DURING THE 2014/2015 FINANCIAL YEAR



Extensions and renovations

1. **Eyckenborch** rest home in Gooik
2. **Klein Veldeken** assisted-living apartment building in Asse
3. **'t Hoge** rest home in Kortrijk

Additions to the portfolio

4. **Oase Aarschot Wissenstraat** rest home in Aarschot
5. **Oase Tienen** rest home in Tienen
6. **Seniorenresidenz Am Stübchenbach** rest home in Bad Harzburg (Lower Saxony, Germany)
7. **Seniorenresidenz Mathilde** rest home in Enger (North Rhine-Westphalia, Germany)
8. **Die Rose im Kalletal** rest home in Kalletal (North Rhine-Westphalia, Germany)
9. **Seniorenresidenz Kierspe** rest home in Kierspe (North Rhine-Westphalia, Germany)





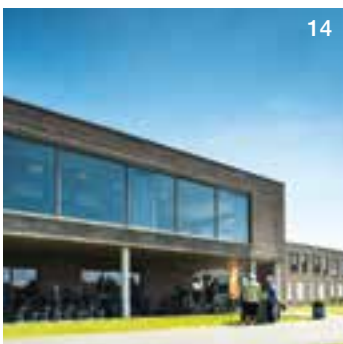
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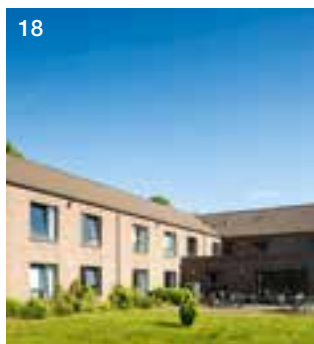
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19



20

10. **Seniorenresidenz Klosterbauerschaft** rest home in Kirchlegern (North Rhine-Westphalia, Germany)
11. **Seniorenereinrichtung Haus Matthäus** rest home in Olpe-Rüblinghausen (North Rhine-Westphalia, Germany)
12. **Bonifatius Seniorenzentrum** rest home in Rheinbach (North Rhine-Westphalia, Germany)
13. **Seniorenereinrichtung Haus Elisabeth** rest home in Wenden-Rothemühle (North Rhine-Westphalia, Germany)
14. **De Notelaar** rest home in Olen
15. **Overbeke** rest home in Wetteren
16. **Halmolen** rest home in Halle-Zoersel
17. **Villa Temporis** rest home in Hasselt
18. **La Ferme Blanche** rest home in Remicourt
19. **Service-Residenz Schloss Bensberg** assisted-living apartment complex in Bergisch Gladbach (North Rhine-Westphalia, Germany)
20. **Residentie Sporenpark** rest home in Beringen

2.2. Operations after the 30 June 2015 closure

2.2.1. Acquisitions

Résidence de la Houssière rest home (Province of Hainaut, Belgium)

On 2 July 2015, Aedifica announced the acquisition (together with its subsidiary, Aedifica Invest SA) of 100 % of the shares of the limited liability company La Croix Huart SA. La Croix Huart is the owner of the plot of land on which the Résidence de la Houssière rest home is located in Braine-le-Comte, Belgium. The Résidence de la Houssière rest home is well located in a green area, near the centre of Braine-le-Comte, a municipality of approx. 20,000 inhabitants, situated approx. 20 kilometres from Mons (Province of Hainaut, Belgium). The rest home currently comprises 94 beds. The initial building, which dates from the late 1990s, was completed in 2006 with the construction of a new wing. The site also includes a land reserve of approx. 1.5 ha, which presents potential for an extension project. The site is operated by the limited liability company Résidence de la Houssière SA, a local player that has been present on the senior care market for more than 20 years. The contractual value of the site (including plot of land) amounts to approx. €10 million. The initial triple net yield amounts to approx. 6 %. The Aedifica Group will receive this yield based on a 27-year triple net long lease which will be granted to Résidence de la Houssière SA. This transaction was structured for execution in two phases:

- Acquisition of 100 % of the shares of SA La Croix Huart (2 July 2015), bare owner of the plot of land to which the surface rights are attached;
- Transfer of the ownership of the building to SA La Croix Huart upon expiration of the surface rights (31 December 2015).

Senior Flandria assisted-living apartment building (Province of West-Flanders, Belgium)

On 9 July 2015, Aedifica acquired 100 % of the shares of the limited liability companies Senior Hotel Flandria SA and Patrimoniale Flandria SA. Senior Hotel Flandria SA is the owner of the Senior Flandria assisted-living apartment building located in Bruges (Province of West-Flanders, Belgium). Patrimoniale Flandria SA is the owner of the plot of land on which the assisted-living apartment building is located.

The Senior Flandria assisted-living apartment building is well located in a residential area, close to the centre of Bruges. This city of 117,000 inhabitants is the capital city of the province of West Flanders, Belgium. The building, which dates from 1991, currently comprises 108 one-bedroom apartments and common areas (total surface of approx. 6,500 m²). The building is very well maintained and has undergone some renovation works (such as the bathrooms). The building is a recognised assisted-living apartment building intended for senior housing, and offers various facilities (concierge, anti-intruder system, call system, restaurant, fitness, bar,...), services (animation, hairdresser, handyman services, cleaning services) and health-care services (physiotherapy, care, home nursing).

The contractual value of the site (including plot of land) amounts to approx. €10 million. The site is operated by the SPRL Happy Old People (controlled by the Armonea group) on the basis of a triple net long lease for which the remaining maturity is approx. 20 years. The initial triple net yield amounts to approx. 6 %.

3. Analysis of the 30 June 2015 Consolidated Financial Statements

The commentary and analysis presented below refer to the Consolidated Financial Statements included in this Annual Financial Report.

3.1 Portfolio as of 30 June 2015

During the 2014/2015 financial year (1 July 2014 – 30 June 2015), Aedifica increased its portfolio of **marketable investment properties** by €218 million, from a fair value of €766 million to €983 million (€1,005 million for the total portfolio, including development projects of €22 million and assets classified as held for sale of €2 million). This 28 % growth comes mainly from net acquisitions (see sections 2.1.1. and 2.1.2. above), completion of development projects (see section 2.1.3. above) and changes in the fair value of marketable investment properties recognised in income (+€14.5 million, or +1.5 %). The fair value of marketable investment properties, as assessed by independent experts, is broken down as follows:

- senior housing: + €13.3 million, i.e. +2.0 %;
- apartment buildings: + €1.1 million, i.e. +0.5 %;
- hotels and other: + €0.1 million, i.e. +0.2 %.

As of 30 June 2015, Aedifica has 153 marketable investment properties, with a total surface area of approx. 479,000 m², consisting mainly of:

- 68 senior housing sites with a capacity of 6,492 residents;
- 865 apartments;
- 6 hotels comprising 521 rooms.

71%
share of senior housing
in the portfolio

The breakdown by sector is as follows (in terms of fair value):

- 71 % senior housing;
- 22 % apartment buildings;
- 7 % hotels and other building types.

The geographical breakdown is as follows (in terms of fair value):

- 88 % in Belgium, of which:
 - 46 % in Flanders;
 - 30 % in Brussels;
 - 12 % in Wallonia.
- 12 % in Germany.

The **occupancy rate** (see glossary) of the **total unfurnished portion of the portfolio** (representing 93 % of the fair value of marketable investment properties) amounts to 97.9 % as of 30 June 2015. This is an increase as compared to the record level reached at the end of the previous financial year (30 June 2014: 97.6 %).

The **occupancy rate of the furnished portion of the portfolio** (representing only 7 % of the fair value of marketable investment properties) reached 78.3 % for the year ended 30 June 2015. This is a slight increase as compared to the occupancy rate realised in the previous financial year (78.0 %) and the last published occupancy rate (76.8 % as of 31 March 2015). The performance of the furnished portion of the portfolio is commented upon in section 3.2 below.

The **overall occupancy rate** of the total portfolio reached 98 % for the year ending 30 June 2015.

The **average remaining lease maturity** for all buildings in the Company's portfolio is 20 years, an increase as compared to 30 June 2014 (19 years). According to the "Belgian RREC Overview", published each month by Bank Degroof, Aedifica is significantly ahead of the industry average in terms of its average remaining lease maturity. This impressive aggregate performance is explained by the large proportion of long-term contracts (such as long leases) in the Company's portfolio.

3.2 Consolidated income statement

The Consolidated Financial Statements are provided as part of this Annual Financial Report. The following sections of this Con-

solidated Board of Directors' Report analyse the financial statements using an analytical framework that is aligned with the Company's internal reporting structure. The consolidated income statement covers the 12 month period from 1 July 2014 to 30 June 2015. Acquisitions are accounted for on the date of the effective transfer of control. Such operations will present different impacts on the income statement, depending on whether they took place at the beginning, during, or end of the period.

The consolidated turnover (**consolidated rental income**) for the year amounts to €49.9 million, an increase of 23 % compared to the prior year. This is in line with the forecast published in the Securities Note regarding the capital increase of June 2015.

Changes in total consolidated rental income (+ €9.2 million, i.e. +22.7 %, or -0.8 % on a like-for-like basis) are presented below by segment:

- Senior housing: +€9.5 million, i.e. +38.7 % (or +0.5 % on a like-for-like basis);
- Apartment buildings: -€0.1 million, i.e. -1.1 % (or -2.0 % on a like-for-like basis);

- Hotels and other: -€0.1 million, i.e. -3.5 % (or -3.5 % on a like-for-like basis).

The evolution of rental income in the senior housing segment (+38.7 % and +0.5 % on a like-for-like basis) demonstrates the relevance of Aedifica's investment strategy in this segment, which now generates more than 68 % of the Company's turnover and almost 87 % of its operating result before result on portfolio.

The slight negative change in rental income in the apartments segment can be attributed to the furnished apartments, which have experienced amplified seasonality arising from the economic climate (as already noted in previous publications), and to internal factors such as:

- the change in corporate policy to gradually phase-out rentals of less than 3 months,
- the fact that Aedifica is currently taking advantage of the economic slowdown to renovate some of its furnished apartments, and
- the conversion of furnished apartments into unfurnished apartments (since an unfurnished apartment necessarily generates lower gross rental incomes than a furnished apartment).



Seniorerie La Pairelle
Senior housing -
Wavre (Belgium)

€50M
rental income

In the hotel segment, as mentioned in previous publications, the negative growth can be attributed to rent reductions granted to certain tenants in prior financial years in order to preserve their rent to EBITDAR ratios, and therefore their cash flows and asset values.

After deducting **rental-related charges**, the **net rental income** for the year ended 30 June 2015 amounts to €49.9 million (+23 % as compared to 30 June 2014).

The **property result** is €48.3 million (30 June 2014: €39.1 million). This result, less other direct costs, provides a **property operating result** of €44.1 million (30 June 2014: €35.6 million), which represents an operating margin of 89 % (30 June 2014: 88 %).

After deducting overheads of €5.4 million (30 June 2014: €4.2 million) and taking into account other operating income and charges, the **operating result before result on portfolio** has increased by 24 % to reach €39.0 million (30 June 2014: €31.4 million). This result represents an EBIT margin (see glossary) of 78 % (30 June 2014: 77 %). Both the operating result before result on portfolio and the EBIT margin are in line with the forecast which was published in the Securities Note regarding the capital increase of June 2015.

The new IFRIC 21 interpretation "Levies" which entered into force for the Group on 1 July 2014 had an effect in the income statement during the period through recognition of a net non-recurrent charge of €0.4 million (additional charge of €0.2 million under line "VII. Rental charges and taxes normally paid by tenants on let properties", additional income of €0.2 million under line "V. Recovery of rental charges and taxes normally paid by tenants on let properties", additional charge of €0.4 million under line "XIII. Other property charges"). This is the result of the recognition of property taxes which were previously spread over time (i.e. taken pro rata temporis over the financial year) and which are now recognised at once for the full calendar year. Since the Company's financial year straddles two calendar years, the 2014/2015 income statement exceptionally includes the net effect of 18 months property taxes (6 months for the 2014 calendar year and 12 months for 2015 calendar year).

Consolidated income statement - analytical format (x €1,000)

	30 June 2015	30 June 2014
Rental income	49,903	40,675
Rental-related charges	-50	-62
Net rental income	49,853	40,613
Operating charges ¹	-10,831	-9,192
Operating result before result on portfolio	39,022	31,421
EBIT margin ² (%)	78%	77%
Financial result excl. IAS 39	-13,148	-10,965
Corporate tax	-376	-141
Profit excl. IAS 39 and IAS 40	25,498	20,315
Denominator (IAS 33)	10,658,981	9,917,093
Earnings per share excl. IAS 39 and IAS 40 (€/share)	2.39	2.05
Profit excl. IAS 39 and IAS 40	25,498	20,315
IAS 39 impact ³	374	-2,990
IAS 40 impact ⁴	19,259	3,816
IAS 40 impact ⁵	428	0
IAS 40 impact ⁶	-395	244
Roundings	1	0
Profit (owners of the parent)	45,165	21,385
Denominator (IAS 33)	10,658,981	9,917,093
Earnings per share (owners of the parent - IAS 33 - €/share)	4.24	2.16

1. Items IV to XV of the income statement. 2. Operating result before result on portfolio divided by the net rental income. 3. Changes in fair value of financial assets and liabilities. 4. Changes in fair value of investment properties. 5. Gains and losses on disposals of investment properties. 6. Deferred taxes.

After taking into account the cash flows generated by hedging instruments (described below), Aedifica's **net interest charges** amount to €12.8 million (30 June 2014: €11.1 million). The average effective interest rate (3.0 % before capitalising interest on development projects) is well below that reported in 2013/2014 (4.0 %). Taking into account other income and charges of a financial nature (including the non-recurrent income of €0.4 million, detailed in Note 21 of the attached Consolidated Financial Statements), and excluding the net impact of the revaluation of hedging instruments to their fair value (non-cash movements accounted for in accordance with IAS 39 are not included in the profit excluding IAS 39 and IAS 40 as explained below), the **financial result excluding IAS 39** represents a net charge of €13.1 million (30 June 2014: €11.0 million, including non-recurrent income of €0.6 million, detailed in Note 21 in attachment), in line with the forecast published in the Securities Note regarding the capital increase of June 2015.

Corporate taxes are composed of current taxes and deferred taxes. In conformity with the Company's legal status (i.e. as a RREC), current taxes (charge of €0.4 million; 30 June 2014: charge of €0.1 million) consist primarily of Belgian tax on the Company's non-deductible expenditures, tax on the result generated abroad by Aedifica and tax on the result of consolidated subsidiaries. These taxes are in line with the forecast published in the Securities Note regarding the capital increase of June 2015. Deferred taxes are described below.

Profit excluding IAS 39 and IAS 40 reached €25.5 million (30 June 2014: €20.3 million), or €2.39 per share, based on the weighted average number of shares outstanding (30 June 2014: €2.05 per share). Profit excluding IAS 39 and IAS 40 is in line with the forecast published in the Securities Note regarding the capital increase of June 2015 and exceeds the 2014/2015 budget initially established in the 2013/2014 Consolidated Board of Directors' Report by 15 %.

The income statement also includes elements with no monetary impact (that is to say, non-cash) which vary as a function of market parameters. These consist of (1) the changes in the fair value of investment properties (accounted for in accordance with IAS 40), (2) changes in the fair value of financial assets and liabilities (accounted for in accordance with IAS 39) and (3) deferred taxes (arising from IAS 40):

- At the end of the financial year, **changes in the fair value of marketable investment properties** (corresponding to the sum of the positive and negative variations between that of 30 June 2014 or at the time of entry of new buildings in the portfolio, and the fair value estimated by experts as of 30 June 2015) taken into income amounted to +1.5 %, or +€14.5 million (30 June 2014: +0.75 %, or +€5.7 million). A change in fair value of +€4.7 million was recorded on development projects (compared to -€1.8 million for the previous year). The combined change in fair value for marketable investment properties and development projects represents an increase of €19.3 million (30 June 2014: +€3.8 million). Capital gains on disposals (€0.4 million, with no comparative figure applicable for 30 June 2014) are also taken into account here.
- In order to limit the interest rate risk stemming from its investments financing, Aedifica has put in place very conservative hedges (called "cash flow hedges") which, over the long term, allow for the conversion of variable rate debt to fixed-rate debt, or to capped-rate debt. These financial instruments are detailed in Note 33 of the Con-

solidated Financial Statements. Moreover, the financial instruments also reflect put options granted to non-controlling shareholders (in relation to the subsidiaries that were acquired in December 2014) which are the subject to appraisal at fair value (see Note 56). The **impact of IAS 39** (changes in fair value) taken in the income statement as of 30 June 2015 represents an income of €0.4 million (30 June 2014: charge of €3.0 million).

- **Deferred taxes** (charge of €0.4 million as of 30 June 2015; income of €0.2 million as of 30 June 2014) arose from the recognition at fair value of buildings located abroad in conformity with IAS 40. These deferred taxes (with no monetary impact, that is to say non-cash) are thus excluded from the result excluding IAS 39 and IAS 40.

Given the non-monetary elements described above, the **profit (attributable to owners of the parent)** amounts to €45.2 million (30 June 2014: €21.4 million). The earnings per share (basic earnings per share, as defined in IAS 33 and calculated in Note 26 to the Consolidated Financial Statements) is €4.24 (30 June 2014: €2.16).

The **adjusted statutory result** as defined in the annex to the Royal Decree of 13 July 2014 regarding RRECs, is €25.4 million (30 June 2014: €20.4 million), an increase of 25 % (as calculated in Note 50). Taking into account the rights to dividend for the shares issued during the financial year, this represents an amount of €2.33 per share (30 June 2014: €1.99 per share).

3.3 Consolidated balance sheet

As of 30 June 2015, **investment properties** represent 99 % (30 June 2014: 99 %) of the assets recognised on Aedifica's balance sheet, valued in accordance with IAS 40 (that is to say, accounted for at their fair value as determined by independent real estate experts) at a value of €1,005 million (30 June 2014: €785 million). This heading includes:

- Marketable investment properties, including assets classified as held for sale (30 June 2015: €983 million; 30 June 2014: €766 million), which marked an increase of €218 million. The net growth in the fair value of marketable investment properties in operation is attributed mainly to €185 million from investment operations (see points 2.1.1. and 2.1.2. above), to €15 million for disinvestment operations (see point 2.1.6. above), to €30 million for the completion of development projects (see point 2.1.3.), and to €15 million for the change in fair value of marketable investment properties.
- Development projects (30 June 2015: €22 million; 30 June 2014: €19 million), consisting primarily of investment properties under construction or renovation (see point 2.1.4.). These projects are undertaken in the context of the multi-annual investment budget described in section 4.2. of the Property Report included in this 2014/2015 Annual Financial Report.

"Other assets included in the debt-to-assets ratio" represent 1 % of the total balance sheet (30 June 2014: 1 %).

Since Aedifica's formation, its capital has increased steadily along with its real estate activities (contributions, mergers, etc.) and thanks to capital increases (in cash) in October 2010, December 2012 and June 2015. It has increased to €371 million as of 30 June 2015 (30 June 2014: €270 million). The share premium amounts to €151 million as of 30 June 2015 (30 June 2014: €65 million). Recall that IFRS requires that the costs incurred to raise capital are recognised as a decrease in the statutory capital reserves. **Equity** (also called net assets), which repre-

Consolidated balance sheet (x €1,000)

	30 June 2015	30 June 2014
Investment properties (fair value) ²	1,005,163	784,980
Other assets included in debt-to-assets ratio	14,073	9,678
Other assets	1,048	65
Total assets	1,020,284	794,723
Equity		
Excl. IAS 39 impact	636,193	435,278
IAS 39 impact ¹	-37,923	-38,203
Equity	598,270	397,075
Liabilities included in debt-to-assets ratio	377,216	356,820
Other liabilities	44,798	40,828
Total equity and liabilities	1,020,284	794,723
Debt-to-assets ratio (%)	37.0	44.9

1. Fair value of hedging instruments (see Note 33).

2. Including assets classified as held for sale.

sents the intrinsic net value of Aedifica and takes into account the fair value of its investment portfolio, amounts to:

- €636 million excluding the IAS 39 impact (30 June 2014: €435 million, including the €19 million dividend distributed in November 2014);
- or €598 million including the IAS 39 impact (30 June 2014: €397 million, including the €19 million dividend distributed in November 2014).

As of 30 June 2015, **liabilities included in the debt-to-assets ratio** (as defined in the Royal Decree of 13 July 2014 regarding RRECs) reached €377 million (30 June 2014: €357 million), of which €367 million (30 June 2014: €346 million) represent amounts drawn on the Company's credit facilities, detailed in Note 40. The **debt-to-assets ratio** amounts to 37.0 % on a consolidated level (30 June 2014: 44.9 %) and 36.9 % on a statutory level (30 June 2014: 44.6 %). This sharp decrease is due to the capital increase of June 2015. The maximum ratio permitted for Belgian REITs is set at 65 % of total assets, thus, Aedifica maintains an additional consolidated debt capacity of €285 million in constant assets (that is, excluding growth in the real estate portfolio) or €815 million in variable assets (that is, taking into account growth in the real estate portfolio). Conversely, the balance sheet structure permits, other things being equal, the Company to absorb a decrease of up to 43 % in the fair values of its investment properties before reaching the maximum debt-to-assets ratio. Given Aedifica's existing bank commitments, which further limit the maximum debt-to-assets ratio to 60 %, the headroom available amounts to €234 million in constant assets, €585 million in variable assets, and -38 % in the fair value of investment properties.

Other liabilities of €45 million (30 June 2014: €41 million) represent mainly the fair value of hedging instruments (30 June 2015: €38 million; 30 June 2014: €38 million).

The table on the next page presents the change in the **net asset value per share**.

Recall that IFRS requires the presentation of the annual accounts before appropriation. Net assets in the amount of €38.74 per share as of 30 June 2014 thus included the dividend distributed in November 2014, and should be adjusted by €1.90 per share in order to compare with the value as of 30 June 2015. This amount corresponds to the amount of the total dividend (€19 million) divided by the total number of shares outstanding as of 30 June 2014 (10,249,083).

Excluding the non-monetary impact (that is to say, non-cash) of IAS 39 and after accounting for the payment of the 2013/2014 dividend in November 2014, the net assets per share based on the fair value of investment properties is €45.29 as of 30 June 2015, as compared to €40.57 per share on 30 June 2014.

To compare the net asset value to the share price, one has to take into account the detachment of coupon No. 14, which took place on 10 June 2015 in the context of the capital increase of 29 June 2015.

3.4 Consolidated cash flow statement

The cash flow statement included in the attached Consolidated Financial Statements shows total cash flows for the period of +€2.4 million (30 June 2014: +€0.4 million), which is made up of net cash from operating activities of +€36.6 million (30 June 2014: +€34.8 million), net cash from investing activities of -€84.8 million (30 June 2014: -€87.1 million), and net cash from financing activities of +€50.7 million (30 June 2014: +€52.7 million).

3.5 Segment information

3.5.1. Senior housing

Rental income in this segment amounts to €34.1 million (30 June 2014: €24.6 million), or 68 % of Aedifica's total rental income. These buildings are generally operated under triple-net long leases (see glossary) and, as such, the property operating result for this segment is almost equal to the rental income. The fair value of investment properties attributed to this segment under IFRS 8 has been established at €694 million (30 June 2014: €482 million), or 71 % of the fair value of Aedifica's total marketable investment properties.

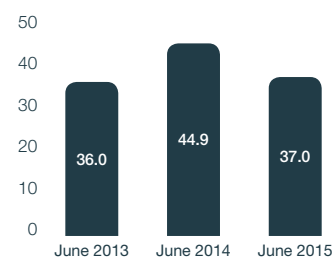
3.5.2. Apartment buildings

Rental income in this segment amounts to €11.9 million (30 June 2014: €12.1 million), or 24 % of Aedifica's total rental income. After deducting direct costs related to this activity, the property operating result for apartment buildings amounts to €7.0 million (30 June 2014: €7.1 million). The fair value of investment properties attributed to this segment under IFRS 8 has been established at €214 million (30 June 2014: €210 million), or 22 % of the fair value of Aedifica's total marketable investment properties.

3.5.3. Hotels and other

Rental income in this segment amounts to €4.0 million (30 June 2014: €4.1 million), or 8 % of Aedifica's total rental income. After deducting direct costs related to this activity the property operating result for these buildings amounts to €3.9 million (30 June 2014: €4.1 million). The fair value of investment properties attributed to this segment under IFRS 8 has been established at €73 million (30 June 2014: €73 million), or 7 % of the fair value of Aedifica's total marketable investment properties.

Debt-to-assets ratio (%)



€153 M

capital increase in cash
on 29 June 2015

Net asset value per share (in €)

	30 June 2015	30 June 2014
Based on fair value of investment properties		
Net asset value after deduction of dividend 2013/2014, excl. IAS 39	45.29	40.57
IAS 39 impact	-2.70	-3.73
Net asset value after deduction of dividend 2013/2014	42.59	36.84
Number of share outstanding (excl. treasury shares)	14,045,931	10,249,083

Proposed appropriation (in €)

	30 June 2015	30 June 2014
A. Profit (loss)	39,443,874	18,582,056
B. Transfer to/from the reserves	14,653,035	-946,941
1. Transfer to/from the reserve of the (positive or negative) balance of changes in fair value of investment properties (-/+)		
- fiscal year	13,897,832	1,798,704
- previous fiscal years	0	0
- disposals of investment properties	427,591	0
2. Transfer to/from the reserve of the estimated transaction costs resulting from hypothetical disposal of investment properties (-/+)	0	0
3. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting (-)		
- fiscal year	0	-1,375
- previous years	0	0
4. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting (+)		
- fiscal year	0	0
- previous years	0	0
5. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments not qualifying for hedge accounting (-)		
- fiscal year	461,498	-2,988,644
- previous years	0	0
6. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments not qualifying for hedge accounting (+)		
- fiscal year	0	0
- previous years	0	0
7. Transfer to/from the reserve of the balance of currency translation differences on monetary assets and liabilities (-/+)	0	0
8. Transfer to the reserve of the fiscal latencies related to investment properties abroad (-/+)	-133,886	244,374
9. Transfer to the reserve of the received dividends aimed at the reimbursement of financial debts (-/+)	0	0
10. Transfer to/from other reserves (-/+)	0	0
11. Transfer to/from the result carried forward of the previous years (-/+)	0	0
C. Remuneration of the capital provided in article 13, § 1, para. 1	20,341,185	16,322,646
D. Remuneration of the capital - other than C	1,508,041	3,150,612
Result to be carried forward	2,941,613	55,739

4. Appropriation of the results

The Board of Directors proposes to the Annual General Meeting of 23 October 2015 to approve the Aedifica SA Annual Accounts of 30 June 2015 (for which a summary is provided in the chapter "Abridged Statutory Annual Accounts" of this Annual Financial Report) and to distribute a gross dividend of €2.00 per share, which is in line with the forecast published in the Securities Note regarding the capital increase of June 2015 and which is ahead of the initial budget published in the 2013/2014 Annual Financial Report (€1.93 per share). The statutory pay-out ratio is 86 %.

Effective since 1 January 2013, the withholding tax rate is 15 %. The reader is referred to section 5.2 of the chapter entitled "Standing Documents" of the Annual Financial Report for more information on the tax treatment of dividends, as well as to section 4.2. of the chapter entitled "Risk Factors" for more information on the sustainability of the withholding tax rate.

Based on the number of issued shares as of 30 June 2015, and taking into account the rights attached thereto, the statutory result for the 2014/2015 financial year will be submitted as presented in the table on the previous page.

The proposed dividend respects the requirements laid down in Article 13, § 1, paragraph 1 of the Royal Decree of 13 July 2014 regarding RRECs in that it is greater than the required minimum pay-out of 80 % of the adjusted statutory result, after deduction of the debt reduction over the financial year.

The proposed dividend will be payable, after approval at the Annual General Meeting, as from 30 October 2015 ("payment date" of coupon 14 related to the 2014/2015 financial year). The div-

idend will be paid by bank transfer as from the same date. The "ex-date" of coupon No. 14 was 11 June 2015, since the coupon was already detached in the context of the capital increase of June 2015. The net dividend per share after deduction of 15 % withholding tax will amount to €1.70.

5. Key risks (excluding those linked to financial instruments)

Aedifica carries out its activities in a constantly changing environment, which implies certain risks. The occurrence of these risks could have a negative impact on the Company as a whole, or on its operations, outlook, financial position or financial result. Thus, these risks must be duly considered as part of any investment decision.

Aedifica aims to manage these risks to the greatest extent possible in order to generate recurring rental income and maximize the potential for gains on disposals.

The key risk factors are the focus of a specific section of the Annual Financial Report and summarised here in accordance with Article 119 of the Belgian Companies Code. Key risk factors with which Aedifica is confronted are the focus of regular monitoring both by Management and by the Board of Directors, who have developed prudent policies that are continuously reviewed and adapted as necessary.

The following risks are presented in detail in the section "Risk Factors" of this Annual Financial Report: market risks (economic risks, risks related to the real estate market, inflation risk, concentration risk in the senior housing segment); risks related to Aedifica's property portfolio (rents, asset management, quality and

valuation of buildings, risk of expropriation, risk arising from mergers, de-mergers and acquisitions), and regulatory risks. Risks related to financial instruments are described in the following section.

6. Use of financial instruments

Aedifica's financial management activities are aimed at ensuring permanent access to credit and to monitor and minimise the interest rate risk.

The use of financial instruments as described under "financial risks" in the "Risk Factors" section of this Annual Financial Report) is detailed in Note 44 of the attached Consolidated Financial Statements. The following elements are presented: debt structure, liquidity risk, interest rate risk, counterparty risk, foreign exchange risk, and financial planning risks.

7. Related party transactions

Related party transactions, as defined under IAS 24 and in the Belgian Companies Code, are the object of Note 48 of the attached Consolidated Financial Statements. These transactions comprise the remuneration of Aedifica's directors and Executive Managers.

Moreover, certain types of transactions are covered by Article 37 of the Act of 12 May 2014 (with the exception of cases explicitly covered by Article 38 of the same Act). Over the course of the 2014/2015 financial year, no transactions covered by this Article and outside of normal business transactions were executed between Aedifica and its regular service providers.

8. Subsidiaries

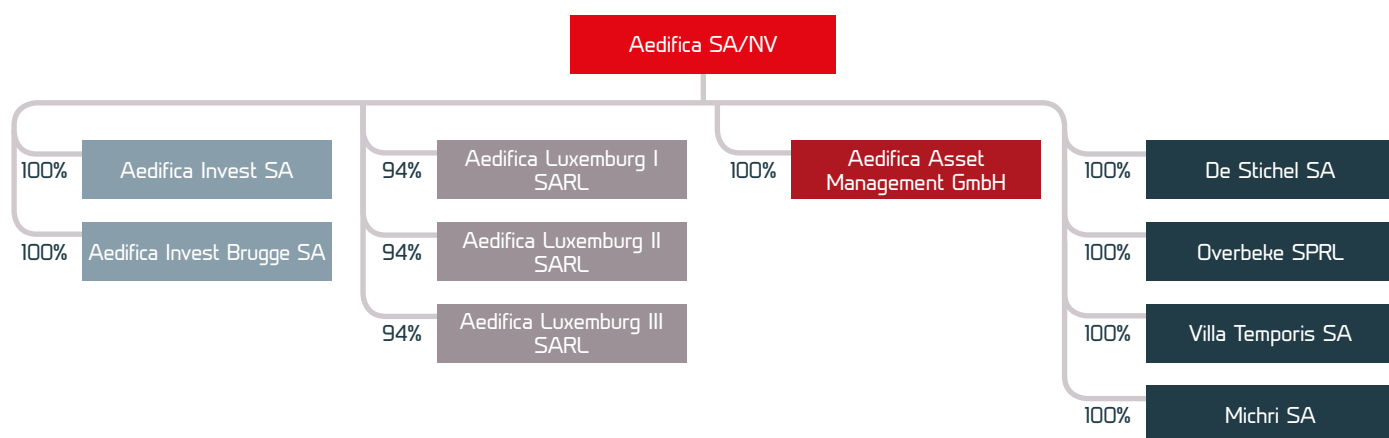
As of 30 Jun 2015, Aedifica SA holds six stable subsidiaries, of which two are established in Belgium, three in Luxemburg and one in Germany.

— Belgium

- Aedifica Invest SA is wholly owned by Aedifica SA (along with Aedifica Invest Brugge SA). This subsidiary was created to facilitate takeovers and temporarily hold the shares of target companies.
- Aedifica Invest Brugge SA is wholly owned by Aedifica SA (along with Aedifica Invest SA); it holds the residual right to the expansion of Martin's Hotel Brugge.

€2.00

gross dividend for the 2014/2015
financial year



– Luxembourg

- Aedifica Luxembourg I SARL is owned for 94 % by Aedifica SA. This subsidiary holds three buildings located in Germany.
- Aedifica Luxembourg II SARL is owned for 94 % by Aedifica SA. This subsidiary holds three buildings located in Germany.
- Aedifica Luxembourg III SARL is owned for 94 % by Aedifica SA. This subsidiary holds two buildings located in Germany.

– Germany

- Aedifica Asset Management GmbH is wholly owned by Aedifica SA. This subsidiary advises and supports Aedifica in the growth and management of its real estate portfolio in Germany.

Furthermore, as of 30 June 2015, Aedifica (together with Aedifica Invest SA) also holds four subsidiaries located in Belgium holding real estate assets; these subsidiaries will be merged with Aedifica in the following months. These subsidiaries are: De Stichel SA, Overbeke SPRL, Villa Temporis SA and Michri SA.

The organisational chart presented above shows the Group's subsidiaries as well as its share in each subsidiary.

9. Research and development

Aedifica is not engaged in research and development activities covered by Articles 96 and 119 of the Belgian Companies Code.

10. Treasury shares

Aedifica applies IFRS both for the preparation of its Consolidated Financial Statements and for its Statutory Accounts. In accordance with IAS 32 and the Annex C of the Royal Decree of 13 July 2014, treasury shares held by Aedifica are presented as a reduction to total equity. As of 30 June 2015, the Aedifica Group held no treasury shares.

In addition, as of 30 June 2015, Aedifica SA benefits from pledges on shares of the Company, constituted in connection with buildings acquisitions. These guarantees are detailed in Note 45.3.2 of the Consolidated Financial Statements.

11. Outlook for 2015/2016

The projections have been developed by the Board of Directors while establishing the budget for the 2015/2016 financial year. These projections were already published in the Securities Note regarding the capital increase of June 2015, which stated that "barring unforeseen circumstances, the Company aims to pay out a gross dividend of €2.05 per share over the financial year 2015/2016. Of course this estimate remains subject to approval by the general meeting of shareholders which will decide in principle on 28 October 2016 on the dividend that will be paid out in relation to the 2015/2016 financial year."

The Board of Directors continues to pay close attention to the shifting economic and financial context and the associated impacts on the Group's activities.

In the current economic climate, Aedifica's key strengths include the following:

- Its strategic focus on the senior housing segment in Western Europe, combined with the diversification of its investments, both in the senior housing segment and in the apartment buildings segment in Belgium's main cities, allows the Company to adapt to shifting market opportunities and economic conditions. Note that the rental income generated by furnished apartment buildings and hotels is more sensitive to fluctuations than other properties.
- Thanks to its investments in senior housing, Aedifica benefits from indexed long-term rental incomes, which generate high net yields. The average remaining lease maturity on the total of its leases (20 years) provides a very good view toward the main part of its future income streams over the long term.
- Its investments in apartment buildings offer a potential for capital gains.
- External financing of the real estate portfolio (including commitments for development projects) is assured, with credit facilities in place totalling €550 million and with only €85 million of these reaching maturity before the end of the 2015/2016 financial year. At present drawings on these credit facilities are almost fully covered by hedging instruments.

20 years

average remaining lease
maturity of current contracts



De Notelaar
Senior housing -
Olen (Belgium)



Seniorie de Maretak
Senior housing -
Halle (Belgium)

— Aedifica is in a good solvency position, with a consolidated debt-to-assets ratio of 37.0 % as of 30 June 2015 (far below the maximum legal limit of 65 % imposed for Belgian REITs and the contractual maximum of 60 % imposed by way of bank covenants). This is further supported by the stable fair values that the Company's real estate portfolio has demonstrated since the beginning of the economic and financial crisis. Aedifica enjoys a balance sheet structure that permits executing development projects and renovations (commitments representing approximately €138 million as of 30 June 2015, of which €118 million are to be realised within a four-year period) and to realise new investments.

The dividend expectation for the 2015/2016 financial year, as published in the abovementioned Securities Note, remains unchanged at €2.05 gross per share. This is an increase as compared to the dividend proposed by the Board of Directors for the 2014/2015 financial year.

12. Conflicts of interest

A single conflict of interest occurred over the course of the 2014/2015 financial year, as explained below.

At the 25 August 2014 meeting of the Board of Directors: executive management remuneration

"Pursuant to Article 523 of the Belgian Companies Code, Mr. Jean Kotarakos and Mr. Stefaan Gielens announced that they had interests contrary to those of the Company; after informing the Chairman, they left the meeting.

Mr. Pierre Iserbyt, Chairman of the Nomination and Remuneration Committee, made a report to the Board on the deliberation of the aforementioned committee, which proposed to establish the gross variable remuneration of executive management as follows:

(i) The variable remuneration for the 2013/2014 fiscal year consists of an individual amount (gross) equivalent to a maximum of 50 % of gross annual remuneration excluding sundry benefits and pension plan contributions. The proposed amounts were determined based on the committee's overall satisfaction with management performance in accordance with the quantitative and qualitative objectives disclosed in the remuneration report of

the Annual 2012/2013 Financial Report and recorded in the amendments to management conventions signed on 2 September 2013. Recall that the remuneration will only be awarded if the actual profit excluding IAS 39 and IAS 40 equals at least 85 % of the budgeted amount. Also recall that the criteria (and their weighting) applied for the appropriation of variable remuneration were the following: profit excluding IAS 39 and IAS 40 per share (25 %), growth of the real estate portfolio (25 %), rents (10%) operating margin (operating result before result on portfolio divided by the net rental income) (10 %), occupancy rate (10 %), and team management (20 %). The committee concluded that executive management had attained the pre-defined objectives and proposed to grant as variable remuneration €147,000 to the CEO and €108,000 to the CFO.

(ii) As regards the 2014/2015 financial year, the committee proposed that the variable remuneration equals a maximum amount equal to 50 % of annual gross remuneration excluding sundry benefits and pension plan contributions. Variable remuneration will only be awarded if the actual profit excluding IAS 39 and IAS 40 equals at least 85 % of the budgeted amount. The amount of variable remuneration will be determined based on quan-

titative and qualitative objectives established and evaluated by the Board of Directors. The Committee proposes that these objectives be fixed according to criteria that are weighted in terms of their importance. The criteria applied for the appropriation of variable remuneration (and their weighting) will be the following: profit excluding IAS 39 and IAS 40 per share (25 %), growth of the real estate portfolio including the internationalisation of the Group's activities (30 %), operating margin (operating result before result on portfolio divided by the net rental income) (25 %) and team management (20 %).

- (iii) Regarding the 2015/2016 financial year, the committee proposed that the variable remuneration be set at a maximum amount equal to 50 % of annual gross remuneration excluding sundry benefits and pension plan contributions, and based on award criteria to be determined at a later stage.

The Board approved the Committee's proposals. Mr. Jean Kotarakos and Mr. Stefaan Gielens re-entered the meeting and heard the Board's decisions concerning executive management remuneration."

13. Capital increases carried out within the framework of the authorised capital

In accordance with Article 608 of the Belgian Companies Code, the Board of Directors comments on (i) the capital increases decided by the Board of Directors during the financial year; and (ii) the conditions and the effective impacts of the capital increases for which the Board of Directors limited or cancelled preferential rights (when applicable).

Through execution of the decision of the Board of Directors of 24 October 2014 to increase the capital in the framework of the authorised capital through a contribution in kind and through the optional dividend (refer to section 2 of this Consolidated Board of Directors' Report), the capital was increased by €5,763,329.48 (from €270,451,483.52 to €276,214,813.00) on 24 November 2014. 218,409 new shares without par value were issued. The shares have the same rights as existing shares.

In the framework of capital increases by contribution in kind, shareholders do not have preferential rights.

Following a decision of the Board of Directors of 9 June 2015 for the subscription of shares and after the Directors concluded on 29 June 2015 that the capital increase had indeed been carried out, the capital was

increased in the framework of the authorised capital (refer to section 2 of this Consolidated Board of Directors' report) by €82,364,664.56 (from €288,276,325.94 to €370,640,990.50) on 29 June 2015. 3,121,318 new shares without par value were issued in exchange for contribution in cash with cancellation of the preferential subscription right and with granting of priority allocation rights. The shares have the same rights as existing shares. As of 1 July 2015, these shares participate in the Company's results for the 2015/2016 financial year.

Appropriate remarks on the conditions and the real effects of this capital increase, for which the preferential subscription right was cancelled and the priority allocation right was granted, are given in the special report established by the Board of Directors of 9 June 2015 pursuant to Article 596 of the Belgian Companies Code.

14. Environmental, ethical, and social matters

Environmental, ethical, and social matters are an integral part of Aedifica's daily management and blend into the Company's continual efforts to achieve and maintain quality standards.

14.1 Environmental matters

Aedifica follows a pragmatic approach to environmental issues, paying close and constant attention to find the right balance in its use of human and financial resources to generate maximum value-added.

Before each potential building acquisition, Aedifica examines the environmental risks. In the event that risks are identified, plans are put in place to mitigate or eliminate risks entirely. In order to identify and control pollution risks, the Company studies the soil quality for all sites that host risky activities (e.g. fuel tanks, printing industries, etc.) or which have done so in the past.

Aedifica holds environmental permits for operations relating to listed elements of its buildings. It holds urban development permits, the majority of which were obtained by the former owners of buildings under development. Where the responsibility for environmental and urban development permits falls to its tenants, Aedifica endeavors to encourage the tenants to obtain the required permits on a timely basis.

For the buildings managed by Aedifica (directly or indirectly through external service providers), the technical and security installations are periodically inspected for conformity with applicable legislation. Regarding buildings for

which the tenants assume responsibility for the property and its technical systems, Aedifica makes every effort to ensure that the required inspections are organised in due time. In addition, a programme is in place to ensure the conformity and compliance of building elevators.

A study is conducted for each new investment to determine the likelihood of asbestos and identify the related risks. All the devices identified as being at risk of containing asbestos and deemed harmful for humans are removed from the buildings. The remaining devices become the object of a management plan which is re-evaluated annually by accredited experts. The Company also uses regular maintenance works and planned upgrades to remove any remaining, insignificant, residues.

The regulation on the energy performance of buildings ("PEB") requires that a study on energy performance is conducted for all new construction projects. For existing buildings, the regulation has introduced a certificate to attest to the energy performance of the buildings, with reference to its energy performance coefficient. For buildings managed by Aedifica (directly or indirectly through external managers), a programme is in place to obtain this certification. Regarding buildings for which the tenant assumes responsibility for the property and its technical systems, Aedifica makes every effort to ensure that the necessary certificates are obtained.

As a priority item for apartment building renovations, Aedifica replaces oil and gas burning heating systems with natural gas systems, and seeks to improve the overall level of thermal insulation in its buildings (level K).

At its head office, Aedifica uses certified paper (including for printing the Annual Financial Report), and encourages its staff to recycle waste to the greatest extent possible.

14.2 Social matters

Aedifica's Board of Directors is composed of 10 directors, comprising 4 women and 6 men. The gender diversity requirement included in the Belgian Act of 28 July 2011 (which modifies among others the Belgian Companies Code) is already met given the current composition of the Company's Board of Directors. The Company's mixed gender ratio of 40 % exceeds the 30 % threshold required by law for financial years beginning on or after 1 July 2017. Aedifica's high percentage of women on the Board has been noted in various studies dealing with gender diversity in governance bodies of Belgian companies (most notably in articles published on 18 October 2012 in *De Morgen*, 2 March 2011 in *L'Echo*, 26 July 2010 in *De Tijd*, and 4 December 2009 in *Expertise News*).

Aedifica aims to promote personal development of its employees by offering a work environment that is motivating, comfortable, and adapted to their needs. The Company strives to identify and further reinforce the talents of its staff in favour of promoting diversity and equal opportunity in the workplace. As of 30 June 2015, the Aedifica team consists of 34 full-time equivalent positions (FTEs), or 35 individuals (38 individuals on 30 June 2014, including 2 students). Total staff break down by gender is 19 women and 16 men, and by position type is 24 staff and 11 labourers. During the 2014/2015 financial year, Aedifica recorded an average of 19 hours of training per FTE (13 hours as of 30 June 2014). The average age of the Aedifica team is 40 years, a decrease as compared to that observed on 30 June 2014 (41 years).

Aedifica functions in the framework of Joint Committees 100 (labourers) and 200 (staff). The remuneration proposed by Aedifica remains positioned with reference to market remuneration for similar functions. For the 2014/2015 financial year remuneration includes a plan for non-recurring benefits linked to the Company's profitability, as has been the case from 2008/2009 onwards. In addition, other recurring benefits are offered, such as a defined contribution group insurance plan and hospitalisation coverage.

Each member of the team participates in at least one performance review per year with his/her manager; this review is based on a multi-dimensional template that covers relations between the Company and its employees.

14.3 Ethical and societal matters

In 2010, Aedifica adopted a Charter of Ethics which formalised the code of conduct already in place. This charter addresses conflicts of interest, confidentiality, share purchase and sales, abuse of company property, business gifts, and respect for others. It is now included in the Corporate Governance Charter.

Aedifica's investments respond to multiple housing needs and the Company contributes to the renewal of certain districts (for example, with the renovation of its building in rue Haute in Brussels, or the construction of a residential building on the Chaussée de Louvain on a former industrial site in Schaerbeek). The Company also offers solutions to the challenges associated with the ageing population through its investments in senior housing. Furthermore, Aedifica contributes to the perseverance of national heritage as the owner of several listed buildings (for example the Résidence Palace and building in rue du Lombard in Brussels, Martin's Brugge hotel, and hotel Martin's Klooster in Leuven).

Aedifica presents a series of semi-annual roadshows in Belgium and abroad (Luxembourg, Amsterdam, London, Paris, Frankfurt), which attract foreign investment to Belgian capital markets.

Aedifica participates in debates related to the Belgian REIT sector (via the REITs workshop organised within the Belgian Association of Asset Managers or BEAMA), and more recently related to the new legislation regarding Regulated Real Estate Companies (SIR/GVV), and is a member of the Association of Belgian listed companies (via the "Association Belge des Sociétés cotées" or ABSC). The Company is also a member of the "Union Professionnelle du Secteur Immobilier" (UPS) and sponsors the VFB and FEDINVEST federations and investment associations.

Both members of Aedifica's Executive Management participate personally as speakers for university and post-graduate programmes offered by the University of Leuven (KU Leuven) and the University of Brussels (Université Libre de Bruxelles).

15. In the event of a takeover bid

In accordance with Article 34 of the Royal Decree of 14 November 2007, items that can be of influence in the event of a takeover bid are summarised below.

15.1 Structure of the share capital

15.1.1 Share capital

There is one single category of shares without par value: all shares are fully paid-up. As of 30 June 2015, the share capital amounts to €370,640,990.50, consisting of 14,045,931 shares, each representing 1/14,045,931th of the share capital.

15.1.2 Rights and obligations attached to the shares

All holders of shares have equal rights and obligations, except for the dividend right, which may be modified when new shares are issued. The 3,121,318 new shares that were issued on 29 June 2015 are not entitled to the dividend relating to the 2014/2015 financial year, but will participate in the Company's results for the 2015/2016 financial year.

Please refer to applicable laws, including the Belgian Companies Code, the Act of 12 May 2014 on Regulated Real Estate Companies and the Royal Decree of 13 July 2014 on Regulated Real Estate Companies. Moreover, attention should be paid to the Company's Articles of Association (see section 4 of the chapter "Standing Documents" in the Annual Financial Report).



Ter Venne
Senior housing -
Sint-Martens-Latem
(Belgium)

15.2 Legal, contractual or statutory limits to transfer of shares

There are no legal or statutory limits for share transfers.

In order to provide sufficient liquidity to the shareholders, Article 21 of the Act of 12 May 2014 quoted above requires that the shares of Belgian REITs are listed on a regulated stock exchange.

The totality of the 14,045,931 Aedifica shares are listed on the Euronext Brussels continuous market.

15.3 Specific control rights

There are no shareholders benefitting from specific control rights.

15.4 Control mechanisms in favour of personnel

Aedifica has not put in place any mechanism in relation to employee shareholdings.

15.5 Legal or statutory limits to voting rights

As of 30 June 2015, Aedifica holds no treasury shares.

15.6 Agreements between shareholders, known by Aedifica, which could limit the transfer of shares and/or voting rights

Aedifica is not aware of any agreement between shareholders that could limit the transfer of shares and/or voting rights.

15.7 Rules for the nomination and replacement of members of the Board of Directors, and for any change of the Articles of Association

15.7.1 Nomination and replacement of members of the Board of Directors

Pursuant to Article 11 to the Articles of Association, the members of the Board of Directors are elected for a term of up to 3 years by the shareholders at the Annual General Meeting. They are always revocable. They can be re-elected. During the Extraordinary General Meeting of 23 October 2015 (the attendance quorum will probably not be reached on the Extraordinary General Meeting of 6 October 2015) Aedifica's shareholders are invited to bring the maximum duration of the office to 4 years.

If not re-elected, the office of director ends just after the general meeting that decides on re-elections.

In case of vacancy of one or several director seats, the remaining directors have the power to provisionally elect one or several persons, to act as director(s) until the next general meeting, when shareholders will decide on the re-election. This right of re-election by the remaining directors becomes an obligation when the number of directors falls below the statutory minimum number.

A director elected to replace another director finishes the original term of the replaced director.

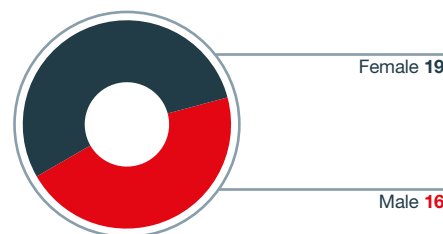
15.7.2 Change of the Articles of Association

Please refer to the regulations applicable to RRECs. In particular, one should bear in mind that any contemplated change to the Articles of Association must be approved by the market authority (FSMA).

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full-time equivalent positions

Gender balance at Aedifica



15.8 Powers of the Board of Directors, especially regarding the issuance or repurchase of shares

Pursuant to Article 6.4 of the Articles of Association, the Board of Directors is authorised to increase the share capital in one or several steps up to €180,000,000.00, at the moment and subject to the conditions set by the Board of Directors (in accordance with Article 603 of Belgian Companies Code, and as set out in Note 38 of the Consolidated Financial Statements). To date, the remaining balance of the authorised capital amounts to €2,981,559.18.

During the Extraordinary General Meeting of 23 October 2015 (the attendance quorum will probably not be reached on the Extraordinary General Meeting of 6 October 2015) Aedifica's shareholders are invited to bring the authorised capital to €370,000,000.00.

Moreover, Aedifica may, in accordance with Article 6.2 of the Articles of Association, repurchase, or receive as security, treasury shares under the conditions set out in the Belgian Companies Code; the Company must also inform the market authority (FSMA) in due time. Treasury shares pledged as of 30 June 2015 are described in section 10 of this Consolidated Board of Directors' Report.

15.9 Major agreements which are initiated, changed or terminated in the event of a takeover bid

The credit facilities of 26 August 2011, 11 July 2012, 27 June 2013, 5 August 2013 and 10 July 2014 (bilateral credits issued by BNP Paribas Fortis), as well as the credit facilities of 24 October 2011, 25 June 2012, 4 April 2013, 28 April 2014 and 8 October 2014 (bilateral credits issued by ING Belgium) and the credit facility of 7 May 2013 (bilateral credit issued by Bank Degroof), provide for early termination in the event of a change in control (control being defined as the concentration of 50 % plus one share in the hands of a single shareholder, or as the concentration of 50 % plus one voting right in the hands of a single shareholder).

The credit facilities of 23 January 2012 and 19 June 2014 issued by KBC Bank provide for early termination in case of substantial change in the shareholding structure that could result in a change in the composition of the Board of Directors or in the risk assessment carried out by the bank.

The credit facilities of 26 June 2013 issued by Banque LB Lux (for which activities were resumed by its parent company Bayerische Landesbank on 1 July 2014) provide for early

termination in the event of a substantial change in control. Control is defined with reference to the capital holdings of Aedifica (more than 50 %) or by reference to the right or possibility to control, either directly or indirectly, the management activities or the majority of the Board of Directors. The credit facility of 30 June 2015 issued by Caisse d'Epargne et de Prévoyance Nord France ("CENFE") that comes into effect as of 23 July 2015 and with which CENFE takes over the credit issued by Bayerische Landesbank, includes an identical clause.

The credit facilities of 6 June 2014 and 13 November 2014 issued by Banque Européenne du Crédit Mutuel provides for early termination in the event of a substantial change in control in favour of one or more investors acting in concert. "Control" and "action in concert" are defined with reference to the Belgian Companies Code.

The credit facility of 27 November 2014 issued by Belfius Banque SA provides for early termination if the administration of the Company is modified or if one of the working partners of a partner with joint and several liability or one of the majority shareholders withdraws or passes away.



Hestia
Senior housing -
Wemmel (Belgium)

15.10 Agreements with directors or personnel which provide for indemnities in the event of a takeover bid

If the management agreement signed with the CEO is terminated by the CEO or by the Company within a period of 6 months after the launch of a takeover bid, the CEO will receive an indemnity amounting to 18 months of benefits (except in case of serious misconduct).

If the management agreement signed with the CFO is terminated by the CFO or by the Company within a period of 6 months after the launch of a takeover bid, the CFO will receive an indemnity amounting to 12 months of benefits (except in case of serious misconduct).

No such clause has been included in contracts signed with Aedifica staff.

16. Independence and competence with respect to accounting and audit of at least one member of the Audit Committee

The Audit Committee of the Company is made up of 3 non-executive directors; among these, 2 meet the independence criteria set out by Article 526ter of the Belgian Companies Code. Namely, Ms. Brigitte Gouder de Beauregard and Ms. Hilde Laga:

- 1° Have never acted as executive directors, as members of the Management Committee, or as persons in charge of the daily management, of Aedifica or of a related party of Aedifica;
- 2° Have acted as non-executive directors during less than 3 consecutive terms, for a total term of less than 12 years;
- 3° Have not been part of management personnel (as defined by Article 19,2° of the Act of 20 September 1948) of Aedifica, or of a related party of Aedifica. Moreover, they have never been hired as employees of Aedifica, or of a related party of Aedifica;
- 4° Have never received any remuneration or other substantial benefit from Aedifica or a related party of Aedifica, except as for their remuneration and attendance fees as non-executive directors;
- 5° Have no shareholdings in Aedifica;
- 6° Have no significant business relationships with Aedifica or with a related party of Aedifica, either directly as an employee or indirectly as a partner, shareholder, member of the Board of Directors, or as management personnel (as defined by Article 19,2° of the Act of 20 September 1948) of an entity with has that kind of relationship with Aedifica;
- 7° Have not been, over the last 3 years, a Partner of or employed by the statutory auditor of Aedifica, or of a related party of Aedifica;

8° Are not executive directors in another entity in which Mr. Stefaan Gielens and/or Mr. Jean Kotarakos act as non-executive directors. Furthermore, they do not have major relationships with Mr. Stefaan Gielens and/or Mr. Jean Kotarakos through other duties in other entities;

9° Have not, within Aedifica or within a related party of Aedifica, any spouse, parents, or family members up to the second grade, acting as director, members of the Management Committee, as person in charge of the daily management, or as management personnel (as defined by Article 19,2° of the Act of 20 September 1948), of Aedifica or of a related party of Aedifica;

10° Have no relationship with Aedifica which could affect their independence.

Moreover, all members of the Audit Committee have the necessary competencies with respect to accounting and audit, given their level of education and their broad experience in these matters.

17. Corporate governance statement

The statement of corporate governance (including the remuneration report and the description of the main features of systems of internal control and risk management) is provided in the chapter "Corporate Governance Statement", on pages 106 to 121 of this Annual Financial Report.

Brussels, 2 September 2015

EPRA¹

12.5%

weighting in the Belgian
EPRA Index

2%

EPRA Vacancy Rate

2.39€/share

EPRA Earnings

1. The data in this chapter are not compulsory according to the RREC regulation and are not subject to verification by the FSMA or the statutory Auditor.



EPRA

Aedifica's shares were added to the "FTSE EPRA/NAREIT Developed Europe Index" on 18 March 2013.

Aedifica passed all eligibility criteria for inclusion in the EPRA indices during the March 2013 quarterly review.

The EPRA ("European Public Real Estate Association") is the voice of Europe's publicly traded real estate sector and the most widely used global benchmark for listed real estate. It represents more than 200 active members and over €350 billion in real estate assets. The European indices include more than 95 constituents, with a free-float market capitalisation of more than €195 billion. The criteria for inclusion in the indices are publicly available on the EPRA website (www.epra.com).

Aedifica is registered in the European Index with a weighting of approx. 0.3% and in the Belgian Index with a weighting of approx. 12.5 %.

In August 2011, the Board of Directors of the European Public Real Estate Association ("EPRA") published an update of the report entitled "EPRA Reporting: Best Practices Recommendations" ("EPRA Best Practices"). The report is available on the EPRA website.

This document contains EPRA's recommendations for defining the main financial performance indicators applicable to listed real-estate companies. Aedifica supports this approach to reporting standardisation, which has been designed to improve the quality and comparability of information. The Company supplies its investors with most of the information recommended by EPRA.

On 24 September 2014, Aedifica was rewarded the "EPRA Silver Award" and the "EPRA Most Improved Award" for its 2012/2013 Annual Financial Report.



On 9 September 2015, Aedifica was rewarded the "EPRA Gold Award" for its 2013/2014 Annual Financial Report, bringing the Company in the forefront of the 106 surveyed companies.



“Inclusion in the EPRA index has always been a key milestone for Aedifica, especially following the Company’s successful rights issue in 2012. It displays a wider recognition of Aedifica’s commitment to best practice, and provides an opportunity for global investors to play a part in the Company’s continued success.”

Stefaan Gielens, CEO

Key performance indicators according to the EPRA principles

	30 June 2015	30 June 2014
EPRA Earnings (in €/share)	2.39	2.05
EPRA NAV (in €/share)	45.46	40.55
EPRA NNNAV (in €/share)	42.44	36.61
EPRA Net Initial Yield (NIY) (in %)	5.1	5.2
EPRA Topped-up NIY (in %)	5.1	5.2
EPRA Vacancy Rate (in %)	2	2
EPRA Cost Ratio (including direct vacancy costs) (in %)	22	23
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	22	22

Key performance indicators according to the EPRA principles

		30 June 2015	30 June 2014
EPRA Earnings	x €1,000	25,499	20,315
Recurring earnings from core operational activities	€ / share	2.39	2.05
EPRA NAV	x €1,000	638,518	415,561
Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model	€ / share	45.46	40.55
EPRA NNNAV	x €1,000	596,052	375,220
EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes	€ / share	42.44	36.61
EPRA Net Initial Yield (NIY)	%	5.1	5.2
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchaser’s costs			
EPRA Topped-up NIY	%	5.1	5.2
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods or other unexpired lease incentives such as discounted rent periods and step rents			
EPRA Vacancy Rate	%	2	2
Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio			
EPRA Cost Ratio (including direct vacancy costs)	%	22	23
Administrative/operational expenses per IFRS income statement, including the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs			
EPRA Cost Ratio (excluding direct vacancy costs)	%	22	22
Administrative/operational expenses per IFRS income statement, less the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs			

EPRA Earnings (x €1,000)

	30 June 2015	30 June 2014
Earnings for IFRS (owners of the parent) income statement	45,165	21,385
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in fair value of investment properties, development properties held for investment and other interests	-19,259	-3,816
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-428	0
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	0	0
(v) Negative goodwill / goodwill impairment	0	0
(vi) Changes in fair value of financial instruments and associated close-out costs	-374	2,990
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	0	0
(viii) Deferred taxes in respect of EPRA adjustments	395	-244
(ix) Adjustments (i) to (viii) above in respect of joint ventures	0	0
(x) Minority interests in respect of the above	0	0
EPRA Earnings (owners of the parent)	25,499	20,315
Number of shares	10,658,981	9,917,093
EPRA Earnings per Share (EPRA EPS in €/share)	2.39	2.05

EPRA Net Asset Value (NAV) (x €1,000)

	30 June 2015	30 June 2014
NAV per the financial statements (owners of the parent)	598,270	377,602
NAV per the financial statements (in €/share) (owners of the parent)	42.59	36.84
Effect of exercise of options, convertibles and other equity interests	0	0
Diluted NAV, after the exercise of options, convertibles and other equity interests	598,270	377,602
Include:		
(i) Revaluation to fair value of investment properties	0	0
(ii) Revaluation to fair value of tenant leases held as finance leases	0	0
(iii) Revaluation to fair value of trading properties	0	0
Exclude:		
(iv) Fair value of financial instruments	37,923	38,203
(v.a) Deferred tax	2,325	-244
(v.b) Goodwill as a result of deferred tax	0	0
Include/exclude:		
Adjustments (i) to (v) in respect of joint venture interests	0	0
EPRA NAV (owners of the parent)	638,518	415,561
Number of shares	14,045,931	10,249,083
EPRA NAV (in €/share) (owners of the parent)	45.46	40.55

EPRA Triple Net Asset Value (NNNAV) (x1,000 €)

	30 June 2015	30 June 2014
EPRA NAV (owners of the parent)	638,518	415,561
Include:		
(i) Fair value of financial instruments	-37,923	-38,203
(ii) Fair value of debt	-2,218	-2,382
(iii) Deferred tax	-2,325	244
EPRA NNNNAV (owners of the parent)	596,052	375,220
Number of shares	14,045,931	10,249,083
EPRA NNNNAV (in €/share) (owners of the parent)	42.44	36.61

EPRA Net Initial Yield (NIY) and EPRA "Topped-up" NIY (x €1,000)

	30 June 2015					
	Senior housing	Apartments buildings	Hotels and other	Non-allocated	Intersegment items	Total
Investment properties in fair value	694,467	214,461	72,696	21,734	0	1,003,358
Trading properties (+)	1,805	0	0	0	0	1,805
Development projects (-)	0	0	0	-21,734	0	-21,734
Marketable investment properties in fair value	696,272	214,461	72,696	0	0	983,429
Allowance for estimated purchasers' costs (+)	23,969	5,825	2,123	0	0	31,917
Investment value of investment properties available for lease	720,241	220,286	74,819	0	0	1,015,346
Annualised cash passing rental income (+)	41,038	11,866	4,538	0	0	57,442
Property charges ¹ (-)	-306	-4,441	-42	-473	-115	-5,377
Annualised net rents	40,732	7,425	4,496	-473	-115	52,065
Notional rent expiration of rent free periods or other lease incentives (+)	0	0	0	0	0	0
Topped-up net annualised rent	40,732	7,425	4,496	-473	-115	52,065
EPRA NIY (in %)	5.7	3.4	6.0	0.0	-	5.1
EPRA "Topped-up" NIY (in %)	5.7	3.4	6.0	0.0	-	5.1

	30 June 2014					
	Senior housing	Apartments buildings	Hotels and other	Non-allocated	Intersegment items	Total
Investment properties in fair value	482,401	210,128	73,260	19,191	0	784,980
Trading properties (+)	0	0	0	0	0	0
Development projects (-)	0	0	0	-19,191	0	-19,191
Marketable investment properties in fair value	482,401	210,128	73,260	0	0	765,789
Allowance for estimated purchasers' costs (+)	13,584	5,707	2,191	0	0	21,482
Investment value of investment properties available for lease	495,985	215,835	75,451	0	0	787,271
Annualised cash passing rental income (+)	28,725	12,425	4,564	0	0	45,714
Property charges ¹ (-)	-23	-4,447	-39	-69	-106	-4,684
Annualised net rents	28,702	7,978	4,525	-69	-106	41,030
Notional rent expiration of rent free periods or other lease incentives (+)	0	0	0	0	0	0
Topped-up net annualised rent	28,702	7,978	4,525	-69	-106	41,030
EPRA NIY (in %)	5.8	3.7	6.0	0.0	-	5.2
EPRA "Topped-up" NIY (in %)	5.8	3.7	6.0	0.0	-	5.2

1. The scope of the real-estate charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to "real-estate charges" as presented in the consolidated IFRS accounts.

Investment properties - Rental data (x €1,000)

	30 June 2015						
	Gross rental income	Net rental income	Lettable space (in m ²)	Contractual rents ³	Estimated rental value (ERV) on empty spaces	Estimated rental value (ERV)	EPRA Vacancy rate (in %)
Segment							
Senior housing	34,081	33,828	340,400	41,038	0	45,803	0
Apartment buildings	11,900	6,959	101,626	11,866	1,118	12,356 ⁴	9
Hotels and other	3,986	3,949	37,377	4,538	32	4,264	1
Non-allocated	0	-473					
Intersegment items	-114	-115					
Total marketable investment properties	49,853	44,148	479,403	57,442	1,150	62,423	2
Reconciliation to income statement							
Properties sold during the 2014/2015 financial year	0	0					
Properties held for sale	0	0					
Other Adjustments	0	0					
Total marketable investment properties	49,853¹	44,148²					
	30 June 2014						
	Gross rental income	Net rental income	Lettable space (in m ²)	Contractual rents ³	Estimated rental value (ERV) on empty spaces	Estimated rental value (ERV)	EPRA Vacancy rate (in %)
Segment							
Senior housing	24,565	24,546	235,232	28,725	0	32,809	0
Apartment buildings	12,024	7,126	101,626	12,425	947	12,238 ⁴	8
Hotels and other	4,132	4,094	39,208	4,564	63	4,312	1
Non-allocated	0	-69					
Intersegment items	-108	-106					
Total marketable investment properties	40,613	35,591	376,065	45,714	1,010	49,359	2
Reconciliation to income statement							
Properties sold during the 2013/2014 financial year	0	0					
Properties held for sale	0	0					
Other Adjustments	0	0					
Total marketable investment properties	40,613¹	35,591²					

1. The total "gross rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "net rental income" of the consolidated IFRS accounts.

2. The total "net rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "property operating result" of the consolidated IFRS accounts.

3. The current rent at the closing date plus future rent on leases signed as at 30 June 2014 or 30 June 2015.

4. This ERV does not take into account a furnished occupancy.

Investment properties - Like-for-like net rental income (x €1,000)

	30 June 2015					30 June 2014	
	Net rental income on a like-for-like basis	Acquisitions	Disposals	Transfers due to completion	Net rental income ¹	Net rental income on a like-for-like basis	Like-for-like net rental income
Segment							
Senior housing	20,655	10,058	0	3,115	33,828	20,504	1 %
Apartment buildings	6,564	395	0	0	6,959	6,837	-4 %
Hotels and other	3,949	0	0	0	3,949	4,094	-4 %
Non-allocated	-473	0	0	0	-473	-69	-
Intersegment items	-115	0	0	0	-115	-106	-
Total marketable investment properties	30,580	10,453	0	3,115	44,148	31,260	-2 %
Reconciliation to income statement							
Properties sold during the 2014/2015 financial year					0	0	
Properties held for sale					0	0	
Other Adjustments					0	0	
Total marketable investment properties					44,148	31,260	

1. Marketable investment properties owned throughout the 2 financial years. The total "net rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "property operating result" of the consolidated IFRS accounts.

Investment properties - Valuation data (x €1,000)

	30 June 2015			
	Fair value	Changes in fair value	EPRA NIY (in %)	Reversion rate (in %)
Segment				
Senior housing	696,272	13,343	5.7	10
Apartment buildings	214,461	1,061	6.6	-5 ¹
Hotels and other	72,696	125	6.0	-7
Total marketable investment properties	983,429	14,529	5.1	6
Reconciliation to the consolidated IFRS balance sheet				
Development projects	21,734	4,730		
Total marketable investment properties	1,005,163	19,259		
	30 June 2014			
	Fair value	Changes in fair value	EPRA NIY (in %)	Reversion rate (in %)
Segment				
Senior housing	482,401	5,896	5.8	12
Apartment buildings	210,128	-145	7.2	-9 ¹
Hotels and other	73,260	-99	6.0	-7
Total marketable investment properties	765,789	5,562	5.2	5
Reconciliation to the consolidated IFRS balance sheet				
Development projects	19,191	-1,836		
Total marketable investment properties	784,980	3,816		

1. This reversion rate does not take into account a furnished occupancy for some apartments.

Investment properties - Lease data

	30 juin 2015				
	Average remaining maturity ¹ (in years)	Current rent of leases expiring (x €1,000)			
		Not later than one year	Later than one year and not later than two years	Later than two years and not later than five years	Later than five years
Segment					
Senior housing	24	0	0	0	41,101
Apartment buildings	4	8,796	2,687	0	600
Hotels and other	28	89	54	0	4,115
Total marketable investment properties	20	8,885	2,741	0	45,816

1. Termination at following possible break.

Properties being constructed or developed (in millions €)

	30 June 2015							
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (in m²)	% Pre-let	ERV on completion
Total	21	118	2	138	2018/2019	± 67,000	95	8

	30 June 2014							
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (in m²)	% Pre-let	ERV on completion
Total	19	205	3	228	2017/2018	±112,000	96	13

The breakdown for these projects is provided in section 4.2. of the property report.

EPRA Cost ratios (x €1,000)

	30 June 2015	30 June 2014
Administrative/operating expense line per IFRS statement	-10,881	-9,524
Rental-related charges	-50	-62
Recovery of property charges	32	36
Rental charges and taxes normally paid by tenants on let properties	-1,563	-1,510
Technical costs	-1,071	-933
Commercial costs	-492	-549
Charges and taxes on unlet properties	-131	-162
Property management costs	-892	-717
Other property charges	-1,588	-1,187
Overheads	-5,355	-4,202
Other operating income and charges	229	32
EPRA Costs (including direct vacancy costs) (A)	-10,881	-9,254
Charges and taxes on unlet properties	131	162
EPRA Costs (excluding direct vacancy costs) (B)	-10,750	-9,092
Gross Rental Income (C)	49,903	40,675
EPRA Cost Ratio (including direct vacancy costs) (A/C)	22 %	23 %
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	22 %	22 %
Overhead and operating expenses capitalised (including share of joint ventures)	20	30

Aedifica capitalises internal architect costs.

PROPERTY REPORT

5.8%

average gross yield in terms
of fair value

20 years

average remaining lease
maturity of current contracts

12%

part of the portfolio
in Germany

€1 billion

fair value of investment
properties



PROPERTY REPORT

1. The real estate market

All data presented in sections 1.1 and 1.3.1 of this chapter is based on information publicly available through the Belgian Ministry of Economy as of 31 March 2015.

1.1 The Belgian residential market¹

Turnover on the secondary residential market saw an increase in Flanders at the end of 2014 due to changes announced in relation to mortgage interest tax relief schemes. As a result, the turnover of selling single-family dwellings, apartments and building lands subject to registration rights rose approx. 6 % to reach €31.2 billion. The stricter credit policies imposed by financial institutions as a result of Basel III directives are, however, have an increasing impact on market activity. A second phenomenon that continued over the course of 2014 can be seen in the further increase in real interest rates. These rates are determinants of both activity and price levels. The base rates for mortgage loans fell over the course of 2014, from 3.7 % in the first half to 2.7 % at the end of the year. At the same time inflation saw an even greater drop: starting at 1.14 % in January, it decreased to -0.38 % in December. This means that the real interest rate, the difference between the basis rate for mortgage loans and inflation, rose from 2.56 % in January to 3.08 % in December before reaching 3.4 % in early 2015. In contrast, the real interest rate remained under 1 % for almost the entire two-year period from October 2010 to October 2012.

In terms of the number of sales of existing dwellings, 2014 is seen as a peak year. This impression can be misleading, however: during the first three quarters, activity decreased further like it did in 2012 and 2013. We feel that this is the fundamental trend. In the fourth quarter,

the conversion of the mortgage interest tax relief to a new, toned down version in Flanders led to a rush: 6,500 (+30 %) more single-family dwellings and 2,600 (+18 %) more apartments were sold in the fourth quarter of 2014 than in the same quarter of the prior calendar year (2013).

The same picture emerges in terms of the number of housing starts and approved development permits: a significant increase in Flanders (e.g. +22 % in the number of apartment starts) conceals other, weaker figures. In Wallonia, is also notable that in 2014 more development permits were granted for apartments (6,327) than for single-family dwellings (5,711). This is a first for the region, and is largely due to the conversion of former industrial sites into housing in the region of Liège.

For 2014, total sales (per thousand households) of single-family dwellings and apartments (existing and under construction) by region were: 44 in Flanders (2006: 44.5), 28 in Wallonia (2006: 35), and 26 in Brussels (2006: 32). The demand for rented dwellings rose sharply and an increasing number of higher-income households are staying on the rental market for longer periods of time.

Prices continue to show an upward trend: in 2014, we observed an increase of 0.7 % for single-family dwellings, 1.1 % for apartments and 1.9 % for vacant lands. Apartments in Brussels and Wallonia experienced a slight decrease (-1 %), while Flanders saw an increase of 2.6 % in this segment.

Between 1983 and 2014, prices for private dwellings have multiplied by 6.46. This represents an average yearly increase of 6.2 %, compared to an average inflation of 2.15 %. The most important factors reflected during this period include, on one hand, the increase in the consumer price index (+93.21 %) and in the purchasing power (inflation excluded) of households (+57.58 %), and on the other hand, the increase in the borrowing capacity arising due to the reduction in interest rates (+98.60 %) and the change in the duration of loans (+9.83 %). The result obtained by multiplying these four factors ($1.9321 \times 1.5758 \times 1.9860 \times 1.0983$) shows that the baseline index of 100 (established in 1983) reached 644 in 2014. This is barely 2.8 % more than the change in the selling prices (646). Over a period of 101 years (1913-2014), prices for single-family dwellings have multiplied by a factor of 791, which represents an annual rise of 6.83 %, compared to average inflation of 5.54 %.

In the meantime, we have reached historically low interest rates, which implies that the change in prices will remain limited. It is expected that interest rates will remain relatively low for a long period, and that rate increases driven by inflation and purchasing power will also remain limited.

1. Written in Dutch on 24 June 2015 by Stadim CVBA, and reproduced with permission. Translation by Aedifica.

+1.1%

increase in the price of
apartment in Belgium

> 3,000 units

increase in the number of rest
home beds in Belgium in 2014

880,000 beds

in rest homes in Germany

Given that financial institutions now extend loans covering only approx. 80 % of the purchase price, the initial capital requirement is a fundamental obstacle for acquisition. Taking into account the registration rights and other transaction costs, we can assume that the buyer must have approx. 30 % of the purchase price in starting capital. Parents and grandparents were traditionally an important aid to achieve this. The increased life expectancy of parents and grandparents and the erosion of their capital in meeting their basic needs have an effect on young persons who are forced to postpone their first property acquisition and, as stated above, stay on the rental market for a longer period.

1.2 The market for furnished apartments in Belgium

The Belgian market for furnished apartments is characterised by the dispersion of operators and by a very diverse offering (ranging from the simple activity of renting out furnished apartments to providing furnished apartment rentals with additional services, and from very short term (daily) rental contracts to more classic monthly rental contracts, etc.). Moreover, this market is characterised by its lack of transparency. To the best of our knowledge, no independent market study has been carried out on this segment to date.

The business of furnished apartment rentals must not be confused with the hotel industry. The main activity is indeed the renting out of apartments, which include all necessary furnishings such that tenants can immediately move in without having to worry about the interior design. The additional services provided are rather limited, usually consisting of a weekly cleaning service only.

Taking into account short-term rental contracts and the target clientele (expatriates), this rental activity is more sensitive to economic cycles. Current market conditions lead to increased volatility in occupancy rates and prices.

In Flanders, the activity of renting furnished apartments is subject to a specific regulation, the Decree of 10 July 2008 on Touristic Housing. In the Brussels-Capital Region, an Ordinance was also adopted under which the activity of furnished apartment rentals, and their service providers, are in certain cases henceforth regulated by the regulatory framework for tourist housing (Ordinance of 8 May 2014 on Touristic Housing).

1.3 The senior housing market

1.3.1 Belgium¹

The total number of rest home beds in Belgium increased by 3,000 in units between 1 April 2014 and 29 May 2015 to reach a capacity of 137,299 beds. However, according to several studies, this increase remains below the real annual incremental need. Many of these studies are based on the growth forecasts for the number of persons over 65 years, which will rise from 17 % to 22 % of the population between 2013 and 2030. However, within this category, the portion of seniors who are still autonomous is growing fast and, as a result, the number of dependant persons is increasing less sharply. According to a Dutch study (CBS), life expectancies have increased between 1980 and 2010, increasing from 72.5 to 79 years for men and from 79 to 83 years for women. The number of years during which elderly people

suffer from health problems has remained stable since 1990 for men (approx. 15 years) and since 1998 for women (approx. 20 years). Increasingly, domestic technologies and homecare also play a more significant role. The average duration of stay remains relatively stable. Over the last 5 years, the number of beds has increased by 7,700 units. Private not-for-profit organisations operate the lion's share of these units, representing 60 % of the market. It is notable as well that the number of rest home beds has consistently decreased between 1997 (93,056 beds) and 2012 (62,545 beds). Since 2012 however, it rose to 65,285 units.

As a long-term investment, health care real estate is attracting more and more interest. The investment market has rapidly extended toward insurers and pension funds for whom (very) long-term contracts – which, moreover, are indexed – present attractive features. This also corresponds to operators' desire to pursue a long-term strategy. Financial ratios, such as the debt to turnover, are of greater concern to operators than to real estate investors. For investors, a debt that is eight times the turnover (rental income) is easily acceptable, whereas, for operators, debt generally amounts to only 25 % of the turnover. The separation between operational activities and real estate, which is also found in the hotel segment, is therefore a logical consequence. However, these two aspects remain linked, with profits split between the two parties: they are thus dependent on one another. For the operator, the building represents a "real estate machine" that cannot be defective at any time. Like in the hotel segment, triple net contracts are logically established in the healthcare sector as well. It is essential for operators that the quality of the asset is maintained and that they can intervene quickly if action is needed.

This type of contract is misleading for investors who think they are fully relieved of all matters relating to building management given the long-term contracts in place with the operators. Operational sustainability and technical requirements of the building, as well as compliance with constantly changing regional regulations, are the Achilles heel of relations between investors and operators. What value will remain if a building is not up to code? If the establishment were located in collective community services zone ("blue zone"), what alternative use would be possible? If operations become insufficiently profitable due to a reduction in state/public subsidies, change in regulation, or excessive rent, a downward rent revision will may be required or the opera-

tions risk being discontinued. It is crucial for the investor to monitor all changes and trends of either technical or regulatory nature and as well as those affecting operations.

Various authorities are taking initiatives to limit the possibility to offer individual rooms in a rest home for sale as investment properties. Co-ownership in the health care sector, while permitted in the apartment sector, has fortunately reached an impasse. In addition, it will be impossible to impose significant investments on co-owners at the same time, except for justified social reasons. Hopefully, this legislation will be adopted in other Belgian regions, and also be extended to other types of operational properties. How would it be possible to maintain, under co-ownership, the quality requirements of a hotel, a student residence or even a house transformed into an apartment building?

Given the increasing trend toward professionalisation among rest home operators, the attractiveness to investors, and reduced interest rates, gross rental yields are decreasing. Certain transactions (based on long-term triple net contracts) are already being established at minimal rental yields lower than 5 %. In this context, the necessity of quality and versatility or in general terms the sustainability of the investment, is even more important: which such yields, there is no room for error. Attempts are being made to capitalise on the experience accumulated in the senior care segment by combining these residences to serve other types of dependent persons, such as youth with disabilities. Ancillary services such as welcoming, catering, etc. could also be combined which could improve the complementarity and flexibility of real estate assets. In some cases, target groups are so few that independent establishments are not profitable; the abovementioned initiatives offer new possibilities, including for local projects.

1.3.2 Germany¹

General Trends

Population ageing and increasing life expectancies especially have an effect on the German market. Germany has approximately 81 million inhabitants, of which approximately 17 million are over 65 (21 %) and an estimated 8 million are more than 75 years of age (10 %). Population ageing will be further amplified by the generation of baby boomers who will reach age 60 in approximately ten years. Consequently, the need for senior housing will increase over the next decades.

When looking at the population by age cohorts, it is noted that approximately 0.5 % of people below 60 years of age need long-term care. This percentage increases to 10 % for those between 60 and 80 and reaches 20 % after the age of 80. The total rest home capacity in Germany should be expanded, given the number of persons in need of care. It is expected that this number will rise from approximately 2.5 million today to approximately 3 million by 2030.

Currently, there are approximately 880,000 beds in more than 12,000 rest homes in Germany. These are operated by not-for-profit operators (approximately 54.4 %), private operators (approximately 40.5 %) and public operators (approximately 5.1 %), in a very fragmented market. It is estimated that the market share of the five biggest operators is below 10 %.

According to some market studies, the capacity of rest homes should increase by approximately 380,000 units by 2030. Thus, the ageing population offers significant growth potential and consolidation opportunities in the collective senior housing sector in Germany.

Investment Market

The trend towards a bullish market for suitable nursing home investments has continued in 2015. This is evident not only in the increasing demand from investors already active in the market but also in the increasing numbers of international investors entering the market, having discovered this type of property as an asset class that is secured by demographic trends.

The transaction volume for nursing homes was at approximately €811 million in 2014 of which roughly 43% have been portfolio transactions. It is notable that approximately €310 million of the total transaction volume came from foreign investors (38%). It can be assumed that this volume will also be equalled in 2015, not least because of the increasing multipliers, which are ever more frequently exceed 15-times of the rental income.

Population ageing and increasing life expectancies especially have an effect on the German market. Germany has approximately 81 million inhabitants, of which approximately 17 million are over 65 (21 %) and an estimated 8 million are more than 75 years of age (10 %).

As well as the new international investors, many local investors are entering the market in order to separate properties into individual sheltered apartments, which are then offered to private investors. In doing so, they generate significant capital gains which leads to reduced yields. New buildings are particularly sought after by this type of investor. As a consequence, institutional investors (special funds and closed-end funds) are forced to reconsider their acquisition criteria, which tend to be relatively inflexible.

At the end of 2014 the net initial yield for prime properties dropped to 6.25% which is 75 basis points below the figure of 2013. A trend toward steadily increasing demand for many types of property is now evident.

1.4 The hotel market²

As compared to the same period last year (January – May, 2014), occupancy rates increased slightly in the Belgian hotel market overall, reaching approx. 70.9 %. Thus, the marginal increase observed during the past two years continued in 2015. The RevPar (revenue per available room) increased sharply by 4.5 %, as did average prices, which rose by 2.1 %.

At a regional level, the Flemish art cities continue to perform well. Building on the gains made in 2013, the monthly occupancy rates in 2014 constantly exceeded prior year figures (with the single exception of the month of October). Based on data covering approx. 60 % of the rooms, the occupancy rate of the hotels located in Leuven reached approx. 74 % over this period, with a peak in September of approx. 84 %. In December, the occupancy rate remained clearly below 2013 levels. In Bruges, the occupancy rate was approx. 75 % in 2014, with a summer high of over 90 % in August.

Works continue on the new Het Tafelrond hotel (4 stars, 44 rooms) on the Grote Markt in Leuven. The hotel opening is expected at the end of 2015. In Bruges, no new hotel development projects are expected at present.

The occupancy rate of hotels in Limburg remains almost constantly below the average of the other Flemish provinces, although there are large differences between the various categories of hotels. Three-star and especially four-star hotels have achieved considerably better occupancy rates. Overall, the 2014 occupancy rate was below the 2013 level.

In terms of investments, several transactions were completed during the first half of 2015. The French Eiffage group sold the Sofitel Brussels Europe hotel (5 stars, 150 rooms and 12 suites) to Debron Capital. The Park Inn by Radisson hotel (3 stars, 140 rooms) close to the Brussels-South railway station, owned 20 % by Eiffage, was sold as well. Both transactions represent an estimated investment volume of approx. €36 million. In Antwerp, KKR sold the Radisson Blu and Park Inn hotels, located at the square Astridplein, for €48 million.

Total investment volume in the EMEA reached approx. €14.5 billion in 2014, which is almost 50 % more than 2013 levels.

1. Written in English on 14 July 2015 by CBRE GmbH, and reproduced with permission.
2. Written in Dutch on 25 June 2015 by de Crombrughe & Partners SA, and reproduced with permission. Translation by Aedifica.

2. Growth of the consolidated property portfolio as of 30 June 2015

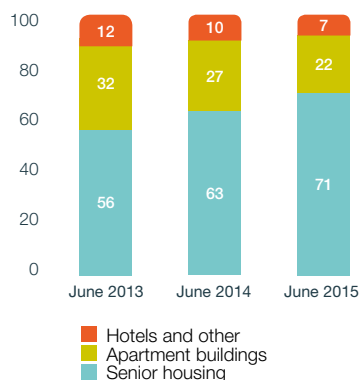
(x1,000 €)	30 June 2015	31 March 2015	31 Dec. 2014	30 Sept. 2014	30 June 2014
Investment properties in fair value					
Senior housing ²	696,272	671,638	656,278	530,267	482,401
Apartment buildings	214,461	211,731	210,886	210,340	210,128
Hotels and other	72,696	73,075	73,439	73,387	73,260
Total of marketable investment properties in fair value	983,429	956,444	940,603	813,994	765,789
Development projects	21,734	37,209	30,114	23,831	19,191
Total of investments properties in fair value	1,005,163	993,653	970,717	837,825	784,980
Contractual rents¹	57,442	56,219	55,287	47,694	45,714
Contractual rents + ERV on empty spaces	58,592	57,268	56,475	48,894	46,724
Valeur locative estimée (ERV)¹	62,423	61,557	59,675	51,587	49,358
Occupancy rate¹ of the investment properties (%)					
Total Portfolio (excl. furnished apartments)	97.9 %	98.0 %	97.7 %	97.3 %	97.6 %
Furnished apartments	78.3 %	76.8 %	73.2 %	71.3 %	78.0 %

1. See glossary.

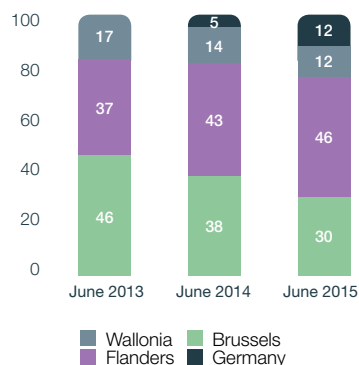
2. Including assets classified as held for sale.

3. PORTFOLIO ANALYSIS AS OF 30 JUNE 2015

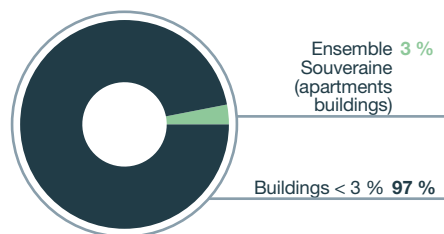
3.1 Breakdown by segment
in fair value (%)



3.2. Geographical breakdown
in fair value (%)

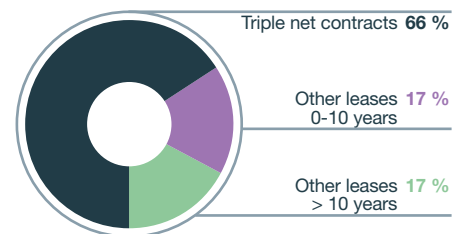


3.3. Breakdown by building
(in fair value)

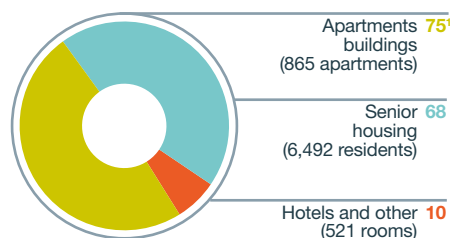


None
of the buildings
represents
more than 3%
of total consolidated assets

3.5. Age of buildings by type of contract
(based on fair value)



3.4. Number of buildings
per segment

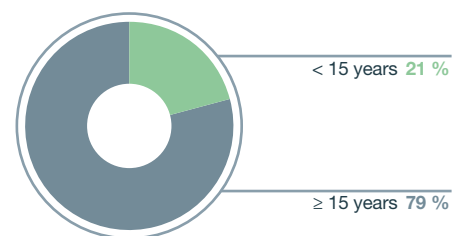


1. Every building of each complex is taken into account. In the table in section 4.1, all buildings that form part of a single complex appear on one line.

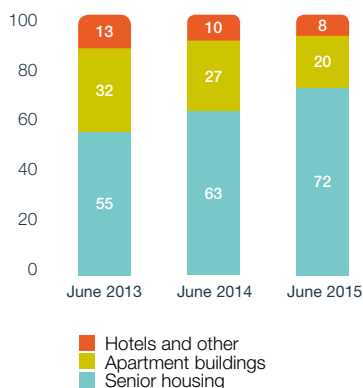
20 years
remaining lease
maturity

153
buildings

3.6. Breakdown by lease maturity of
contracts (based on fair value)
Remaining lease maturity



3.7. Breakdown by segment in contractual rent (%)



98 %

overall occupancy rate for the year ended 30 June 2015

3.8. Breakdown of senior housing contractual rent by group controlling the legal entities in contractual relation with Aedifica

	30 June 2015	30 June 2014
Senior housing	73 %	63 %
Belgium	58 %	57 %
Senior Living Group ¹	15 %	16 %
Armonea	13 %	13 %
Orpea	11 %	14 %
Soprim@	8 %	10 %
Oase	5 %	2 %
Vulpia	3 %	0 %
Time for Quality	1 %	0 %
Other	2 %	2 %
Germany	15 %	6 %
Residenz-Gruppe Bremen	8 %	0 %
AGO	3 %	3 %
Schloss Bensberg Management	2 %	0 %
Senator	1 %	2 %
Volkssolidarität	1 %	1 %
Hotels and other	7 %	9 %
Martin's Hotels	5 %	6 %
Different Hotel Group	2 %	3 %
Other tenants	20 %	28 %
Total	100 %	100 %

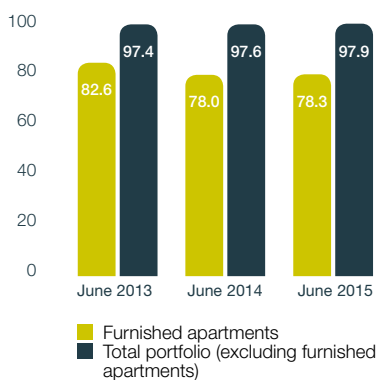
1. Korian – Medica group.

3.9. Gross yield by segment based on fair value¹ (%)



1. Increased by the goodwill and the book value of furnishings (in the furnished apartments).

3.10. Occupancy rates¹ (%)



1. See glossary.

3.11 Property portfolio in value insured

Aedifica's investment properties are insured for a total value of €842 million (including furniture in the furnished apartments, and excluding lands), i.e. €573 million for senior housing, €192 million for apartment buildings and €77 million for hotels and other.

- Senior housing
- Apartment buildings
- Hotels and other

BELGIUM



BRUSSELS

€864M

fair value of marketable
investment properties in Belgium

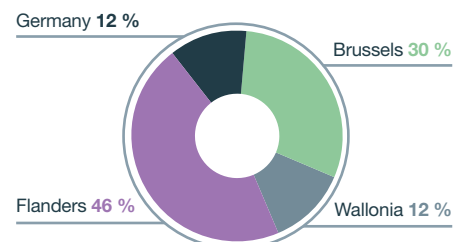
+28%

compounded annual growth rate
of the portfolio since 2006

€120M

fair value of marketable investment
properties in Germany

Geographical breakdown



GERMANY

4. SUMMARY TABLE OF INVESTMENT PROPERTIES AS OF 30 JUNE 2015

4.1 Marketable investment properties

	Totale surface (m ²) ¹	Residential surface (m ²)	Number of residential units	% Occupancy rate ²	Contractual rents ³	Contractual rents + ERV on empty spaces ⁴	Estimated rental value (ERV) ⁵
Senior housing							
1 Château Chenois (B-1410 Waterloo)	6,354	6,354	115	100.0 %	859,500	859,500	1,080,100
2 New Philip (B-1190 Brussels)	3,914	3,914	111	100.0 %	470,600	470,600	571,800
3 Jardins de Provence (B-1070 Brussels)	2,280	2,280	72	100.0 %	386,300	386,300	385,000
4 Bel Air (B-1030 Brussels)	5,350	5,350	161	100.0 %	702,400	702,400	807,700
5 Résidence Grange des Champs (B-1420 Braine-l'Alleud)	3,396	3,396	75	100.0 %	415,600	415,600	475,900
6 Résidence Augustin (B-1190 Brussels)	4,832	4,832	94	100.0 %	522,600	522,600	571,900
7 Ennea (B-9100 Sint-Niklaas)	1,848	1,848	34	100.0 %	188,400	188,400	173,700
8 Kasteelhof (B-9200 Dendermonde)	3,500	3,500	81	100.0 %	340,800	340,800	486,100
9 Wielant (B-8570 Ingooigem)	4,834	4,834	104	100.0 %	523,400	523,400	678,900
10 Résidence Parc Palace (B-1180 Brussels)	6,719	6,719	162	100.0 %	1,215,700	1,215,700	1,464,200
11 Résidence Service (B-1180 Brussels)	8,716	8,716	175	100.0 %	1,250,500	1,250,500	1,059,700
12 Résidence du Golf (B-1070 Brussels)	6,424	6,424	194	100.0 %	751,400	751,400	1,268,500
13 Résidence Boneput (B-3960 Bree)	2,993	2,993	78	100.0 %	443,400	443,400	554,800
14 Résidence Aux Deux Parcs (B-1090 Brussels)	1,618	1,618	53	100.0 %	257,000	257,000	305,700
15 Résidence L'Air du Temps (B-4032 Chénée)	2,763	2,763	88	100.0 %	453,900	453,900	505,900
16 Au Bon Vieux Temps (B-1435 Mont-Saint-Guibert)	1,268	1,268	43	100.0 %	224,700	224,700	175,700
17 Op Haanven (B-2431 Veerle-Laakdal)	4,675	4,675	89	100.0 %	404,000	404,000	666,600
18 Résidence Exclusiv (B-1140 Brussels)	4,253	4,253	104	100.0 %	692,400	692,400	663,400
19 Séniorie Mélopée (B-1080 Brussels)	2,967	2,967	70	100.0 %	481,700	481,700	389,500
20 La Boule de Cristal (B-5564 Wanlin)	1,290	1,290	41	100.0 %	90,900	90,900	162,100

1. Surface excluding ground and parkings. The cellars are taken into consideration only in exceptional cases.

2. See glossary. As a reminder, the occupancy rate of the buildings with furnished apartments can not be compared to the occupancy rate calculated on the rest of the portfolio, as the methodology is different. We also note that the occupancy rate of the residential and mixed buildings includes units in renovation and hence temporarily not rentable.

3. The amounts related to the buildings with furnished apartments correspond to the annualised rental income excl. VAT.

4. For the buildings with furnished apartments, no estimated rented value (ERV) were added for vacancy.

5. See glossary.

		Totale surface (m ²) ¹	Residential surface (m ²)	Number of residential units	% Occupancy rate ²	Contractual rents ³	Contractual rents + ERV on empty spaces ⁴	Estimated rental value (ERV) ⁵
21	Les Charmes en Famenne (B-5560 Houyet)	3,165	3,165	96	100.0 %	292,200	292,200	344,000
22	Seniories La Pairelle (B-5100 Wépion)	6,016	6,016	118	100.0 %	740,500	740,500	688,200
23	Gaerveld (résidence-services) (B-3500 Hasselt)	1,504	1,504	20	100.0 %	165,200	165,200	167,300
24	Résidence du Plateau (B-1300 Wavre)	8,069	8,069	143	100.0 %	1,239,300	1,239,300	1,212,700
25	Seniories de Maretak (B-1500 Halle)	5,684	5,684	122	100.0 %	516,100	516,100	701,600
26	De Edelweis (B-3130 Begijnendijk)	6,914	6,914	122	100.0 %	737,100	737,100	872,000
27	Bois de la Pierre (B-1300 Wavre)	2,272	2,272	65	100.0 %	433,500	433,500	422,100
28	Buitenhof (B-2930 Brasschaat)	4,386	4,386	80	100.0 %	533,300	533,300	729,900
29	Klein Veldeken (B-1730 Asse)	5,824	5,824	58	100.0 %	611,500	611,500	669,900
30	Koning Albert I (B-1700 Dilbeek)	7,775	7,775	110	100.0 %	897,600	897,600	911,000
31	Eyckenborch (B-1755 Gooik)	8,771	8,771	141	100.0 %	1,071,800	1,071,800	858,500
32	Rietdijk (B-1800 Vilvoorde)	2,155	2,155	59	100.0 %	328,000	328,000	345,500
33	Marie-Louise (B-1780 Wemmel)	1,959	1,959	0	100.0 %	127,100	127,100	328,400
34	Gaerveld (rest home) (B-3500 Hasselt)	6,994	6,994	115	100.0 %	769,400	769,400	789,500
35	Larenschhof (B-9270 Laarne)	6,988	6,988	117	100.0 %	1,009,700	1,009,700	951,500
36	Ter Venne (B-9830 Sint-Martens-Latem)	6,634	6,634	102	100.0 %	957,900	957,900	1,135,600
37	Pont d'Amour (B-5500 Dinant)	4,364	4,364	74	100.0 %	498,800	498,800	875,300
38	Résidence Les Cheveux d'Argent (B-4845 Sart-lez-Spa)	4,177	4,177	80	100.0 %	240,400	240,400	317,200
39	't Hoge (B-8500 Kortrijk)	4,632	4,632	79	100.0 %	429,800	429,800	557,500
40	Helianthus (B-9090 Melle)	2,409	2,409	47	100.0 %	232,300	232,300	451,300
41	Hestia (B-1780 Wemmel)	12,682	12,682	222	100.0 %	1,300,900	1,300,900	1,561,200
42	Plantijn (B-2950 Kapellen)	5,958	5,958	110	100.0 %	467,900	467,900	815,100
43	Salve (B-2930 Brasschaat)	6,730	6,730	117	100.0 %	841,600	841,600	884,000
44	SZ AGO Herkenrath (D-51429 Bergisch Gladbach)	4,000	4,000	80	100.0 %	575,000	575,000	613,273
45	SZ AGO Dresden (D-01159 Dresden)	5,098	5,098	116	100.0 %	583,233	583,233	670,950
46	De Stichel (B-1800 Vilvoorde)	6,257	6,257	116	100.0 %	643,100	643,100	697,970
47	Huize Lieve Moenssens (B-3650 Dilsen-Stokkem)	4,301	4,301	68	100.0 %	321,650	321,650	351,575
48	SZ AGO Kreischa (D-01731 Kreischa)	3,670	3,670	84	100.0 %	416,516	416,516	414,896
49	Bonn (D-53129 Bonn)	5,927	5,927	130	100.0 %	740,000	740,000	711,240
50	Goldene Au (D-96515 Sonneberg)	4,141	4,141	83	100.0 %	402,240	402,240	397,531
51	Oase Binkom (B-3211 Binkom)	4,076	4,076	111	100.0 %	724,692	724,692	754,990

		Totale surface (m ²) ¹	Residential surface (m ²)	Number of residential units	% Occupancy rate ²	Contractual rents ³	Contractual rents + ERV on empty spaces ⁴	Estimated rental value (ERV) ⁵
52	Oase Tienen ⁷ (B-3300 Tienen)	9,245	9,245	139	100.0 %	962,389	962,389	968,208
53	Oase Aarschot Wissenstraat (B-3200 Aarschot)	10,657	10,657	120	100.0 %	923,543	923,543	853,200
54	De Notelaar (B-2250 Olen)	8,651	8,651	94	100.0 %	927,800	927,800	1,037,000
55	Overbeke (B-9230 Wetteren)	6,917	6,917	113	100.0 %	773,500	773,500	825,800
56	Halmolen (B-2980 Halle-Zoersel)	9,200	9,200	140	100.0 %	996,000	996,000	1,091,900
57	Seniorenresidenz Mathilde (D-32130 Enger)	3,448	3,448	75	100.0 %	554,695	554,695	579,264
58	Die Rose im Kalletal (D-32689 Kalletal)	2,789	2,789	68	100.0 %	489,910	489,910	518,754
59	Seniorenresidenz Klosterbauerschaft (D-32278 Kirchlegern)	3,497	3,497	80	100.0 %	590,341	590,341	608,478
60	Senioreneinrichtung Haus Matthäus (D-57462 Olpe-Rüblinghausen)	2,391	2,391	50	100.0 %	354,666	354,666	365,823
61	Bonifatius Seniorenzentrum (D-53359 Rheinbach)	3,967	3,967	80	100.0 %	598,714	598,714	606,951
62	Senioreneinrichtung Haus Elisabeth (D-57482 Wenden-Rothemühle)	3,380	3,380	80	100.0 %	567,466	567,466	577,980
63	Seniorenresidenz Am Stübchenbach (D-38667 Bad Harzburg)	5,874	5,874	130	100.0 %	782,925	782,925	828,234
64	Seniorenresidenz Kierspe (D-58566 Kierspe)	3,721	3,721	79	100.0 %	548,395	548,395	200,000
65	La Ferme Blanche (B-4350 Remicourt)	1,697	1,697	61	100.0 %	200,000	200,000	556,800
66	Villa Temporis (B-3500 Hasselt)	3,964	3,964	40	100.0 %	284,000	284,000	353,800
67	Service-Residenz Schloss Bensberg (D-51429 Bergisch Gladbach)	8,215	6,478	87	100.0 %	929,240	929,240	1,157,696
68	Residentie Sporenpark (B-3582 Beringen)	9,261	9,261	127	100.0 %	1,031,100	1,031,100	1,033,900
	Total senior housing in Belgium	280,282	280,282	5,270	100.0 %	32,904,874	32,904,874	37,204,843
	Total senior housing in Belgium	60,118	58,381	1,222	100.0 %	8,133,341	8,133,341	8,598,057
	Total of the segment "Senior housing"	340,400	338,663	6,492	100.0 %	41,038,215	41,038,215	45,802,900

1. Surface excluding ground and parkings. The cellars are taken into consideration only in exceptional cases.

2. See glossary. As reminder, the occupancy rate of the buildings with furnished apartments can not be compared to the occupancy rate calculated on the rest of the portfolio, as the methodology is different. We also note that the occupancy rate of the residential and mixed buildings includes units in renovation and hence temporarily not rentable.

3. The amounts related to the buildings with furnished apartments correspond to the annualised rental income excl. VAT.

4. For the buildings with furnished apartments, no estimated rented value (ERV) were added for vacancy.

5. See glossary.

6. This ERV is not comparable to the contractual rents because (for the buildings with furnished apartments) it does not take into account the fact that the apartments are furnished.

7. Partially presented on the balance sheet among the assets classified as held for sale.

	Totale surface (m ²) ¹	Residential surface (m ²)	Number of residential units	% Occupancy rate ²	Contractual rents ³	Contractual rents + ERV on empty spaces ⁴	Estimated rental value (ERV) ⁵
Apartment buildings							
1 Tervueren 13 A/B (B-1040 Brussels)	4,628	621	3	65.7 %	345,808	526,073	627,633
2 Sablon (B-1000 Brussels)	4,655	3,342	30	81.1 %	778,954	960,894	934,560
3 Complexe Laeken - Pont Neuf (B-1000 Brussels)	5,720	4,637	42	85.8 %	563,637	657,092	677,578
4 Le Bon 24-28 (B-1000 Brussels)	1,666	1,666	15	100.0 %	177,752	177,752	214,253
5 Lombard 32 (B-1000 Brussels)	1,431	1,095	13	96.6 %	209,508	216,908	181,081
6 Complexe Louise 331-333 (B-1050 Brussels)	4,871	1,509	8	87.4 %	547,000	626,200	674,000
7 Place du Samedi 6-10 (B-1000 Brussels)	3,769	2,365	24	86.7 %	283,241	326,604	311,340
8 Broqueville 8 (B-1150 Brussels)	638	638	6	29.3 %	20,073	68,600	70,308
9 Bataves 71 (B-1040 Brussels)	552	312	3	100.0 %	60,192	60,192	57,480
10 Tervueren 103 (B-1040 Brussels)	881	410	6	95.4 %	117,269	122,869	120,605
11 Louis Hap 128 (B-1040 Brussels)	688	688	7	97.8 %	78,602	80,402	79,268
12 Rue Haute (B-1000 Brussels)	2,630	1,380	20	91.2 %	247,129	270,932	317,523
13 Résidence Palace (B-1040 Brussels)	6,388	6,189	57	73.7 %	431,900	586,100	711,800
14 Churchill 157 (B-1180 Brussels)	2,210	1,955	22	89.5 %	238,040	265,965	267,838
15 Auderghem 237-239-241-266-272 (B-1040 Brussels)	1,739	1,739	22	93.7 %	181,356	193,506	221,643
16 Edison (B-5000 Namur)	2,029	758	7	85.9 %	104,425	121,512	138,265
17 Verlaine/Rimbaud/Baudelaire (B-5000 Namur)	2,795	1,518	21	94.4 %	247,776	262,381	271,333
18 Ionesco (B-5100 Jambes)	930	930	10	98.3 %	94,087	95,707	98,895
19 Musset (B-5000 Namur)	562	472	6	100.0 %	50,970	50,970	50,200
20 Giono & Hugo (B-5100 Jambes)	1,412	1,412	15	89.0 %	114,743	128,973	135,140
21 Antares (B-5100 Jambes)	439	439	7	83.7 %	34,601	41,351	39,323
22 Ring (B-2018 Antwerp)	11,381	7,227	88	100.0 %	728,500	728,500	860,100
23 Résidence Gauguin et Manet (B-6700 Arlon)	2,885	2,885	35	92.5 %	293,702	317,602	306,825
24 Résidence de Gerlache (B-1030 Brussels)	6,794	6,174	75	84.4 %	682,447	808,972	818,850
25 Ensemble Souveraine (B-1050 Brussels)	11,847	11,354	116	76.4 %	1,993,839	1,993,839	1,517,078 ⁶
26 Louise 130 (B-1050 Brussels)	1,110	694	9	65.4 %	172,716	172,716	164,900 ⁶
27 Louise 135 (+ 2 parkings Louise 137) (B-1050 Brussels)	1,978	1,930	31	84.0 %	527,939	527,939	346,800 ⁶

		Total surface (m ²) ¹	Residential surface (m ²)	Number of residential units	% Occupancy rate ²	Contractual rents ³	Contractual rents + ERV on empty spaces ⁴	Estimated rental value (ERV) ⁵
28	Louise 270 (B-1050 Brussels)	1,043	958	14	85.1 %	226,720	226,720	148,100 ⁶
29	Vallée 48 (B-1050 Brussels)	623	623	6	90.3 %	116,928	116,928	89,100 ⁶
30	Livourne 16-18 (+ 24 parkings Livourne 7-11) (B-1050 Brussels)	1,567	1,567	16	84.9 %	364,829	364,829	263,800 ⁶
31	Freelias (B-1030 Brussels)	3,635	3,138	38	60.5 %	318,572	318,572	361,600 ⁶
32	Héliotropes (B-1030 Brussels)	1,493	1,223	25	81.7 %	229,275	229,275	175,300 ⁶
33	Livourne 20-22 (B-1050 Brussels)	1,326	1,326	12	91.4 %	288,996	288,996	187,700 ⁶
34	Livourne 14 (B-1050 Brussels)	324	324	6	86.3 %	48,792	48,792	34,100 ⁶
35	Résidence Chamaris (B-1000 Brussels)	1,838	1,702	23	89.9 %	476,262	476,262	359,545 ⁶
36	Stephanie's Corner (B-1060 Brussels)	3,150	2,617	27	89.9 %	469,458	522,338	522,568
Total of the segment "Apartment buildings"		101,626	77,816	865	n.a.	11,866,038	12,983,263	12,356,432

Hotels and other								
1	Hotel Martin's Brugge (B-8000 Brugge)	11,369	0	0	100.0 %	1,603,413	1,603,413	1,199,220
2	Royale 35 (B-1000 Brussels)	1,813	0	0	82.6 %	154,965	187,620	174,405
3	Martin's Klooster (B-3000 Leuven)	6,935	0	0	100.0 %	1,385,484	1,385,484	1,141,080
4	Carbon (B-3600 Genk)	5,715	0	0	100.0 %	461,100	461,100	565,300
5	Eburon (B-3700 Tongeren)	4,016	0	0	100.0 %	337,100	337,100	462,800
6	Ecu (B-3600 Genk)	1,960	0	0	100.0 %	176,200	176,200	232,200
7	Eurotel (B-3620 Lanaken)	4,779	0	0	100.0 %	294,700	294,700	377,700
8	Villa Bois de la Pierre (B-1300 Wavre)	320	160	4	100.0 %	31,000	31,000	40,100
9	Duysburgh (B-1090 Brussels)	470	470	5	100.0 %	63,100	63,100	40,300
10	Résidence du Lac (B-1050 Brussels)	0	0	0	100.0 %	30,700	30,700	30,700
Total of the segment "Hotels and other"		37,377	630	9	99.3 %	4,537,762	4,570,417	4,263,805
Total marketable investment properties		479,403	417,109	7,366	n.a.	57,442,015	58,591,895	62,423,137⁶

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3. The amounts related to the buildings with furnished apartments correspond to the annualised rental income excl. VAT.

4. For the buildings with furnished apartments, no estimated rented value (ERV) were added for vacancy.

5. See glossary.

6. This ERV is not comparable to the contractual rents because (for the buildings with furnished apartments) it does not take into account the fact that the apartments are furnished.

4.2 Projects and renovations in progress (in € million)

Project or renovation		Esti- mated inv.	Inv. as of 30 June 2015	Future inv.	Date of completion	Comments
I. Projects in progress						
Other	Sundry	2	2	0	2015/2016	Renovation of 2 residential buildings
Salve	Brasschaat	2	2	0	2015/2016	Renovation and redevelopment of a rest home
't Hoge	Kortrijk	2	0	2	2015/2016	Extension and renovation of a rest home
Helianthus	Melle	4	1	3	2015/2016	Extension of a rest home
Pont d'Amour	Dinant	8	7	1	2015/2016	Extension of a rest home
Marie-Louise	Wemmel	4	1	3	2015/2016	Renovation and conversion into assisted-living apartments
Villa Temporis	Hasselt	10	2	8	2016/2017	Construction of a rest home
Au Bon Vieux Temps	Mont-Saint- Guibert	10	2	8	2016/2017	Construction of a rest home
Op Haanven	Veerle-Laakdal	4	1	4	2016/2017	Extension and renovation of a rest home
La Ferme Blanche	Remicourt	6	0	6	2016/2017	Extension and renovation of a rest home
Huize Lieve Moenssens	Dilsen-Stokkem	7	0	7	2016/2017	Extension and renovation of a rest home
Aux Deux Parcs	Jette	2	0	2	2017/2018	Extension of a rest home
Air du Temps	Chênée	6	0	6	2017/2018	Extension and renovation of a rest home
Plantijn	Kapellen	8	0	7	2018/2019	Extension and renovation of a rest home
II. Projects subject to outstanding conditions						
Résidence du Lac	Brussels	5	0	5	2017/2018	Construction of an apartment building
De Stichel	Vilvoorde	4	0	4	2017/2018	Extension of a rest home
Oase Binkom	Binkom	2	0	2	2017/2018	Extension of a rest home
Résidence Cheveux d'Argent	Sart-lez-Spa	3	0	3	2017/2018	Extension of a rest home
III. Land reserves						
Plot of land Bois de la Pierre	Wavre	2	2	0	-	Land reserve
Platanes	Brussels	0	0	0	-	Land reserve
IV. Acquisitions subject to outstanding conditions						
Leopoldspark	Leopoldsborg	20	0	20	2015/2016	Construction of a new rest home
Oase projects	Aarschot & Glabbeek	28	0	28	2016-2017	Construction of 2 new rest homes
Total		138	21	118		
Changes in fair value		-	1	-		
On balance sheet		22				

Of these projects, 95 % are pre-let. It is expected that the total investment budget of €118 million will be paid in cash.

5. INVESTMENT PROPERTY FACT SHEETS

SENIOR HOUSING



1 - Château Chenois

- Chemin des Postes 260 - 1410 Waterloo
- Year of construction / renovation: 1985 - 2009
- Location: Château Chenois is located at the heart of a very nice and green area between the chemin des Postes, rue Bruyère-Saint-Jean and avenue Beau Vallon.
- Operator: An entity of the Orpea group (30-year long lease).



2 - New Philip

- Avenue Monte-Carlo 178 - 1190 Brussels
- Year of construction / renovation: 1999
- Location: New Philip is located between the avenue de Monte-Carlo, the roundabout Monaco and the chaussée de Bruxelles.
- Operator: An entity of the Orpea group (30-year long lease).



3 - Jardins de Provence

- Boulevard Sylvain Dupuis 94-96 - 1070 Brussels
- Year of construction / renovation: by the end of the 1990s - extension in 2007
- Location: Jardins de Provence is located along the boulevard Sylvain Dupuis, between rue A. Demunter and rue J. Morjeau, behind the Anderlecht stadium.
- Operator: An entity of the Orpea group (30-year long lease).



4 - Bel-Air

- Boulevard Lambermont 227 - 1030 Brussels
- Year of construction / renovation: 1997
- Location: Bel Air is located at the corner of boulevard Lambermont and chaussée de Haecht with a lateral view over the Josaphat park, and in front of the Aeropolis site.
- Operator: An entity of the Orpea group (30-year long lease).



5 - Résidence Grange des Champs

- Rue Grange des Champs 140 - 1420 Braine-l'Alleud
- Year of construction / renovation: 1995
- Location: Résidence Grange des Champs is located in a residential area, in a street perpendicular to the chaussée d'Alseberg and near to the chaussée Bara.
- Operator: An entity of the Orpea group (30-year long lease).



6 - Résidence Augustin

- Chaussée d'Alseberg 305 - 1190 Brussels
- Year of construction / renovation: 2006
- Location: Résidence Augustin is located on the corner of chaussée d'Alseberg and avenue Saint-Augustin, a few steps from Altitude 100.
- Operator: An entity of the Orpea group (15-year financial lease).



7 - Ennea

- Lepelhoekstraat 19 - 9100 Sint-Niklaas
- Year of construction / renovation: 1997
- Location: Ennea is located in the city of Sint-Niklaas, along the Lepelhoekstraat, in a residential area.
- Operator: An entity of the group Senior Living group (27-year long lease).



8 - Kasteelhof

- Steenweg van Aalst 110 - 9200 Dendermonde
- Year of construction / renovation: 1994
- Location: Kasteelhof is located in the city of Dendermonde, along the Steenweg van Aalst, between the Kerkhofweg and the Denderstraat.
- Operator: An entity of the group Senior Living group (27-year long lease).



9 - Wielant

- Schellebellestraat 8 - 8570 Anzegem/Ingooigem
- Year of construction / renovation: 1997 - 2001
- Location: Wielant is located in a green area in the municipality of Ingooigem (Anzegem).
- Operator: An entity of the group Senior Living group (27-year long lease).



10 - Résidence Parc Palace

- Avenue du Lycée Français 2 - 1180 Brussels
- Year of construction / renovation: 1992 - 2001
- Location: Résidence Parc Palace is located in a green area in the municipality of Uccle.
- Operator: An entity of the Orpea group (36-year long lease).



11 - Résidence Service

- Avenue du Lycée Français 6 - 1180 Brussels
- Year of construction / renovation: 1997 - 2001 - 2008/2009
- Location: Résidence Service is located in a green area in the municipality of Uccle.
- Operator: An entity of the Orpea group (36-year long lease).



12 - Résidence du Golf

- Rue du Sillon 119-121 - 1070 Brussels
- Year of construction / renovation: 1997 - 2001
- Location: Résidence du Golf is located in the municipality of Anderlecht.
- Operator: An entity of the Orpea group (27-year long lease).



13 - Résidence Boneput

- Boneputstraat 5 - 3960 Bree
- Year of construction / renovation: 1994 - 1999
- Location: Résidence Boneput is located in a green area in the municipality of Bree, not far from the city centre.
- Operator: An entity of the group Senior Living group (27-year long lease).



14 - Résidence Aux Deux Parcs

- Rue Duysburgh 21 - 1090 Brussels
- Year of construction / renovation: 1987 - 2008
- Location: Résidence Aux Deux Parcs is located in a residential and green zone in Jette, between Parc de la Jeunesse and Square Léopold, at about 300 metres from the Brugmann hospital.
- Operator: An entity of the group Senior Living group (27-year long lease).



15 - Résidence l'Air du Temps

- Rue des Haisses 60 - 4032 Chênée
- Year of construction / renovation: 1997 - 2008
- Location: Résidence l'Air du Temps is perched on a hill, surrounded by nature despite its proximity to the city of Liège.
- Operator: An entity of the group Senior Living group (27-year long lease).



16 - Au Bon Vieux Temps

- Rue de Corbais 14 - 1435 Mont-Saint-Guibert
- Year of construction / renovation: 1988 - 2006
- Location: Au Bon Vieux Temps is located 100 metres from the train station and 500 metres from the centre of the village.
- Operator: An entity of the group Senior Living group (27-year long lease).



17 - Op Haanven

- Oude Geelsebaan 33 - 2431 Veerle-Laakdal
- Year of construction / renovation: 1988 - 2005
- Location: Op Haanven is located in the centre of the municipality of Veerle-Laakdal.
- Operator: An entity of the group Senior Living group (27-year long lease).



18 - Résidence Exclusiv

- Rue Jean-Baptiste Desmeth 50 - 1140 Brussels
- Year of construction / renovation: 1993 - extension in 2012
- Location: Résidence Exclusiv is located near the Square S. Hoedemaekers in Evere.
- Operator: An entity of the group Senior Living group (27-year long lease).



19 - Séniorie Mélopée

- Rue de la Mélopée 50 - 1080 Brussels
- Year of construction / renovation: 1993 – 1994 – extension in 2010
- Location: Séniorie Mélopée is located in the centre of the municipality of Molenbeek-Saint-Jean.
- Operator: An entity of the group Senior Living group (27-year long lease).



20 - La Boule de Cristal

- Rue du Château 47 - 5564 Wanlin
- Year of construction / renovation: 1998
- Location: La Boule de Cristal is located in Wanlin in the region of Dinant, in a rural and rustic environment.
- Operator: Le Carrosse (27-year long lease).



21 - Les Charmes en Famenne

- Rue du Tchaurnia 32 - 5560 Houyet (Mesnil-Saint-Blaise)
- Year of construction / renovation: 1982
- Location: Les Charmes en Famenne is located in a green and rural area.
- Operator: An entity of the Armonea group (27-year long lease).



22 - Seniorerie La Pairelle

- Chaussée de Dinant 708-710 - 5100 Wépion
- Year of construction / renovation: 2012
- Location: Seniorerie La Pairelle is located in Wépion, on the banks of the Meuse River, less than a kilometre from the city centre.
- Operator: An entity of the Armonea group (27-year long lease).



23 - Résidence Gaerveld

- Kramerslaan - 3500 Hasselt
- Year of construction / renovation: 2008 – 2009
- Location: Résidence Gaerveld is a new building located near the city centre of Hasselt.
- Operator: An entity of the Armonea group (27-year long lease).



24 - Résidence du Plateau

- Chaussée d'Ottembourg 221 - 1300 Wavre
- Year of construction / renovation: 1994 – 2001 - 2007
- Location: Résidence du Plateau is located in Wavre.
- Operator: An entity of the group Senior Living group (27-year long lease).



25 - Seniorie de Maretak

- Ziekenhuis 10 - 1500 Halle
- Year of construction / renovation: 2007
- Location: Seniorie de Maretak is located in Halle, next to the regional St-Maria hospital.
- Operator: An entity of the group Senior Living group (27-year long lease).



26 - De Edelweis

- Liersesteenweg 165-171 - 3130 Begijnendijk
- Year of construction / renovation: 1993 - 2003 - 2014
- Location: De Edelweis is located in Begijnendijk (Flemish Brabant).
- Operator: An entity of the group Senior Living group (27-year long lease).



27 - Bois de la Pierre

- Venelle du Bois de la Pierre 20 - 1300 Wavre
- Year of construction / renovation: 1955 - 1987 - extension in 2012
- Location: Bois de la Pierre is located in Wavre.
- Operator: Pierre Invest SA (27-year long lease).



28 - Buitenhof

- Papestraat 24 - 2930 Brasschaat
- Year of construction / renovation: 2005 - 2008
- Location: Buitenhof is located in a green zone around Brasschaat in Antwerp.
- Operator: Buitenhof ASBL (27-year long lease).



29 - Klein Veldeken

- Klein Veldeken 12A - 1730 Asse
- Year of construction / renovation: 1996 - extension in 2014/2015
- Location: Klein Veldeken is located in a green zone around Asse in Flemish Brabant.
- Operator: Time for Quality (27-year long lease).



30 - Koning Albert I

- Keperenberg 36 - 1700 Dilbeek
- Year of construction / renovation: 1972 - extension in 2014
- Location: Koning Albert I is located in a park of 3 hectares in Dilbeek (Flemish Brabant).
- Operator: An entity of the Soprim@ group (27-year long lease).



31 - Eyckenborch

- Bronnenweg 2 - 1755 Gooik
- Year of construction / renovation: 1993/1994 - 2003/2004 - 2014/2015
- Location: Eyckenborch is located in the centre of Gooik (Flemish Brabant).
- Operator: An entity of the Soprim@ group (27-year long lease).



32 - Rietdijk

- Bolwerkstraat 7 - 1800 Vilvoorde
- Year of construction / renovation: 1996
- Location: Rietdijk is located in the centre of Vilvoorde (Flemish Brabant).
- Operator: An entity of the Soprim@ group (27-year long lease).



33 - Marie-Louise

- Zijp 157 - 1780 Wemmel
- Year of construction / renovation: 1960 - 1970
- Location: Marie-Louise is located in a residential area in Wemmel (Flemish Brabant).
- Operator: An entity of the Soprim@ group (27-year long lease).



34 - Gaerveld (Maison de repos)

- Runkstersteenweg 212 - 3500 Hasselt
- Year of construction / renovation: 2011
- Location: Gaerveld is a new building located near the city centre of Hasselt.
- Operator: An entity of the Armonea group (27-year long lease).



35 - Larenshof

- Schoolstraat 11-13-15 et Achterstraat 27, 35-37 - 9270 Laarne
- Year of construction / renovation: 2011 - 2012 - 2013
- Location: Larenshof is located in a residential area in Laarne.
- Operator: An entity of the Armonea group (30-year long lease).



36 - Ter Venne

- Vennelaan 21 - 9830 Sint-Martens-Latem
- Year of construction / renovation: 2011 - 2012
- Location: Ter Venne is located in the residential and green area of Elsaker.
- Operator: An entity of the Armonea group (30-year long lease).



37 - Pont d'Amour

- Rue Pont d'Amour 58 - 5500 Dinant
- Year of construction / renovation: 2012
- Location: Pont d'Amour is located close to the citadel and historical centre of Dinant.
- Operator: An entity of the Armonea group (27-year long lease).



38 - Résidence Les Cheveux d'Argent

- Avenue F. Jérôme - 4845 Sart-lez-Spa
- Year of construction / renovation: 1988 - 2000
- Location: Résidence Les Cheveux d'Argent benefits from a beautiful location on the hillside of Spa.
- Operator: An entity of the group Senior Living group (27-year long lease).



39 - 't Hoge

- 't Hoge 55-57 - 8500 Kortrijk
- Year of construction / renovation: 1983 - 1994 - 2015
- Location: 't Hoge is located in a residential area, near to the AZ Groeninge hospital, Kennedylaan and the university campus KULAK.
- Operator: An entity of the group Senior Living group (27-year long lease).



40 - Helianthus

- Bruxellessesteenweg 322 - 9090 Melle
- Year of construction / renovation: 1998 - 2007
- Location: Helianthus is located in a private park measuring 1 hectare, in a residential area in front of the Paters Jozefieten College.
- Operator: An entity of the group Senior Living group (27-year long lease).



41 - Hestia

- Zijp 20 - 1780 Wemmel
- Year of construction / renovation: 2013
- Location: Hestia is located in a residential area in Wemmel (Flemish Brabant).
- Operator: An entity of the Soprim@ group (27-year long lease).



42 - Plantijn

- Koningin Astridlaan 5 - 2950 Kapellen
- Year of construction / renovation: 1972
- Location: Plantijn is located in a residential district close to the centre of Kapellen.
- Operator: An entity of the Armonea group (27-year long lease).



43 - Salve

- Rustoordlei 77 - 2930 Brasschaat
- Year of construction / renovation: 1979 - 2013 - 2015
- Location: Salve is located in a residential district in Brasschaat.
- Operator: An entity of the Armonea group (27-years long lease).



44 - SZ AGO Herkenrath

- Kirchgasse 1 - 51429 Bergisch Gladbach - Germany
- Year of construction / renovation: 2010
- Location: AGO Herkenrath is located 20 km from Cologne, in the city of Bergisch Gladbach in North Rhine-Westphalia.
- Operator: An entity of the AGO group (25-year long lease).



45 - SZ AGO Dresden

- Wernerstrasse 37 - 01159 Dresde - Germany
- Year of construction / renovation: 2012
- Location: AGO Dresden is located in a residential district of Dresden, the capital of Saxony.
- Operator: An entity of the AGO group (25-year long lease).



46 - De Stichel

- Romeinsesteenweg 145 - 1800 Vilvoorde
- Year of construction / renovation: from 1990 until 2006
- Location: De Stichel is located in a residential district of Vilvoorde, the Military Hospital Queen Astrid and the Brussels Ring highway.
- Operator: An entity of the Soprim@ group (27-year long lease).



47 - Huize Lieve Moenssens

- Lieve Moenssenslaan 3 - 3650 Dilsen-Stokkem
- Year of construction / renovation: 1986 - 2007
- Location: Huize Lieve Moenssens is located near a residential district of Dilsen-Stokkem, a few kilometres from Maasmechelen Village.
- Operator: An entity of the Soprim@ group (27-year long lease).



48 - SZ AGO Kreischa

- Dresdner Strasse 4-6 - 01731 Kreischa - Germany
- Year of construction / renovation: 2011
- Location: AGO Kreischa is located along the central park of Kreischa, approx. ten kilometres from Dresden.
- Operator: An entity of the AGO group (25-year long lease).



49 - Bonn

- Hinter Hoben 179 - 53129 Bonn - Germany
- Year of construction / renovation: 1994
- Location: Bonn is located in a residential area close to a variety of shops.
- Operator: Senator (25-year long lease).



50 - Goldene Au

- Bettelhecker Strasse 1 - 96515 Sonneberg - Germany
- Year of construction / renovation: 2010
- Location: Goldene Au is located in a residential area, close to a variety of shops, the train station and the city hall.
- Operator: Volkssolidarität (20-year long lease).



51 - Oase Binkom

- Kerkstraat 5 - 3211 Binkom
- Year of construction / renovation: 1989 – 2012
- Location: Oase Binkom is located next to a church, approx. ten kilometres from Leuven.
- Operator: An entity of the Oase group (27-year long lease).



52 - Oase Tienen

- Withuisstraat-Raeymaeckersvest - 3300 Tienen
- Year of construction / renovation: 2014
- Location: Oase Tienen is located in a residential area of the city centre, close to a variety of shops, public transport and the RZ Tienen hospital. The construction of a rest home and assisted-living apartments is currently under way.
- Operator: An entity of the Oase group (27-year long lease).



53 - Oase Aarschot Wissenstraat

- Wissenstraat 20 - 3200 Aarschot
- Year of construction / renovation: 2014
- Location: Oase Aarschot Wissenstraat is located in a residential area close to Aarschot's city centre, approx. 20 kilometres from Leuven.
- Operator: An entity of the Oase group (27-year long lease).



54 - De Notelaar

- Notelaar 1 - 2250 Olen
- Year of construction / renovation: 2012
- Location: De Notelaar is located in a residential and green area of Olen.
- Operator: An entity of the Armonea group (27-year long lease).



55 - Overbeke

- Spinnerijstraat - Bovenboekakker - 9230 Wetteren
- Year of construction / renovation: 2012
- Location: Overbeke is situated in a central location next to the church of Overbeke, part of Wetteren and approx. 10 kilometres from Ghent.
- Operator: An entity of the Armonia group (27-year long lease).



56 - Halmolen

- Halmolenweg 68 - 2980 Halle-Zoersel
- Year of construction / renovation: 2013-2014
- Location: Halmolen is located in a green area, near the centre of Halle-Zoersel, approx. 15 kilometres from Antwerp.
- Operator: An entity of the Vulpia group (27-year long lease).



57 - Seniorenresidenz Mathilde

- Brandstraße 14 - 32130 Enger - Germany
- Year of construction / renovation: 2010
- Location: Seniorenresidenz Mathilde is located in Enger (North Rhine-Westphalia).
- Operator: Senioren Wohnpark Weser (25-year long lease).



58 - Die Rose im Kalletal

- Rosenweg 10 - 32689 Kalletal - Germany
- Year of construction / renovation: 2009
- Location: Die Rose im Kalletal is located in Kalletal (North Rhine-Westphalia).
- Operator: Medeor Seniorenresidenz (25-year long lease).



59 - Seniorenresidenz Klosterbauerschaft

- Heenfeld 5 - 32278 Kirchlingern - Germany
- Year of construction / renovation: 2010
- Location: Seniorenresidenz Klosterbauerschaft is located in Kirchlingern (North Rhine-Westphalia).
- Operator: Senioren Wohnpark Weser (25-year long lease).



60 - Senioreneinrichtung Haus Matthäus

- Biggestraße 65 - 57462 Olpe-Rüblinghausen - Germany
- Year of construction / renovation: 2009
- Location: Senioreneinrichtung Haus Matthäus is located in Olpe-Rüblinghausen (North Rhine-Westphalia).
- Operator: Katholische Hospitalgesellschaft (25-year long lease).



61 - Bonifatius Seniorenzentrum

- Schweitzerstraße 2 - 53359 Rheinbach - Germany
- Year of construction / renovation: 2009
- Location: Bonifatius Seniorenzentrum is located in Rheinbach (North Rhine-Westphalia).
- Operator: Bonifatius Seniorendienste (25-year long lease).



62 - Senioreneinrichtung Haus Elisabeth

- Kölner Straße 3 - 57482 Wenden-Rothemühle - Germany
- Year of construction / renovation: 2010
- Location: Senioreneinrichtung Haus Elisabeth is located in Wenden-Rothemühle (North Rhine-Westphalia).
- Operator: Katholische Hospitalgesellschaft (25-year long lease).



63 - Seniorenresidenz Am Stübchenbach

- Stübchentalstraße 10 - 38667 Bad Harzburg - Germany
- Year of construction / renovation: 2010
- Location: Seniorenresidenz Am Stübchenbach is located in Bad Harzburg (Lower Saxony).
- Operator: Senioren Wohnpark Weser (25-year long lease).



64 - Seniorenresidenz Kierspe

- Montigny Allee 6 - 58566 Kierspe - Germany
- Year of construction / renovation: 2011
- Location: Seniorenresidenz Kierspe is located in Kierspe (North Rhine-Westphalia).
- Operator: Seniorenresidenz Kierspe (25-year long lease).



65 - La Ferme Blanche

- Rue Modeste Rigo 10 - 4350 Remicourt
- Year of construction / renovation: different periods: only the section built in 2004 will be retained as part of the site redevelopment.
- Location: La Ferme Blanche is located in a residential area, next to the centre of Pousset (in the municipality of Remicourt) approx. 20 kilometres from Liège.
- Operator: An entity of the Vulpia group (27-year long lease).



66 - Villa Temporis

- Excelsiorlaan 6 - 3500 Hasselt
- Year of construction / renovation: 1993
- Location: Villa Temporis is located in a residential area, near the centre of Hasselt.
- Operator: An entity of the Vulpia group (27-year long lease).



67 - Service-Residenz Schloss Bensberg

- Im Schlosspark 10 - 51429 Bergisch Gladbach - Germany
- Year of construction / renovation: 2002/2003
- Location: Service-Residenz Schloss Bensberg is located in a private park, near the centre of Bergisch Gladbach.
- Operator: Schloss Bensberg Management GmbH (25-year fixed lease) and AachenMünchener Lebensversicherung (7-year fixed lease).



68 - Residentie Sporenpark

- Stationsstraat 20 - 3582 Beringen
- Year of construction / renovation: 2015
- Location: Residentie Sporenpark is located on the former mining site in Beringen-Mijn.
- Operator: An entity of the group Senior Living group (27-year long lease).

APARTMENT BUILDINGS



1 - Tervueren 13 A/B

- Avenue de Tervueren 13 A/B
Avenue des Celtes 4-10 -
1040 Brussels
- Year of construction / renovation:
1990 - 1995
- Location: Building located close to
the European district of Brussels, at
the corner of avenue de Tervueren
and avenue des Celtes.
- Description: The building comprises
3 apartments and commercial
spaces spread over 9 levels, and a
commercial level with the possibility
to transform the commercial
spaces into residential space.



2 - Sablon

- Rue Bodenbroek 22-25 -
Rue de Ruysbroeck 63-67
1000 Brussels
- Year of construction / renovation:
2003 - 2004
- Location: Building ideally located
in the Grand Sablon area, a highly
regarded and central tourism and
shopping district in the centre of
Brussels.
- Description: The building comprises
30 apartments spread over five levels
as well as a commercial level.



3 - Complexe Laeken-Pont Neuf

- Rue de Laeken 89-117-119-123-125
Rue du Cirque 25-29 - Rue du Pont
Neuf 3-3A - 1000 Brussels
- Year of construction / renovation:
1993 - 2015
- Location: Benefitting from an
impressive view of the Pont-Neuf
gardens, the complex is located in
Brussels' city centre, close to the
place de Brouckère, the Flemish Royal
Theatre, the Grand Place, and the
business centres located on boulevard
Albert II.
- Description: The complex consists
of buildings designed by European
architects and comprising 42
apartments, offices, and a commercial
space.



4 - Le Bon 24-28

- Rue Philippe le Bon 24-28 -
1000 Brussels
- Year of construction / renovation:
1990
- Location: Located in the rue de la Loi
and boulevard du Regent district, very
close to the European institutions and
the Leopold district.
- Description: The building comprises
15 apartments spread over 6 levels.



5 - Lombard 32

- Rue du Lombard 32 -
1000 Brussels
- Year of construction / renovation:
1995
- Location: Building located close
to Brussels' Grand Place, on the
corner of rue du Lombard and rue
de l'Etuve, a lively tourist district in
the capital.
- Description: The building
comprises 13 apartments spread
over 7 levels and a commercial
level. The building's facade is
classified by the city of Brussels
as from the 1st level.



6 - Complexe Louise 331-333

- Avenue Louise 331-333 -
Rue Jordaens 10 -
1050 Brussels
- Year of construction / renovation:
2000
- Location: Complex located between
avenue Louise and rue Jordaens.
- Description: Mixed-use complex,
which includes a building fronting
on avenue Louise and comprising 5
apartments and office spaces spread
over 9 levels, a central block (former
stables) comprising offices, as well
as a single-family home located in
the rear on rue Jordaens.



7 - Place du Samedi 6-10

- Place du Samedi 6-10 - 1000 Brussels
- Year of construction / renovation: Partially renovated in 2004
- Location: Building located in the touristic centre of Brussels, near to the Vieux Marché aux Poissons and the Grand Place.
- Description: The building comprises 24 apartments spread over 6 levels, as well as a commercial space on the ground level and on the first floor.



8 - Broqueville 8

- Avenue de Broqueville 8 - 1150 Brussels
- Year of construction / renovation: 1959 - partially renovated in 2008
- Location: Building located in Brussels near Montgomery Square.
- Description: The building is held under traditional co-ownership arrangements; Aedifica owns 6 apartments.



9 - Bataves 71

- Rue des Bataves 71 - 1040 Brussels
- Year of construction / renovation: Partially renovated in 1996 and 2011
- Location: Building located at the corner of rue des Bataves and avenue de Tervueren.
- Description: The building comprises 3 apartments and an office space spread over 4 levels.



10 - Tervueren 103

- Avenue de Tervueren 103 - 1040 Brussels
- Year of construction / renovation: 1990 (renovation) – 1995 (renovation), 2011 (partially renovated)
- Location: Building located at the corner of rue de l'Armée and avenue de Tervueren.
- Description: The building comprises 6 apartments and an office space spread over 4 levels, plus a commercial ground floor.



11 - Louis Hap 128

- Rue Louis Hap 128 - 1040 Brussels
- Year of construction / renovation: 1990 (renovation) – 2011/2012 (renovation)
- Location: Building located on a residential road that links place Saint-Pierre with chaussée d'Auderghem.
- Description: The building comprises 7 apartments spread over 6 levels.



12 - Rue Haute

- Rue Haute 39-51 - 1000 Brussels
- Year of construction / renovation: 1961 - 1985 (renovation) – 2015
- Location: Building located along the upper part of rue Haute, near to Sablon.
- Description: The building comprises 20 apartments spread over 5 levels, and a ground-floor commercial space.



13 - Résidence Palace

- Chaussée d'Etterbeek 62 - 1040 Brussels
- Year of construction / renovation: 2006
- Location: Building located at the heart of the Leopold district, near to the European institutions and the Schuman train station.
- Description: This prestigious building comprises 57 apartments spread over 7 floors, as well as a ground-floor commercial space.



14 - Churchill 157

- Avenue Winston Churchill 157 - 1180 Brussels
- Year of construction / renovation: 1974 – partially renovated in 2011 and 2012
- Location: Building located in the Churchill/Molière district in Uccle, offering a view over the Montjoie park, which is accessible via a private garden.
- Description: The building comprises 22 apartments and an office space spread over 9 levels.



15 - Auderghem 237-239-241-266-272

- Avenue d'Auderghem - 237-239-241-266-272 - 1040 Brussels
- Year of construction / renovation: End of 19th century – several renovations between 1999 and 2004
- Location: Building located near to La Chasse, the European district and the Cinquanteaire esplanade.
- Description: Houses in 19th-century Brussels' style divided into apartments (partially in co-ownership).



16 - Edison

- Avenue Sergent Vriethoff 123-129 - 5000 Namur
- Year of construction / renovation: 1972 - 2004
- Location: Building located in the municipality of Salzinnes, near to the centre of Namur.
- Description: Mixed-use building, which comprises 7 apartments and an office space, spread over 4 levels.



17 - Verlaine/Rimbaud/ Baudelaire

- Avenue Sergent Vriethoff 131-143 - 5000 Namur
- Year of construction / renovation: 1998
- Location: Building located in the municipality of Salzinnes, near to the centre of Namur.
- Description: Mixed-use building, which comprises 21 apartments and an office space, spread over 5 levels.



18 - Ionesco

- Boulevard de la Meuse 81 - 5100 Jambes
- Year of construction / renovation: 2004
- Location: Building located in the municipality of Salzinnes, near to the centre of Namur, in a residential area near to the major traffic routes.
- Description: The building comprises 10 apartments spread over 7 levels.



19 - Musset

- Rue Henri Bles 140 - 5000 Namur
- Year of construction / renovation: 2002
- Location: Building located in the municipality of Salzinnes, near to the centre of Namur.
- Description: The building comprises 6 apartments and an office space spread over 4 levels.



20 - Giono & Hugo

- Rue Capitaine Jomouton 30-32 - 5100 Jambes
- Year of construction / renovation: 2004 - 2005
- Location: Complex located in the municipality of Jambes, south of Namur, in a residential district near to the major traffic routes.
- Description: 2 adjacent residential buildings of almost same configuration and finish, comprising 15 apartments spread over 4 levels.



21 - Antares

- Rue Champêtre 46 - 5100 Jambes
- Year of construction / renovation: 1956 - 1994
- Location: Building located in the municipality of Jambes, south of Namur, in a residential district near to the main roads.
- Description: Houses divided in apartments, comprising 7 apartments spread over 4 levels.



22 - Ring

- Plantin en Moretuslei 107-115 - 2018 Antwerp
- Year of construction / renovation: 1993 - 1994 (renovation) - 2015
- Location: Complex located near to the major road access leading to the centre of Antwerp, near to the Ring, but also the Diamond district, the central train station and the offices of the Kievitplein.
- Description: Complex in 2 parts, of which the 1st section comprises commercial spaces and a hotel, and the 2nd section is in co-ownership with Aedifica holding 87 apartments.



23 - Résidence Gauguin et Manet

- Rue du Wäschbour 22-24 - 6700 Arlon
- Year of construction / renovation: 2007
- Location: Building located in a new subdivision, less than a kilometre from the centre of Arlon.
- Description: The building comprises 35 residential apartments spread over 2 blocks, each with 4 levels above ground.



24 - Résidence de Gerlache

- Chaussée de Louvain 710-732 - 1030 Brussels
- Year of construction / renovation: 2011
- Location: Building located halfway between the European district and the NATO.
- Description: This low-energy building comprises 75 residential apartments spread over 5 levels, 4 commercial spaces and a space for liberal profession.



25 - Ensemble Souveraine

- Rue Souveraine 5, 21-35, 39-45 - 1050 Brussels
- Year of construction / renovation: 1985 to 1995 – 2011/2012 (partially renovated) – 2015 (renovation in progress)
- Location: Lot of building located in a quiet street, perpendicular to chaussée d'Ixelles and avenue Louise.
- Description: Houses divided in apartments; the building comprises 116 apartments and recreational infrastructure.



26 - Louise 130

- Avenue Louise 130 - 1050 Brussels
- Year of construction / renovation: End of the 19th century – 1996 - 2015
- Location: Building located in a highly regarded district, between the shops of avenue Louise and the restaurants of the Châtelain district.
- Description: The building comprises 9 furnished apartments spread over 3 levels and a ground-floor commercial space.



27 - Louise 135

- Avenue Louise 135 - 1050 Brussels
- Year of construction / renovation: 1996 - 2015
- Location: Building located in a highly regarded district, between the shops of avenue Louise and the restaurants of the Châtelain district.
- Description: The building comprises 31 furnished apartments spread over 12 levels and a ground-floor commercial space.



28 - Louise 270

- Avenue Louise 270 - 1050 Brussels
- Year of construction / renovation: 1996 – 2012 -2015
- Location: Building located in a highly regarded district, between the shops of avenue Louise and the restaurants of the Châtelain district.
- Description: The building comprises 14 furnished apartments and a small ground-floor commercial space.



29 - Vallée 48

- Rue de la Vallée 48 - 1000 Brussels
- Year of construction / renovation: 1993
- Location: Building located in a nice and green area near to avenue Louise, Abbaye de la Cambre and place Flagey.
- Description: The building comprises 6 furnished apartments.



30 - Livourne 16-18

- Rue de Livourne 16-18 - 1000 Brussels
- Year of construction / renovation: 2004
- Location: Building located between the chaussée de Charleroi and avenue Louise, near to the Goulet Louise and its numerous luxury shops.
- Description: The building comprises 2 adjacent houses, containing 16 furnished apartments.



31 - Freesias

- Allée des Freesias 18 - 1030 Brussels
- Year of construction / renovation: 1990 - 2015
- Location: Building located in the Flowers district of Schaerbeek, near to NATO, the industrial zones of Diegem and Zaventem Airport.
- Description: The building comprises 37 furnished apartments.



32 - Héliotropes

- Avenue des Héliotropes 35 - 1030 Brussels
- Year of construction / renovation: 1979
- Location: Building located in the Flowers district of Schaerbeek, near to NATO, the industrial zones of Diegem and Zaventem Airport.
- Description: The building comprises 25 furnished apartments.



33 - Livourne 20-24

- Rue de Livourne 20-24 - 1050 Brussels
- Year of construction / renovation: 2010
- Location: Building located between chaussée de Charleroi and avenue Louise, near to the Goulet Louise and its numerous luxury shops.
- Description: The building comprises 2 adjacent houses, containing 15 furnished apartments.



34 - Livourne 14

- Rue de Livourne 14 - 1050 Brussels
- Year of construction / renovation: 2010
- Location: Building located between chaussée de Charleroi and avenue Louise, near to the Goulet Louise and its numerous luxury shops.
- Description: The building comprises 3 furnished apartments.



35 - Résidence Chamaris

- Rue d'Arlon 39 - 1000 Brussels
- Year of construction / renovation: 2010
- Location: Building located at the heart of the Leopold Quarter, Brussels' premier business district, next to the main European Union institutions.
- Description: The building comprises 23 furnished apartments and 1 ground-floor commercial space.



36 - Stephanie's Corner

- Rue Jean Stas/ Rue Dejoncker - 1060 Brussels
- Year of construction / renovation: 2007
- Location: Building located in a highly ranked district, close to the shops of avenue Louise.
- Description: The building comprises 27 apartments, 3 commercial spaces and a 27-space underground parking lot.

HOTELS AND OTHER



1 - Hotel Martin's Brugge

- Oude Burg 5 - 8000 Bruges
- Year of construction / renovation: 2005 - 2009
- Location: Three-star hotel located in the heart of Old Brugge, near to the Belfry and the historical city.
- Description: The hotel comprises 178 rooms (after integration of De Tassche Hotel, acquired in 2008), 8 seminar rooms, a central body and 3 annexed buildings equipped for the hotel industry. The entire complex has been transferred to the Martin's Hotels group which manages the hotel under a 36-year long lease (with an option to extend for both the lessor and the lessee).



2 - Royale 35

- Rue Royale 35 - 1000 Brussels
- Year of construction / renovation: 1985
- Location: Building located near to the boulevard du Botanique, which forms part of the Brussels' inner ring road.
- Description: The office building is spread over 6 levels with a ground-floor commercial space and a rear annex building.



3 - Martin's Klooster

- Onze-Lieve-Vrouwstraat 18 - 3000 Leuven
- Year of construction / renovation: 2003 - 2012
- Location: Four-star hotel located at the heart of the historic centre of Leuven ("island of the Dijle").
- Description: The hotel comprises 103 rooms and suites and also includes a new conference centre, a lounge bar, a new reception lobby, and an orangery for events. The entire complex has been transferred to the Martin's Hotels group which manages the hotel (under a 36-year long lease).



4 - Carbon

- Europalaan 38 - 3600 Genk
- Year of construction / renovation: 2008
- Location: Four-star design hotel located in the heart of Genk.
- Description: The hotel comprises 60 rooms and suites, a restaurant and one of the most beautiful spas in Belgium. The entire complex has been transferred to the operator Different Hotel group which manages the hotel (under a 27-year long lease).



5 - Eburon

- De Schiervelstraat 10 - 3700 Tongeren
- Year of construction / renovation: 2008
- Location: Four-star design hotel located at the heart of the historical city of Tongeren.
- Description: The hotel comprises 52 rooms and suites. The entire complex has been transferred to the operator Different Hotel Group which manages the hotel (under a 27-year long lease).



6 - Ecu

- Europalaan 46 - 3600 Genk
- Year of construction / renovation: 1992
- Location: Budget hotel of high quality in the centre of Genk.
- Description: The hotel comprises 51 rooms and has been transferred to the operator Different Hotel Group which manages the hotel (under a 27-year long lease).



7 - Eurotel

- Koning Albertlaan 269 - 3620 Lanaken
- Year of construction / renovation: 1987 - 2007 - 2010
- Location: Four-star hotel located in Lanaken, near to the centre of Maastricht.
- Description: The hotel comprises 79 rooms, all recently renovated, a restaurant, a spa and a sport centre. The entire complex has been transferred to the operator Different Hotel Group which manages the hotel (under a 27-year long lease).



8 - Villa Bois de la Pierre

- Venelle du Bois de la Pierre 20 - 1300 Wavre
- Year of construction / renovation: 1955 - 1987
- Location: Adjacent villa to the Villa Bois de la Pierre rest home.
- Description: Villa Bois de la Pierre is located next to the Bois de la Pierre rest home. The villa counts 4 apartments and office spaces.



9 - Duysburgh

- Rue Duysburgh 19 - 1090 Brussels
- Year of construction / renovation: -
- Location: Adjacent building to the Aux Deux Parcs rest home.
- Description: Duysburgh is a building located in a residential and green zone, between Parc de la Jeunesse and Square Léopold, and not far from the Brugmann hospital. The building is intended to be incorporated into the Aux Deux Parcs rest home.



10 - Résidence du Lac

- Between avenue Louise, rue Vilain XlIII and rue du Lac - 1050 Brussels
- Location: Plot of land located between avenue Louise, rue Vilain XlIII and rue du Lac.
- Description: The plot of land is located in a highly ranked district, near avenue Louise, the Etangs d'Ixelles and the Abbaye de la Cambre. A residential project is being studied on the plot of land, which is currently rented.

6. Management team

6.1. Aedifica's internal organisation

The Company is structured as shown by the organisational chart below:



Each component of the organisational chart is described in the following paragraphs. The “Operations Belgium” component, to which approx. 30 people are assigned, represents most of the Company’s staff.

Operations Belgium

Aedifica’s daily activities in Belgium mainly involve managing of its apartment buildings and of senior housing sites.

For commercial management of its apartment buildings, Aedifica employs a Sales and Marketing Manager who secures rentals through direct contact with tenants and real estate agents. He is assisted by an internal commercial team.

Technical management of Aedifica’s apartment buildings (“technical property management”) includes the diligent management of the buildings’ common areas, implementation and follow-up of maintenance and technical control contracts, management of insurance claims, and assistance to tenants at the time of arrival and departure. Technical management is carried out by both Aedifica’s own team and by external service providers who are continuously monitored by Aedifica’s Building Manager. The Building Manager ensures that the required duties are performed and quality standards maintained.

Administrative and accounting management (“administrative property management”) includes managing the calls for rent payments and indexations, provisions for charges, quarterly closing of common area expenses, tax recoveries, budgeting for common area expenses, and tracking of tenant payments. Administrative management is also carried out by both Aedifica’s own team and external service providers, under the supervision of Aedifica’s Property Accounting Manager.

External property managers are selected based on a competitive bidding process and given their reputation in the Belgian market. Contracts generally cover a period of 1 year and include the possibility for renewal. In terms of risk management, Aedifica has divided its portfolio across several external property managers, depending, primar-

ily based on their specialities and their geographic location. These intermediaries are assigned with either the full responsibility for day-to-day management of the buildings on both the technical and administrative levels or for day-to-day technical management only, in cases where Aedifica performs administrative and accounting management internally. Aedifica monitors external service providers through periodic reporting and by conducting spot checks. The remuneration of external managers is proportional to the rental incomes generated. Overall, remuneration of external service providers amounted to €0.1 million (VAT included) during the 2014/2015 financial year, or less than 2 % of the net rental income for the concerned buildings. External building managers currently appointed by Aedifica in Belgium are the following:

BNP PARIBAS REAL ESTATE PROPERTY MANAGEMENT BELGIUM SA

Boulevard Louis Schmidt 2 box 3
1040 Brussels
For the Louise 331-333 Complex.

O.P. MANAGEMENT SA

Avenue Emile De Mot 19
1000 Brussels
For the Laeken - Pont Neuf Complex and the buildings Lebon 24-28, Place du Samedi 6-10, Royale 35, Churchill 157, Tervueren 13 A/B and Résidence Palace.

LGI Property Management SA

Chaussée de la Hulpe 150
1170 Brussels
For the buildings Lombard 32, Broqueville 8, Bataves 71, Tervueren 103, Louis Hap 128, Auderghem 237-239-241-266-272, rue Haute and Stephanie’s Corner.

LEGRAND PRM SA

Rue du Trou Perdu 7
5300 Thon
For the buildings Edison, Verlaine/Rimbaud/Baudelaire, Ionesco, Musset, Giono & Hugo, Antares.

PIANISSIMMO

Rue des Fabriques 1
6747 Saint-Leger
For Résidence Gauguin et Manet.

Aedifica employs an architect for “Project Management” tasks in Belgium, for both apartment buildings and senior housing. He is responsible for managing construction and major renovation projects (generally as from the time that the development permit is obtained). He is also responsible for ensuring satisfactory completion of the projects entrusted to specialised companies. In addition, the Project Manager conducts technical due diligence audits in Belgium, employing external specialists as necessary and based on the characteristics of the individual case.

Regarding senior housing in Belgium, Aedifica has established long-term contracts (mainly in the form of long leases) with specialised and professional operators who assume responsibility for building maintenance (triple net contracts). Thus, Aedifica is not responsible for the daily management of these buildings. However, it monitors overall quality via ad hoc visits (in particular in the framework of periodic portfolio evaluations and with the follow-up of extension and renovation projects in progress). Although the rental contracts are triple net, the Company insists on improving existing sites as well as developing new projects in partnership with its tenants/operators. This practice allows the Company to maintain a portfolio of high-quality buildings that generate attractive net yields over the long term. This kind of partnership includes all aspects of the development of real estate projects, whether they are of technical, legal, organisational or other kinds of nature. Such projects are presented in the table “projects and renovations in progress”. The main actors involved in this management aspect act under the supervision of the COO.

The management principles applicable for senior housing are also applied to hotels. Other buildings follow the management principles applicable for apartment buildings.

Operations Germany

The buildings located in Germany follow the same management principles as those described above for senior housing in Belgium. The contracts in place with the operators are also irrevocable long-term leases, but are of a double net structure (vs. triple net structure in Belgium). This means that the repair and maintenance of the roof, structure and facades of the buildings remains the responsibility of the owner.

As from 1 January 2015, Aedifica holds a German subsidiary: Aedifica Asset Management GmbH. This subsidiary advises and supports Aedifica in the growth and management of its real estate portfolio in Germany, under the CEO's supervision.

Investment & Development

Aedifica assigns the “investment” aspects of its operational activities to the Company's Investment Manager, who acts as the key contact point for new investment opportunities in Belgium and abroad. The Investment Manager filters the cases and undertakes preliminary studies before presenting them to the Management Committee and, if accepted, to the Investment Committee and Board of Directors. The Investment Manager also organises various aspects of the due diligence audits in close cooperation with other members of the Company's internal team and by engaging external specialists, depending on the characteristics of individual cases.

Aedifica assigns the “Development” aspects of its operational activities to an internal Architect-Engineer, who is in general responsible for development projects, both in Belgium and abroad, from the preliminary study phase until the development permit is obtained. Furthermore, Architect-Engineer organises the technical due diligence audits abroad, by engaging external specialists as needed.

The “Investment & Development” aspects are carried out under the CEO's supervision.

Legal

Aedifica assigns the “Legal” aspects of its operational activities to a team led by the CLO, whose mission includes the day-to-day management of the legal affairs of the Company and its subsidiaries (“corporate housekeeping”) as well as assistance in other aspects of operational activities (“legal support”). Its mission mainly involves conducting legal due diligence audits, carried out with assistance of external specialists depending on the cases' individual characteristics, drafting conventions and, occasionally, dispute management. Insurance coverage is also centralised here.

Finance

The “Finance” aspects of Aedifica's operational activities cover many disciplines placed under the CFO's supervision, such as the financing of day-to-day activities and investments, accounting, taxation, cash management, internal reporting, controlling, external financial communication and investor relations, and credit control. Management of human resources, IT and the vehicle fleet is also centralised here.

7. Experts' report¹

Gentlemen,

We are pleased to send you our estimate of the fair value of investment properties held by the Aedifica group as of 30 June 2015.

Aedifica assigned to each of the three independent external valuers the task of determining the fair value (from which the investment value is derived²) of one part of its portfolio of investment properties. Assessments are established taking into account the remarks and definitions contained in the reports and following the guidelines of the International Valuation Standards issued by the "IVSC".

We have acted individually as independent external valuers and have a relevant and recognised qualification, as well as an ongoing experience for the location and the type of buildings assessed. The valuer's opinion of fair value was primarily derived using comparable recent market transactions at arm's length terms.

Properties are considered in the context of current leases and of all rights and obligations that these commitments entail. We have evaluated each entity individually. Assessments do not take into account a potential value that can be generated by offering the whole portfolio on the market. Assessments do not take into account selling costs applicable to a specific transaction, such as brokerage fees or advertising. Assessments are based on the inspection of real estate properties and information provided by Aedifica (i.e. rental status and surface area, sketches or plans, rental charges and property taxes related to the property, and compliance and pollution matters). The information provided was assumed to be accurate and complete. Assessments are made under the assumption that no non-communicated piece of information is likely to affect the value of the property.

Based on the three assessments, the consolidated fair value of the portfolio amounted to €1,005,163,370³ as of 30 June 2015, including €983,428,880 for marketable investment properties⁴. Contractual rents amounted to €57,442,015 which corresponds to an initial rental yield of 5.84 %⁵ compared to the fair value of marketable investment properties. Assuming that the marketable investment properties, except for furnished apartments, are 100 % rented and that the currently vacant spaces are rented at market prices, contractual rents would amount to €58,591,895, i.e. an initial rental yield of 5.96 %⁶ compared to the fair value of marketable investment properties.

In the context of a reporting in compliance with the International Financial Reporting Standards, our evaluations reflect the fair value. The fair value is defined by IAS 40 and IFRS 13 as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". The IVSC considers that the definition of fair value under IAS 40 and IFRS 13 is generally consistent with market value.

de Crombrughe & Partners SA opinion:

The fair value of the part of Aedifica's portfolio valued by de Crombrughe & Partners SA is estimated as of 30 June 2015 at €279,305,000 and the investment value (before deduction of the transfer costs⁷) is estimated at €286,920,000.

Michaël Zapatero and Karen Cox

31 August 2015

Stadim CVBA opinion:

The fair value of the part of Aedifica's portfolio valued by Stadim CVBA is estimated as of 30 June 2015 at €606,058,100 and the investment value (before deduction of the transfer costs⁸) is estimated at €621,617,600.

Dave Verbist and Katrien Van Grieken, MRE

25 August 2015

CBRE GmbH opinion:

The fair value of the part of Aedifica's portfolio valued by CBRE GmbH is estimated as of 30 June 2015 at €119,800,000 and the investment value (before deduction of the transfer costs⁹) is estimated at €129,099,660.

Dr. Henrik Baumunk and Andreas Polter

31 August 2015

€1,005 M

fair value of the portfolio

Martin's Klooster
Hotels and other -
Leuven (Belgium)



Stephanie's Corner
Apartment buildings -
Brussels (Belgium)

1. The expert report was reproduced with the agreement of Crombrughe & Partners SA, Stadim CVBA and CBRE GmbH.
2. "Investment value" is defined by Aedifica as the value assessed by the external valuers, of which transfer costs are not deducted (also known as "gross capital value").
3. The abovementioned portfolio is broken down in two lines on the balance sheet (lines "I.C. Investment properties" and "II.A. Assets classified as held for sale").
4. "Marketable investment properties" are defined by Aedifica as investment properties including assets classified as held for sale and excluding development projects. Marketable investment properties are hence completed properties that are let or lettable.
5. 5.82 % compared to the fair value of marketable investment properties increased by the goodwill on furnished apartments and furnishings.
6. 5.94 % compared to the fair value of marketable investment properties increased by the goodwill on furnished apartments and furnishings.
7. In this context, the transfer costs require adaptation to the market conditions. Based on the analysis of a large number of transactions in Belgium, the Belgian experts acting at the request of publicly traded real estate companies, reunited in a working group, came to the following conclusion: given the various ways to transfer property in Belgium, the weighted average of the transfer costs was estimated at 2.5 %, for investment properties with a value in excess of €2.5 million. The investment value corresponds therefore to the fair value plus 2.5 % of transfer costs. The fair value is also calculated by dividing the investment value by 1.025. Properties in Belgium below the threshold of €2.5 million remain subject to usual transfer costs (10.0% or 12.5% depending on their location). Their fair value corresponds thus to the value excluding transfer costs. In this specific case, for residential units, the fair value reflects the potential capital gain per apartment, if sold.
8. Same comment on transfer costs as in footnote 7 above.
9. Assets located in Germany are not concerned by the comments in footnotes 7 and 8 above. In the assessment of their investment value, the usual German transfer costs are taken into account.

AEDIFICA ON THE STOCK MARKET

€50.30

share price as of 30 June 2015

4.0%

gross dividend yield as
of 30 June 2015

14,045,931

total number of shares listed
as of 30 June 2015

€707M

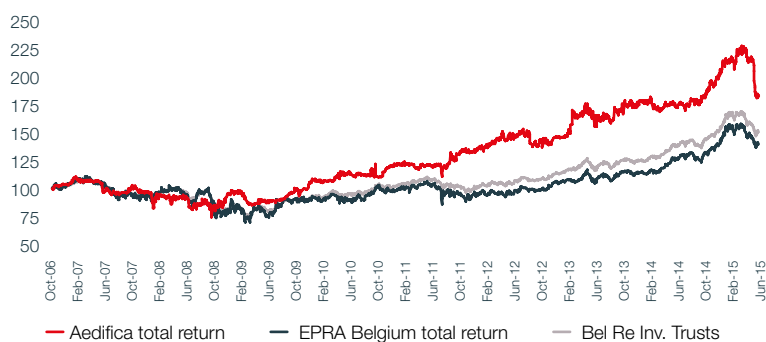
market capitalisation
as of 30 June 2015



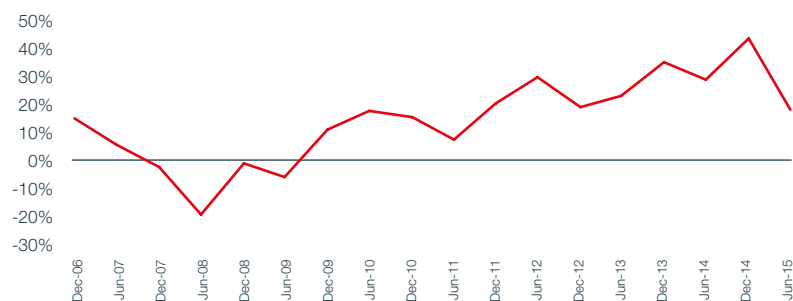
AEDIFICA ON THE STOCK MARKET

Aedifica provides the investor an attractive alternative to direct investment in residential real estate.

Comparison - indices in total return
From 23 october 2006 (IPO) to 30 June 2015



Premium and discount of the share price in relation to the net asset value



Aedifica's diversified investment policy (see section "Strategy" in the Consolidated Board of Directors' Report) offers the shareholder a unique investment that generates optimal rental incomes with a limited risk profile. The structure of Aedifica's portfolio generates attractive returns, opportunities for growth and capital gains, and recurrent dividends.

According to the "Belgian RREC Overview", published each month by Bank Degroof, Aedifica is currently the 4th Belgian REIT in terms of the fair value of its investment property portfolio (4th as of 30 June 2014). In addition, Aedifica holds the 4th place in terms of the average volume traded on the stock market, with an average daily volume of €750 thousand over the last 12 months; this is a considerable improvement as compared to the trading level prior to the December 2012 capital increase (in cash) when the average daily volume was €230 thousand.

1. Stock price and volume

Aedifica's shares (AED) have been quoted on Euronext Brussels continuous market since 23 October 2006. Since that date, Aedifica has completed three capital increases, in cash and with preferential rights or priority allocation rights.

- 15 October 2010: issuance of 2,013,334 new shares at a subscription price of €33.45 per share to raise a total gross amount of €67 million.
- 7 December 2012: issuance of 2,697,777 new shares at a subscription price of €37.00 per share to raise a total gross amount of €99.8 million.
- 29 June 2015: issuance of 3,121,318 new shares at a subscription price of €49.00 per share to raise a total gross amount of €153 million.

Aedifica was first registered in the Bel Real Inv. Trusts index (with a weighting of 8.07 %) and in the Bel Mid Index (with a weighting of 2.74 %) on 30 June 2015.

Taking the stock price on 30 June 2015 (€50.30) as a baseline, Aedifica shares show:

- an 11 % premium as compared to the net asset value per share excluding IAS 39, based on the fair value of the property portfolio;
- an 18 % premium as compared to the net asset value per share including IAS 39, based on the fair value of the property portfolio.

To compare the net asset value to the share price, one has to take into account the detachment of coupon No. 14, which took place on 10 June 2015 in the context of the capital increase of 29 June 2015. Given this, the net asset value can be estimated at an adjusted amount of €40.59 after IAS 39 impact (a 24 % premium) or of €43.29 before IAS 39 impact (a 16 % premium).

Between the date of the IPO (after deduction of the coupons which represented the preferential rights or the prior-

Aedifica share

	30 June 2015	30 June 2014
Share price at closing (in €)	50.30	50.00
Net asset value per share (based on fair value) after deduction of the dividend 2013/2014 excl. IAS 39 (in €)	45.29	40.57
Premium (+)/(-) Discount (based on fair value) excl. impact IAS 39	11.1 %	23.2 %
Net asset value per share (based on fair value) before deduction of the dividend 2013/2014 incl. IAS 39 (in €)	42.59	36.84
Premium (+)/(-) Discount (based on fair value) incl. impact IAS 39	18.1 %	35.7 %
Market capitalisation	706,510,329	508,108,250
Free float ¹	94.54 %	88.17 %
Total number of shares listed	14,045,931	10,162,165
Denominator for the calculation of the net asset value per share	14,045,931	10,249,083
Average daily volume	9,809	7,581
Velocity ²	28.8 %	19.5 %
Gross dividend per share (in €) ³	2.00	1.90
Dividend gross yield ⁴	4.0 %	3.8 %

1. Pourcentage of the capital of a company held by the market, according to the definition of Euronext.
2. Total volume of share exchanged annualised divided by the total number of shares listed on the market, according to the definition of Euronext.
3. 2014/2015: Proposed dividend at the Annual General Meeting.
4. Gross dividend per share divided by the closing share price.

Number of shares

	30 June 2015	30 June 2014
Number of shares outstanding ¹	14,045,931	10,249,083
Total number of shares	14,045,931	10,249,117
Total number of shares on the stock market	14,045,931	10,162,165
Weighted average number of shares outstanding (IAS 33)	10,658,981	9,917,093
Number of dividend rights ²	10,924,613	10,249,083

1. After deduction of the treasury shares.
2. Based on the rights to the dividend for the shares issued during the year.

1. The Bel Mid index is composed of values which do not belong to the BEL20 index, with a floating market capitalisation above the BEL20 index level multiplied by €50,000, and a turnover of at least 10%. In addition, no value can represent more than 10% of the Bel Mid index.
2. For additional information on the EPRA indice, refer to EPRA's web site (www.EPRA.com).

ity allocation rights issued as part of the 15 October 2010, 7 December 2012 and 29 June 2015 capital increases) and 30 June 2015, Aedifica's stock price increased by 38.6 %. This increase shows a very favourable contrast when compared to the Bel Mid Index, which increased by 20.4 % and when compared to the EPRA Europe index, which fell by 21.0 %, over the same period.

2. Dividend policy

Aedifica has the obligation to distribute the majority of its profits in the form of dividends (see "income to distribute" in the glossary). The proposed gross dividend for 2014/2015 financial year amounts to €2.00 per share (2006/2007: €1.48 per share; 2007/2008: €1.71 per share; 2008/2009: €1.80 per share; 2009/2010: €1.82 per share; 2010/2011: €1.82 per share; 2011/2012: €1.86 per share; 2012/2013: €1.86; 2013/2014: €1.90 per share) as detailed in Note 38 of the Consolidated Financial Statements. The coupon is payable 5 working days after the date of the ordinary general shareholder's meeting, which is fixed in the Articles of Association to be held annually on the 4th Friday of October. The coupon related to the 2014/2015 financial year will be paid as from 30 October 2015.

As residential RREC, the withholding tax for Aedifica investors amounts to 15%. For the tax treatment of the dividend, readers, in particular shareholders who are Belgian tax payers (natural persons), are referred to section 4 of the chapter entitled "Standing Documents" included in this Annual Financial Report. The net dividend per share after deduction of the withholding tax of 15 % will amount to €1.70. However, a new risk has arisen (which has been reported in the media since 4 August 2015) in relation to a potential increase in the withholding tax (which could

be brought from 15 % to 27 %) for dividends that will be distributed in 2016 and the following years, in the context of the fiscal reform (generally baptised "tax shift" by the media) that is currently under preparation by the Belgian government. Moreover, the possible disappearance of the reduced withholding tax of 15% for residential RRECs could also be an opportunity for Aedifica, by expanding the potential range of its future investments. The reader is referred to section 4.2 of the chapter entitled "Risk Factors" of the Annual Financial Report for more information on the tax treatment of dividends.

3. Shareholding structure

Aedifica shareholders holding more than 5 % of the Company's total number of shares are listed in the table below (as of 30 June 2015, based on the number of shares held by the shareholders concerned as of 17 March 2015). Declarations of transparency are available on Aedifica's website. As of the date of this report (8 September 2015), the Company has not received any additional declarations of transparency since 17 March 2015.

Shareholders

	In % of the capital
Wulfsdonck Investment SA (via Finasucre SA)	5.46 %
Free Float	94.54 %

4. Shareholders' calendar¹

Annual General Meeting 2015	23 October 2015
Dividend payment date – Coupon related to the 2014/2015 financial year	
— Ex-date	11 June 2015
— Record date	12 June 2015
— Payment date	As from 30 October 2015
Interim statement	17 November 2015
Half-Year Financial Report 31 December 2015	23 February 2016
Interim statement	18 May 2016
Annual press release	5 September 2016
Annual Financial Report 2015/2016	23 September 2016
Annual General Meeting 2016	28 October 2016
Dividend – Coupon related to the 2015/2016 financial year ("ex-date")	2 November 2016

Financial service for the coupon payment: Degroof Bank (main paying agent) or any other financial institutions

1. These dates are subject to change.

95%

free float



Résidence Chamaris
Apartment buildings -
Brussels (Belgium)

Edison
Apartment buildings -
Namur (Belgium)



Stock market

**Senioreneinrichtung
Haus Matthäus**
Senior housing -
Olpe-Rüblinghausen
(Germany)



CORPORATE GOVERNANCE STATEMENT

10 members

of the Board of Directors

5 independents

among the 10 Directors

40%

mixed gender ratio among
the Board of Directors

4 members

of the Management Committee





CORPORATE GOVERNANCE STATEMENT

This chapter on corporate governance is part of the Consolidated Board of Directors' report. The Corporate Governance Statement is issued in accordance with the provisions of the Belgian Corporate Governance Code 2009 (the "2009 Code") and the Belgian Act of 6 April 2010 amending the Belgian Companies Code.

1. Code of reference

Aedifica acts in accordance with the principles of the 2009 Code published on 12 March 2009, while taking into consideration the Company's unique features and characteristics. Aedifica considers itself compliant with all provisions of the aforementioned Code.

The Royal Decree of 6 June 2010 specifies that the 2009 Code is the only applicable code. The 2009 Code is available on the website of the Belgian State Gazette, as well as on www.corporategovernancecommittee.be

The Corporate Governance Charter was set out by the Board of Directors of Aedifica and aims to provide full disclosure regarding the governance rules in place at Aedifica. It is available on the Company's website (www.aedifica.be) and was last updated on 11 May 2015.

2. Internal control and risk management

This section aims to provide a description of the main features of the Company's internal control system and risk management practices.

2.1 Risk management and internal control

The Board of Directors is responsible for the Company's identification and assessment of risks, as well as for monitoring the effectiveness of internal controls. Aedifica's Executive Managers are responsible for setting up an effective internal control environment and putting in place effective risk management practices.

In these respects, the Belgian legal framework is made up of the following regulations:

- The Belgian Act of 17 December 2008 setting up audit committees in listed companies (in application of the European Directive 2006/43 on the financial control of corporations);
- The Belgian Act of 6 April 2010 on corporate governance within listed companies and on the regulation modification concerning professional prohibition within the banking and financial sector (the so-called "Corporate Governance Act").

As of 30 June 2015, this framework is further enhanced by:

- The Belgian Corporate Governance Code 2009;
- The Belgian Act of 12 May 2014 on Regulated Real Estate Companies.

Pursuant to Article 17 of the Belgian Act of 12 May 2014, the Company has the following internal control functions:

Risk Management function

The Risk Management function aims to implement measures and procedures to identify and monitor the risks to which the Company is confronted, and to avoid risks becoming reality and/or to limit the impact of these risks (if applicable) and to estimate, control and follow up as much as possible their effects.

The Board of Directors designated Mr. Jean Kotarakos, CFO, Executive Manager and member of the Management Committee, as Risk Manager. Mr. Jean Kotarakos' office of Risk Manager is of indefinite duration. He has the required professional reliability and appropriate experience to perform these duties.

Independent Compliance function

The Independent Compliance function aims to ensure that the Company, its Directors, its Executive Managers, its personnel or proxy holders respect the legal rules regarding the integrity of the Company's activity.

The Board of Directors appointed Ms. Sarah Everaerts, CLO/Secretary-General, Executive Manager and member of the Management Committee, as Compliance Officer. The Compliance Officer is appointed for an indefinite period and has the required professional reliability and appropriate experience to perform these duties.

Independent Internal Audit function

The person in charge of the Independent Internal Audit function is appointed to independently and permanently judge the Company's activities and to examine the quality and the efficiency of the existing internal control procedures and methods.

The internal audit function is performed by an external consultant, namely Quiévreux Audit Services SPRL, represented by Mr. Christophe Quiévreux. The Internal Audit function (which is thus outsourced to an external legal person, represented by a natural person) is performed under the supervision and responsibility of Mr. Olivier Lippens, President of the Board of Directors. Mr. Olivier Lippens has the required professional reliability and appropriate experience to perform these duties.



Carbon
Hotels and other -
Genk (Belgium)

Aedifica has moreover put in place risk management procedures and an internal control system that are consistent with the Company's way of operating and with the environment in which it evolves. This system is based on the internal control model called "COSO" ("Committee of Sponsoring Organisations of the Threadway Commission"). COSO is a well-known international organisation that stems from the private sector. Its purpose is to promote the improvement in the quality of corporate governance rules, internal control, risk management and financial reporting.

The COSO model has 5 components:

- internal control environment;
- risk analysis;
- control activities;
- information and communication;
- surveillance and monitoring.

The latest version of the COSO (2013) defines 17 principles underlying these five components which clarify the requirements of an efficient internal control system.

2.2 Internal control environment

The underlying principles of the component "internal control environment" are the following:

- **Principle 1:** The organisation demonstrates a commitment to integrity and ethical values:
 - As regards ethics, Aedifica has developed a Charter of Ethics (named "Code of Conduct") as of 2010, which formalises the previously existing unwritten codes of

conduct. This charter includes matters such as conflicts of interests, confidentiality, dealing codes, misappropriation of corporate assets, business gifts, and respect for others. It has been attached to the Corporate Governance Charter.

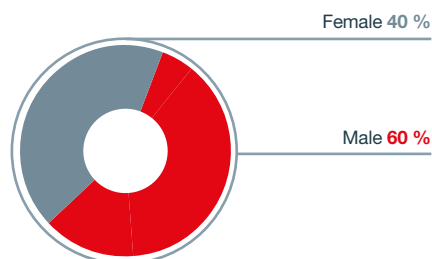
- As regards integrity, Aedifica complies with legal provisions regarding conflicts of interests (see below).

- **Principle 2:** The Board of Directors demonstrates independence from management and exercises oversight of the development and performance of internal control:

The Board of Directors comprises 10 members, 5 of whom are independent, as defined by Article 526ter of the Belgian Companies Code and Appendix A of the 2009 Code (see below). Given their experience (see below), the Directors are sufficiently qualified for their positions, particularly in respect of accounting, finance and remuneration policy. Aedifica's Board of Directors supervises the effectiveness of the risk management practices and of the internal control implemented by the Executive Managers.

- **Principle 3:** The Executive Managers establish, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives:
 - The organisational chart of Aedifica is kept up to date.
 - Aedifica has a Board of Directors, an Audit Committee, a Nomination and Remuneration Committee, an Investment Com-

Mixed gender ratio among the Board of Directors



mittee and a Management Committee whose tasks are described below.

- In accordance with Article 14 § 3 of the Belgian Act of 12 May 2014 on Regulated Real Estate Companies, the members of the Management Committee (who are all Executive Managers) are in charge of the daily management of the Company in these activities. They report to the Board of Directors. The Executive Managers are responsible for setting up an effective internal control environment and for putting in place effective risk management practices.

- **Principle 4:** The organisation demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives:
The Company's recruitment processes ensure the qualification of the Executive Managers and personnel. For each position, there is a defined profile and a suitable training programme. Aedifica endeavours to support the personal development of its staff and associates by offering them a motivating and comfortable working environment that is adapted to their needs, by identifying their talents, and by further reinforcing these individual strengths. Succession plans are elaborated according to the evolution of the career plans and according to chances of personnel leaving temporarily (maternity leave, parental leave...) or permanently (such as retirements).
- **Principle 5:** The organisation holds individuals accountable, in particular for their internal control responsibilities in the pursuit of objectives:

Each member of the Aedifica team has at least one evaluation interview per year with his or her responsible, based on a framework that considers the relationships between Company and employee in a very broad way. Furthermore, the remuneration and assessment policy of Executive Managers and personnel is based on achievable and measurable targets. It was thoroughly analysed in 2009 by specialised consultants, with a follow-up performed in 2010 and in 2011. A further study of remuneration of the Executive Managers was carried out at the end of 2011.

2.3 Risk analysis

The underlying principles of the component "risk analysis" are the following:

- **Principle 6:** The organisation specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives:
"The Company aims to position itself as a market leader among listed Belgian residential real estate companies, in particular with regard to senior housing. The Company's objective is to create a balanced portfolio of real estate that generates recurring revenues and offers potential for capital gains. Therefore, Aedifica acts in a conservative way as regards to risk culture. The strategy is based on underlying demographic trends, in particular population ageing in Western Europe and population growth in Belgium's main cities".
- **Principle 7:** The organisation identifies risks to the achievement of its objectives across the entity and analyses risks to determine how the risks should be managed:

The Company has a risk map. The main risks are monitored by the Board of Directors every 3 months and disclosed in the Annual and Half-year Financial Reports, as well as in interim statements. The risks are also followed up during the regular meetings of the Board of Directors. Mitigating actions are undertaken as and when required. For a detailed list of the risks identified, please refer to the section "Risks Factors" of the Annual Financial Report.

- **Principle 8:** The organisation considers the potential for fraud in assessing risks to the achievement of objectives:
Any attempt to fraud is properly analysed to mitigate the potential effects on the Company and to avoid any new attempt.
- **Principle 9:** The organisation identifies and assesses changes that could significantly impact the system of internal control:
Significant changes are continuously identified and analysed, both at the level of the Executive Managers as of that of the Board of Directors. This analysis enriches the section "Risk Factors" of the Annual Financial Report.

2.4 Control activities

The underlying principles of the component "control activities" are the following:

- **Principle 10:** The organisation selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels:
- There is an audit trail for each property acquisition or disposal. This covers the origin of the transaction, the identification of parties involved, the precise nature of the transaction, and the time and place where the transaction took place. This can be achieved through the notarial deeds (in cases of outright purchase of property,

contribution in kind, merger, de-merger or partial de-merger). Furthermore, each transaction is tested upfront to ensure conformity with the Company's Articles of Association and with applicable regulations;

- The Management Committee carries out a monthly analysis of the deviation between actual figures and budgeted amounts. The same process is performed quarterly by the Audit Committee and then by the Board of Directors;
- Key indicators such as occupancy rates, trade receivables and cash balances are monitored daily;
- A summary of outstanding balances is reviewed daily for other tenants (long-term leases);
- The 4-eye principle is applied:
 - Contract signature: jointly by two Executive Directors (or, if not possible, jointly by two other Directors), or jointly by two members of the Management Committee, except in the case of rental agreements for apartments and office/retail spaces, for which a specific delegation of power is organised;
 - Invoice approval: jointly by the manager in charge and by an Executive Manager;
 - Invoice payment: jointly by the accountant in charge of daily treasury management and by the CFO (or CEO);
 - A specific delegation of power is organised for treasury operations.
- Moreover, the Company has put in place specific control measures to mitigate its main financial risks:
 - Interest rate risk: hedges are entered into with leading banks (mainly IRS, caps and collars);
 - Counterparty risk: Aedifica has working relationships with several leading banks to diversify its funding sources.

17

principles of the internal control model called "COSO"

Overbeke
Senior housing -
Wetteren (Belgium)



Carbon
Hotels and other -
Genk (Belgium)





Residentie Sporenpark
Senior housing -
Beringen (Belgium)

- **Principle 11:** The organisation selects and develops general control activities over technology to support the achievement of objectives:

Technologies employed the Company are selected using a “best of breed” approach (as opposed to an integrated system approach). Every technological application is under the responsibility of a pilot, while the management of the infrastructure (hardware and network), the security of the access and the storage of computerised data are ensured by an external service provider, working with Aedifica on the basis of a service-level agreement (“SLA”). All rental agreements are registered. Contracts and other important documents, including notarial deeds, are stored in a suitable way outside the Company’s headquarters.

- **Principle 12:** The organisation deploys control activities through policies that establish what is expected and in procedures that put policies into action:
Formal documentation is carried out as with an objective aimed at continual improvement, which also takes into account the balance between the level of formalisation and the size of the Company.

2.5 Information and communication

The underlying principles of the component “information and communication” are the following:

- **Principle 13:** The organisation obtains or generates and uses relevant, quality information to support the functioning of internal control:
The Company’s information management system provides relevant and complete information in a timely manner, responding to both internal control as well as external reporting needs.
- **Principle 14:** The organisation communicates information internally other necessary for the good functioning of other internal control components, including in relation to objectives and responsibilities for internal control:
The internal information elements regarding internal control are disseminated in a transparent manner within the Company to make clear to all the Company’s policies, procedures, objectives, and roles and responsibilities. The communication procedures are aligned to fit with the size of the Company. They mainly consist of general

communications targeted at personnel, physical meetings and e-mail correspondence.

- **Principle 15:** The organisation communicates with external parties regarding matters affecting the functioning of internal control:

In the broad sense, external communication (aimed at the shareholders – publication of occasional and periodic information – but also general communication towards other stakeholders) is essential for a listed company. Aedifica devotes attention to its external communication duty on a daily basis.

External communication related to internal control follows a process for the elaboration and publication of periodical information (editing by the Executive Managers, revision by the Audit Committee, approval by the Board of Directors).

2.6 Monitoring activities

The underlying principles of the component “surveillance and monitoring” are the following:

- **Principle 16:** The organisation selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning:
To ensure the effectiveness of the above components of COSO, Aedifica has put in place (since the 2010/2011 financial year) an internal audit function to review the Company’s main processes. The internal audit is organised over a 3-year cycle. The specific scope of the internal audit is determined on a yearly basis in consultation with the Audit Committee and the responsible of the internal audit as defined by the Belgian Act of 12 May 2014 on Regulated Real Estate Companies (who is the President of the Board of Directors – see above) and the person responsible for carrying out the internal audit (see above). Given the independence requirements and taking the principle of proportionality into consideration, Aedifica has indeed chosen to outsource the internal audit by entrusting this

function to a specialised consultant, placed under the supervision and the responsibility of the responsible of the internal audit as defined by the abovementioned Act.

- **Principle 17:** The organisation evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including the Management Committee and the Board of Directors, as appropriate: The recommendations developed by the internal audit are communicated to the Audit Committee. This ensures that the Executive Managers put in place the anticipated corrective actions.

3. Shareholding structure

The shareholding structure, as derived from the transparency declarations received, is provided in the section “Aedifica in the Stock Market” in this Annual Financial Report.

4. Board of Directors and Committees

4.1 Current composition of the Board of Directors

The Company's directors are currently elected for a term of up to 3 years at the Annual General Meeting. They are revocable, and can be re-elected. During the Extraordinary General Meeting of 23 October 2015 (the attendance

quorum will probably not be reached on the Extraordinary General Meeting of 6 October 2015), Aedifica's shareholders will be invited to prolong the maximum duration of the Directors' office, to bring it from 3 to 4 years.

At the Annual General Meeting of 24 October 2014, the following Directors were appointed for a 3-year term ending after the Annual General Meeting of 2017:

- Ms. Sophie Maes, non-executive independent Director;
- Ms. Hilde Laga, non-executive independent Director;
- Mr. Eric Hohl, non-executive director representing the shareholders.

As of 30 June 2015, Aedifica was directed by a Board of 10 members, which includes the 5 independent directors (required under Article 526ter of the Belgian Companies Code and Appendix A of the 2009 Code) as listed below.

Moreover, a significant level of gender diversity (required by the Belgian Act of 28 July 2011) has already been achieved. The Board includes 4 women and 6 men, a gender diversity ratio of 40 %, which is higher than the minimum ratio of one third set by law for financial years beginning on or after 1 July 2017.

The Company's information management system provides relevant and complete information in a timely manner, responding to both internal control as well as external reporting needs.

BOARD OF DIRECTORS



1. Mr. Olivier Lippens

Chairman - Director representing the shareholders

Belgian – 12.10.1953

Avenue Hermann-Debroux 40-42, 1160 Brussels

– Beginning of 1st office as Director: 12 October 2010

– Term of office: October 2016

– Other offices as Director or current positions: Managing Director of Wulfsdonck SA, Finasucre SA, Iscal Sugar SA, Iscal Sugar BV. Chairman of Devolder SA. Director of Bundaberg (FIA). Director of la Compagnie Sucrière, Galactic SA, Futerro SA, Unibra SA, Société anonyme des Galeries Royales Saint Hubert SA, Naturex

– Offices as Director in the past 5 years and professional career: Finasucre - PwC (Coopers & Lybrand).



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2. Mr. Stefaan Gielens, mrics

Managing Director

Chief Executive Officer – Executive Manager

Belgian – 21.10.1965

331-333, avenue Louise – 1050 Brussels

- Beginning of 1st office as Director: 1 January 2006
- Term of office: October 2015
- Other offices as Director or current positions: CEO of Aedifica SA – Director of Aedifica Invest SA, Aedifica Invest Brugge SA, De Stichel SA, Overbeke SPRL, Villa Temporis SA, Michri SA and Aedifica Luxemburg I SARL.
- Offices as Director in the past 5 years and professional career: Manager of Fish Affairs SPRL – Several positions and offices as director in several companies of the group KBC, including the group Almaxin, including the offices of Managing Director of Almaxin Real Estate SA and Director of Immolease-Trust SA – Member of the Brussels Bar.

3. Mr. Jean Franken

Director representing the shareholders

Belgian – 2.10.1948

30, avenue du Joli Mai – 1332 Genval

- Beginning of 1st office as Director: 1 July 2013
- Term of office: October 2016
- Other offices as Director or current positions: /
- Offices as Director in the past 5 years and professional career: Director and member of the Executive Committee of Cofinimmo, Managing Director of several investment and real estate developments companies, including Prifast SA and Igox SA.

4. Mr. Eric Hohl

Director representing the shareholders

Belgian – 6.05.1962

7, avenue des Violettes – 1970 Wezembeek-Oppem

- Beginning of 1st office as director: 24 October 2014
- Term of office: October 2017
- Other offices as Director or current positions: Financial Director of Chrono Euro Diffusion SA.
- Offices as Director in the past 5 years and professional career: Head of administration, accountancy and IT services at TWC-Tapernoux SA.

5. Mr. Jean Kotarakos

Director

Chief Financial Officer – Executive Manager

Belgian – 20.02.1973

331-333, avenue Louise – 1050 Brussels

- Beginning of 1st office as Director: 3 June 2008
- Term of office: October 2016
- Other offices as Director or current positions: CFO of Aedifica SA, Director of Aedifica Invest SA, Aedifica Invest Brugge SA, De Stichel SA, Michri SA, Villa Temporis SA and Aedifica Luxemburg II SARL.
- Offices as Director in the past 5 years and professional career: Finance and Quality Manager SA D'Ieteren Lease NV – Head of Consolidation & Corporate Planning SA D'Ieteren NV – Auditor KPMG.

6. Ms. Hilde Laga

Independent Director

Belgian – 26.04.1956

Wolvendreef 26d – 8500 Kortrijk

- Beginning of 1st office as Director: 24 October 2014
- Term of office: October 2017
- Other offices as Director or current positions: Member of the Board of Directors of Barco SA, Greenyard Foods SA, Afga-Gevaert SA, VPM SA, Zorg K.U. Leuven SPRL, K.U. Leuven – Professor Company Law at K.U. Leuven – Member of the Belgian Corporate Governance Commission – Member of the bestuurs- en associatiecomité UZ Leuven Gasthuisberg.
- Offices as Director in the past 5 years and professional career: Founder and partner of the Laga lawyer's office – Lawyer at Simont, Gutt & Simont – Commissioner regarding the suspension of Lernout and Hauspie Speech Products SA – Independent Director of Elia System Operator.

7. Ms. Sophie Maes

Independent Director

Belgian – 29.04.1957

Moutstraat 9 – 9000 Ghent

- Beginning of 1st office as Director: 24 October 2014 (Ms. Maes was previously permanent representative of Bevalex SA, then of Insumat SA, consecutively Directors of Aedifica since 13 October 2009).
- Term of office: October 2017
- Other offices as Director or current positions: CEO Group Maes – Director van UPSI-BVS, VOKA-Kamer van Koophandel Oost-Vlaanderen ASBL, VOKA Vlaams Economisch Verbond ASBL, Advanced Computer Systems Technics SA, Investissement Leopold SA, Building Hotel Maes SA, Algemene Bouw Maes SA, Insumat SA, Vlaams Overleg Voor Ruimtelijke ordening en huisvesting ASBL and Alides SA – Member of the Comité de Gestion at BNP Paribas Fortis – Manager of Imco SCI and Profin SPRL.
- Offices as Director in the past 5 years and professional career: Executive Director of Bevalex SA, Espace Belliard SA, Ghent Industrial Investment SA, Fonsny SA, Alides Projects SA, Krekelendries SA and Immo Spa SA – Chairman and Managing Director of Aalterpaint, R. Maes SA – Director of Messiah SA, Orelia SA, Wonen op Poel en Ramen ASBL – Operational and management function in the Maes group – Manager of MAPP SCI.

8. Re-Invest SA represented by Ms. Brigitte Gouder de Beauregard

Independent Director

R.P.M. 0436.020.344

34, avenue Saturne – 1180 Brussels

- Beginning of 1st office as Director: 14 November 2005
- Term of office: October 2015
- Other offices as Director or current positions of the Company: General Director of the following French companies : SAS AG Real Estate France, SAS Louvresses Development I, II, III et IV, SA Parc des Louvresses Development I, II, III et IV, Immo Nation SPPICAV, SAS Immo Parking, Parc des Louvresses V, SAS Louvresses Développement and AGRE SA.
- Offices as Director of the Company in the past 5 years: /
- Other offices as Director or current positions as natural person: Director of ASBL Musée de l'Europe, Director of Orphee SA, Managing Director of REINVEST SA.

9. Serdiser SCA represented by Mr. Pierre Iserbyt

Independent Director

R.P.M. 0478.945.121

Headquarters of the Company: 42a, rue des Palais – 1030 Brussels

- Beginning of 1st office as Director: 23 March 2006
- Term of office: October 2015
- Other offices as Director or current positions of the Company: Director of Mons-Revitalisation and of Mons-Appui.
- Offices as Director of the Company in the past 5 years: Chairman of City Mall Invest SA, Director of Foruminvest SA, of De Vlier.
- Other offices as Director or current positions as natural person: Chairman of Centre d'Art Contemporain Wiels SA, Director of the Fondation Herbert.
- Other offices as Director as natural person in the past 5 years and professional career: Managing Director of GIB Immo, Managing Director of Redevco.

10. Ms. Adeline Simont

Director

Belgian – 16.01.1960

36, Ancien Dieweg – 1180 Brussels

- Beginning of 1st office as Director: 14 November 2005
- Term of office: October 2017
- Other offices as Director or current positions: Managing Director of Degroof Corporate Finance SA – Director of Société Civile des Galeries Royales Saint Hubert, Andel SA (Group Martin's Hotels), Collines de Wavre SA, Axxes Certificates SA, Bassem Certificates SA, Atlantic Certificates SA, Picardie Invest NV, Stockel Residence Certificates SA, Stockel Residence Investment SA.
- Offices as Director in the past 5 years and professional career: Director of Compagnie financière de l'Industrie, Société Civile Anonyme des Galeries Royales Saint Hubert, Bon Pasteur SA and Degroof Social Immo SA – Several positions within Banque Degroof SA in the Corporate Finance & Investment Banking department and in the Credit department.

Offices that ended during the 2014/2015 financial year

The Board of Directors once again expresses its appreciation to its outgoing Directors - Mr. Jean-Louis Duplat (Chairman, who reached the end of his third term as independent Director on 24 October 2014 and thus, in accordance with the provisions of Article 526ter of the Belgian Companies Code, lost the status of independent Director, which he held since the creation of Aedifica), Mr. Jacques Blanpain (permanent representative of Services et Promotion de Lasne SA) and Ms. Galila Barzilai Hollander - for their significant contribution to Aedifica's development since the Company was established in 2005.

Mr. Jean-Louis Duplat

Former Chairman - Independent Director

Belgian - 30.05.1937

32, avenue des Erables - 1640 Rhode-Saint-Genèse

— Beginning of 1st office as Director: 14 November 2005

— Term of office: October 2014

— Other offices as Director or current positions: Chairman of the Board of Directors of Portolani NV – Chairman of the Fondation d'intérêt public Child Focus – Member of "Proxy-voting committee" CANDRIAM SA – Chairman of la société de droit luxembourgeoise SA Portolani – Director of IPG International SA.

— Offices as Director in the past 5 years and professional career : Member of the "Strategic Committee" of the Dutch-Belgian group Bencis - Director of Omega-Pharma SA - Director of Brantano – Honorary Chairman of the Commission Bancaire et Financière and of the Tribunal de Commerce de Brussels – Director of the fondation d'utilité publique Fondation Hypocrate CHIREC.

Ms. Galila Barzilai Hollander

Former Director representing the shareholders

Belgian and Israeli - 13.01.1949

65A, chemin de Bas Ransbeck - 1380 Ohain

— Beginning of 1st office as Director: 14 November 2005

— Term of office: October 2014

— Other offices as Director or current positions: Director of Hôtel Siru SA, Mat-LMB SA, Monlogis SA and Association-Révolution SA – Manager of E.I.C.C. SPRL and L'Héritage SPRL.

— Offices as director in the past 5 years and professional career: /

Services et Promotion de Lasne SA represented by Mr. Jacques Blanpain

Former Director representing the shareholders

R.P.M. 0427.291.631

30, Clé des Champs - 1380 Lasne

— Beginning of 1st office as Director: 14 November 2005

— Term of office: October 2014

— Other offices as director or current positions of the Company: /

— Offices as director of the Company in the past 5 years: /

— Other offices as Director or current positions as natural person: Managing Director of Services et Promotion de Lasne, Managing Director of Chrono Euro Diffusion SA.

— Other offices as Director as natural person in the past 5 years and professional career: Director of Chrono Euro Diffusion SA, Longchamp Libertas SA, Le Manoir SA, Olphi SA, Emmabe SA, Bertimo SA, Services et Promotion de la Vallée SA.

The Board of Directors is saddened by the loss of Mr. Jacques Blanpain on 2 June 2015. Mr. Jacques Blanpain was a member of the Board of Directors from 2005 (the year in which Aedifica was created) until 2014.

4.2 Members expiring at the Annual General Meeting

The terms of Mr. Stefaan Gielens, of Serdiser SCA represented by Mr. Pierre Iserbyt and of Re-Invest SA represented by Ms. Brigitte Gouder de Beauregard as members of the Board of Directors will expire at the upcoming Annual General Meeting of 23 October 2015.

Serdiser SCA and Re-Invest SA, independent Directors since Aedifica was created, reached the end of the second renewal of their term as independent directors and, in accordance with the provisions of Article 526ter of the Belgian Companies Code, lose their status of independent Directors on 23 October 2015.

Moreover, Ms. Hilde Laga has asked to be discharged of its Office as Director with effect the Annual General Meeting that will be held on 23 October 2015.

At the Annual General Meeting, the following will be proposed:

- to renew the office of Mr. Stefaan Gielens;
- to elect Mr. Serge Wibaut as non-executive independent Director;
- to elect Ms. Katrien Kesteloot as non-executive independent Director;
- to elect Ms. Elisabeth May-Roberti as non-executive independent Director.

In case of election and after approval by the market authority (FSMA), they will act as director for a new term ending in October 2019 (subject to the approval by the Extraordinary General Meeting of 23 October 2015 on the extension of the maximum duration of the offices – see above).

4.3 Activity report of the Board of Directors

During the 2014/2015 financial year, the Board of Directors met 15 times and covered the following items:

- Operating and financial reporting;
- Communication policy;
- Investment policy;
- Financing policy by debt and equity and namely public offering of new shares in the context of a capital increase in cash with priority allocation right;
- Analysis and approval of investment cases;
- Internal organisation of the Company and namely establishment of a Management Committee;
- Organisation of the general meetings of shareholders;
- Reporting from the committees;
- Composition of the Board of Directors and of the Management Committee;

- Review and approval of the trading updates and of the Annual and Half-Year Financial Reports;
- Review and approval of the yearly budget, the long-term financial plan and the short-term outlook;
- Review and approval of the special reports issued by the Board of Directors in relation to mergers and contributions in kind;
- Completion of these mergers and contributions-in-kind;
- Adoption of the Regulated Real Estate Company (RREC) status, replacing the “sicafi/vastgoedbevak” status.

4.4 Committees of the Board of Directors

The Board of Directors has established three specialised committees: the Audit Committee, the Nomination and Remuneration Committee and the Investment Committee. They are meant to assist and provide guidance to the Board in their respective domains. The committees have no decision power and are hence consultative bodies only. They report to the Board of Directors, which takes the decisions.

4.4.1 Audit Committee

Legally speaking, there is no obligation for Aedifica to set up an Audit Committee, since the tasks devoted by law to the Audit Committee¹ could alternatively be carried out by the Board of Directors. Nonetheless, the Board decided several years ago to establish an Audit Committee to act as an advisory body reporting to the Board of Directors.

The 2009 Code recommends that the majority of the members of the Audit Committee are independent directors, which is the case since the 24 October 2014 Annual General Meeting.

The current composition of the Audit Committee, as well as the tasks entrusted to it, meet the criteria set out in the Belgian Act of 17 December 2008 on Audit Committees of listed companies. All members of the Audit Committee hold the qualifications required by law. The independent directors meet the criteria of Article 526ter of the Belgian Companies Code and Appendix A of the 2009 Code.

As of 30 June 2015, the Audit Committee consists of 3 Directors, including 2 independent directors, namely:

- Re-Invest SA, represented by
Ms. Brigitte Gouder de Beauregard
Chairman of the Committee
Independent Director
- Ms. Adeline Simont
Director
- Ms. Hilde Laga

Independent Director

During the 2014/2015 financial year, the audit committee met 4 times. The statutory auditor attended committee meetings on 1 occasion.

In the context of its mission (i.e. to ensure the accuracy and fair presentation of the annual and semi-annual reports, the quality of internal and external reporting, and the quality of the published information), the Audit Committee covered the following items:

- Quarterly reviews of the accounts, press releases and financial reports;
- Review of internal management procedures;
- Monitoring of changes in standards and regulations.

4.4.2 Nomination and Remuneration Committee

Legally speaking, there is no obligation for Aedifica to set up a Nomination and Remuneration Committee, since the tasks devoted by law to the Nomination and Remuneration Committee could alternatively be carried out by the Board of Directors. Nonetheless, the Board decided several years ago to establish a Nomination and Remuneration Committee. The current composition of the Nomination and Remuneration Committee, and as well as the tasks entrusted to it, meet the criteria set out in the Belgian Act of 6 April 2010 inserting Article 526quater in the Belgian Companies Code. The Nomination and Remuneration Committee is made up of a majority of independent directors, as defined by Article 526ter of the Belgian Companies Code, who are sufficiently qualified with regard remuneration policy.

As of 30 June 2015, the Nomination and Remuneration Committee consists of 3 Directors, namely:

- Serdiser SCA, represented by
Mr. Pierre Iserbyt
Chairman of the Committee
Independent Director
- Re-Invest SA, represented by
Ms. Brigitte Gouder de Beauregard
Independent Director
- Ms. Adeline Simont
Director

During the 2014/2015 financial year, the Committee met 6 times, to cover the following items:

- Composition of the Board of Directors;
- Assessment of the Executive Managers and of the variable remuneration for the financial year ended 30 June 2014;
- Preparation of the remuneration report as of 30 June 2014;
- Organisation of the Company.

4.4.3 Investment Committee

As of 30 June 2015, the Investment Committee consists of the Executive Managers and of 4 other directors, all independent, namely:

- Serdiser SCA represented by
Mr. Pierre Iserbyt
Chairman of the Committee
Independent Director
- Re-Invest SA, represented by
Ms. Brigitte Gouder de Beauregard
Independent Director
- Ms. Sophie Maes
Independent Director
- Mr. Jean Franken
Independent Director
- Mr. Stefaan Gielens
CEO
- Mr. Jean Kotarakos
CFO

During the 2014/2015 financial year, the Investment Committee met 6 times to assess investment opportunities. Many cases were analysed. In addition, a number of communications were organised (by phone or by electronic means) when formal meetings were deemed unnecessary.

1. The law provides an exception for the companies which meet at least 2 of the following 3 criteria (on a consolidated basis): (i) average personnel below 250 people; (ii) total balance sheet value equal to or lower than €43 million; (iii) turnover equal to or lower than €50 million.

4.5 Attendance of the directors and remuneration of the non-executive directors

Attendance at the Board of Directors and the committees and the related remuneration

Nom	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Investment Committee	Remuneration of the office (€)	Attendance fees (€)
Jean-Louis Duplat	3/6	1/1	-	-	4,322	3,350
Jean Franken	14/15	-	-	6/6	11,330	16,700
Stefaan Gielens	15/15	-	-	6/6	-	-
Eric Hohl	9/9	-	-	-	7,729	7,650
Galila Barzilai Hollander	2/6	-	-	-	3,601	1,700
Jean Kotarakos	15/15	-	-	6/6	-	-
Hilde Laga	8/9	1/3	-	-	7,729	7,600
Olivier Lippens	13/15	1/1	-	2/2	12,879	13,450
Sophie Maes	10/15	-	-	5/6	11,330	12,500
RE-Invest represented by Brigitte Gouder de Beauregard	8/15	3/4	6/6	5/6	11,330	18,000
Serdiser SCA represented by Pierre Iserbyt	13/15	-	6/6	6/6	11,330	20,650
Services et Promotion de Lasne represented by Jacques Blanpain	0/6	-	-	0/2	3,601	0
Adeline Simont	12/15	4/4	5/6	-	11,330	17,400
Total	-	-	-	-	96,511	119,000

Board of Directors (from left to right)

First row: Adeline Simont, Brigitte Gouder de Beauregard, Sophie Maes and Hilde Laga

Second row: Pierre Iserbyt, Eric Hohl, Stefaan Gielens, Olivier Lippens, Jean Kotarakos and Jean Franken



4.6 Management Committee and Executive Managers

4.6.1 Composition

The Board of Directors decided to set up a Management Committee as defined by Article 524bis of the Belgian Companies Code, effective 12 May 2015. The Management Committee consists of the following persons, who are all Executive Managers in accordance with the Belgian Act of 12 May 2014:

Name	Function
Stefaan Gielens	Chief Executive Officer (CEO)
Jean Kotarakos	Chief Financial Officer (CFO)
Laurence Gacoin	Chief Operating Officer (COO)
Sarah Everaert	Chief Legal Officer (CLO) / Secretary-General

Mr. Stefaan Gielens and Mr. Jean Kotarakos were already Executive Managers of the Company before the establishment of the Management Committee. Moreover, they are Executive Directors (see above).

Ms. Laurence Gacoin has performed the duties of Chief Operating Officer within the Company since 1 January 2015 and is also a member of the Management Committee as Executive Manager since 12 May 2015. Her office is of indefinite duration.



Management Committee (From left to right)

Stefaan Gielens, Sarah Everaert, Laurence Gacoin and Jean Kotarakos

Ms. Sarah Everaert performs the duties of Chief Legal Officer/Secretary-General since 12 May 2015 and in that capacity she is member of the Management Committee as Executive Manager. She is also the Company's Compliance Officer. Previously, she performed the duties of Legal Counsel within Aedifica for more than 5 years. Her office is of indefinite duration.

The division of tasks between the Management Committee and the Board of Directors, along with other aspects of the Management Committee's functioning is available in the Company's Corporate Governance Charter (version of 11 May 2015), published on its website (www.aedifica.be).

Ms. Laurence Gacoin
Executive Manager – Chief Operating Officer
French – 26.01.1977

331-333, avenue Louise - 1050 Brussels
– Other offices as Director or current positions: Director and Manager of NOVA Laga SPRL.
– Offices as Director in the past 5 years and professional career: Chairman of FPR Leuze SA – Director of FIDES Capman SPRL and APERIO SA – Managing partner of FIDES Capital Group – Head of Development of Cofinimmo SA – Area & Development Manager of Cofinimmo SA.

Ms. Sarah Everaert
Executive Manager – Chief Legal Officer / Secretary-General
Belgian – 14.06.1977

331-333, avenue Louise - 1050 Brussels
– Other offices as Director or current positions: /
– Offices as Director in the past 5 years and professional career: Legal Counsel of Aedifica SA – Real estate and administrative lawyer and secretary ad interim of LRM SA – Member of the Brussels Bar.

4.6.2 Remuneration

Please refer to the Remuneration Report presented in section 8 below.

5. Preventing conflicts of interest

5.1 Conflicts of interest

The directors, the persons in charge of daily management and any other corporate officers cannot act as counterparties in transactions with the Company or entities controlled by the Company. They cannot earn any benefit from transactions carried out with the Company, except when the transaction is undertaken in the best interest of the Company, in accordance with the Company's investment policy, and in line with market practice. The Company must inform the market authority (FSMA) in advance of any such transaction.

These transactions are immediately disclosed in a press release and in the annual and half year financial reports.

The market authority need not be informed of the transactions listed in Article 38 of the Belgian Act of 12 May 2014 on Regulated Real Estate Companies. Articles 523 and 524 of the Belgian Companies Code are always applicable, as is Article 37 of the abovementioned Belgian Act.

No conflict of interest on real estate transactions occurred during the course of the 2014/2015 financial year. The only occurrence of conflict of interest was the Executive Managers' remuneration, as detailed in section 12 of the Consolidated Board of Directors' Report included in this Annual Financial Report.

5.2 Compliance Officer

The independent compliance function is carried out in accordance with Article 17 of the Belgian Act of 12 May 2014 on Regulated Real Estate Companies (see above) and with Appendix B of the 2009 Code. Ms. Sarah Everaert, CLO, acts as the Company's Compliance Officer. In this regard, she must ensure that the Deal Code is properly applied and that any insider trading is properly reported, in order to reduce the risk of abuse of insider trading.

5.2.1 Monitoring of the transactions carried out on Aedifica shares

The compliance officer updates the list of persons having access to privileged information. He ensures that the persons on this list are aware of what this implies.

Furthermore, he oversees of the definition of closed periods by the Board of Directors. During these periods, trading of Aedifica shares is prohibited for the Company leaders, for the persons listed and for their relatives. The

closed periods are as follows:

- (a) starting on the first day of a new financial year and on the first day of the second half of the financial year, ending when the annual and half-year press releases are published;
- (b) starting one month before the press release related to the first and third quarters of the financial year, and ending when the quarterly press releases are published;
- (c) when privileged information is known.

5.2.2 Limits to insider dealings

Leaders who contemplate any transaction on equity instruments or derivative instruments linked to Aedifica must give notice to the Compliance Officer at least 48 hours in advance (by fax or e-mail). The Compliance Officer, who contemplates any transaction on equity instruments or derivatives instruments linked to the Company, must give notice to the Chairman of the Board of Directors at least 48 hours in advance (by fax or e-mail). The leaders must then confirm completion of the transaction within 5 working days.

The leaders must notify the FSMA of transactions realised on their account in relation to shares of the Company. Notification must be given within 5 working days following the completion of the transactions.

6. Assessment process

Under the scrutiny of the Chairman, the Board of Directors regularly performs a self-assessment of its size, composition, way of functioning (as well as those of the committees), and interaction with the Executive Managers. This should be done at least every 2 to 3 years.

This assessment aims to perform 4 tasks:

- review the way the Board and its committees operate;
- check whether the most important topics are well prepared and deeply debated;
- determine the effective input of each director, and his/ her attendance record and commitment during discussions and the discussion process;
- check whether the composition of the Board and its committees remains adequate.

In this respect, the Board of Directors is supported by the Nomination and Remuneration Committee, and, if needed, by external experts.

The non-executive directors regularly review their own interaction with the Executive Managers. To this end, they meet at least once per year in the absence of the CEO and of any other executive director.

A regular review of the input of each director is organised in order to adapt the composition of the Board as needed and take into account any changes in circumstances. When the re-election of a director is approaching, the input and effectiveness of the director is reviewed based on a transparent and well defined procedure.

The Board of Directors ensures that adequate succession planning is in place. It monitors the balance of skills and experience in the Board (for both executive and non-executive directors).

7. Rights to acquire shares

The "long-term incentive plan" granted to the CEO and the CFO (as announced in the 2008/2009 Annual Financial Report for subsequent financial years) was approved at the 24 October 2014 Annual General Meeting of the Shareholders. Within this plan, the CEO and the CFO have the right to definitively purchase Aedifica shares, thanks to a gross payment of €80,000 in favour of the CEO and CFO. The net payment of €37,125.00 (after deduction of personal withholding taxes) was used by them to acquire 810 shares each at a unit price of €45.8333 (being the last known closing share price multiplied by a factor amounting to 100/120th), in accordance with comment 36/16 of the Belgian Income Tax Code). The CEO and the CFO irrevocably committed to hold these shares for a period of

2 years. The shares sold by Aedifica were part of the treasury shares held by the Company that were acquired on the stock exchange.

For the upcoming financial year, the Board of Directors will once again propose to the shareholders to approve a "long-term incentive plan" for the CEO and the CFO under the same form previously used, with a gross value of €90,000 for each Executive Managers, in accordance with principle 7.13 of the 2009 Code and with Article 14 of the Belgian Act of 6 April 2010.

8. Remuneration report

The Remuneration Report is provided in accordance with the 2009 Code and with the Belgian Act of 6 April 2010; it has been applicable to Aedifica since the beginning of the 2010/2011 financial year.

8.1 Internal procedures

During the 2014/2015 financial year, the remuneration policy for non-executive directors and Executive Managers were set out as follows:

- **Non-executive directors:** the continuity principle has been applied (as regards the composition of the remuneration).
- **Executive Managers:**
 - the Management agreements signed with the CEO and the CFO in 2006 and 2007, respectively, have been honoured. The foreseen contractual indexation is applicable. Additional agreements were signed on 2 September 2011, 3 September 2012, 2 September 2013, 25 August 2014 and 2 September 2015 with the CEO and CFO in order to clearly define criteria for the variable remuneration (see section 8.2 below), in accordance with Article 13 of the Act of 6 April 2010, which came into force for Aedifica on 1 July 2011.
 - As of 7 November 2014, a management agreement was signed with the COO to enable her to take up her position on 1 January 2015.
 - As of 29 May 2015, a management agreement was signed with the CLO concerning her nomination in the Management Committee.

During the same period, the actual remuneration of the non-executive directors and Executive Managers was determined as follows:

- **Non-executive directors:** in accordance with the decisions taken by the shareholder-

ers during the Annual General Meeting of 11 October 2011, the actual remuneration of the non-executive directors amounted to: a fixed remuneration of €13,600 excl. VAT for the Chairman and of €11,330 excl. VAT for the other non-executive directors, and attendance fees of €850 excl. VAT for each meeting of the Board or of €800 excl. VAT for each committee meeting. For the 2014/2015 financial year, the Board of Directors will collectively receive €215,511.

- **Executive Managers:** the actual level of remuneration was determined based on the Executive Managers' agreements signed in 2006 (CEO) and 2007 (CFO), and on the additional abovementioned agreements, in accordance with the criteria for the variable remuneration set out in section 12 of the Consolidated Board of Directors' Report. These remuneration packages were reviewed in 2009 and 2011 by specialised consultants. For the COO and the CLO, the recently signed Management Agreements were observed. These have not yet led to any variable remuneration being awarded.

8.2 Executive Managers' remuneration

The remuneration package of the Executive Managers consists of: fixed remuneration (arising from the Management Agreements), variable remuneration (for which no claw-back in favour of the Company is applicable), post-retirement benefits (defined contribution plan and associated benefits), and other components (medical insurance, benefits-in-kind linked to the usage of a company car). Moreover, in the case of the CEO and the CFO, the fixed remuneration also consists of amounts resulting from the long-term incentive plan. The amounts are shown in the adjoining table.

The Executive Managers carry out their office as director of Aedifica and its subsidiaries for free. They are not remunerated by Aedifica's subsidiaries.

The gross variable remuneration of the Executive Managers was determined as follows:

- The variable remuneration for the 2014/2015 financial year is a (gross) amount which does not exceed a certain percentage of the annual remuneration excluding sundry benefits and post-retirement benefits (CEO and CFO: 50 %, COO and CLO: 30 % prorata temporis). The effective amount was deter-

mined by the Board of Directors, based on quantitative and qualitative criteria listed in the 2013/2014 Annual Financial Report as well as in the aforementioned additional agreements signed on 25 August 2014 for the CEO and the CFO. They are determined in the recent Management Agreements for the COO and the CLO. Recall that the variable remuneration can only be paid if the actual profit excl. IAS 39 and IAS 40 per share is at least 85 % of the budgeted amount. The criteria (and their weight) were as follows: consolidated profit excl. IAS 39 and IAS 40 per share (25 %), growth of the consolidated property portfolio (including the internationalisation of the Group's activities) (30 %), consolidated operating margin (25 %) and management of the Group's teams (20 %). The Board of Directors concluded on 2 September 2015 that the Executive Managers met the objectives and decided to grant as variable remuneration €166,000 to the CEO, €125,000 to the CFO, €30,000 to the COO and €3,750 to the CLO.

- In respect of the 2015/2016 financial year, the maximum variable remuneration will not exceed a certain percentage of the annual remuneration excluding sundry benefits and post-retirement benefits (CEO and CFO: 50 %; COO and CLO: 40 %). The variable remuneration can only be paid if the actual profit excl. IAS 39 and IAS 40 per share is at least 85% of the budgeted amount. The effective amount will be determined by the Board of Directors based on consolidated quantitative and qualitative criteria: consolidated profit excl. IAS 39 and IAS 40 per share (25 %), growth of the consolidated property portfolio (including the internationalisation of the Group's activities) (25 %), consolidated operating margin (25 %) and management of the Group's teams (25 %).
- In respect of the 2016/2017 financial year, the maximum variable remuneration will be kept to 50% of the annual remuneration excluding sundry benefits and post-retirement benefits, based on quantitative and qualitative criteria that will be set in a future stage.

The Nomination and Remuneration Committee has established a "long-term incentive plan" for the CEO and the CFO (see section 7 above).

Total remuneration for the year 2014/2015 (in €)

	Stefaan Gielens - CEO	Others ¹	Total
Fixed remuneration (management agreements)	351,313	365,282	716,595
Fixed remuneration ("long term incentive plan")	80,000	80,000	160,000
Variable remuneration	166,000	158,750	324,750
Pension scheme	55,388	49,542	104,930
Insurance premiums	5,766	6,394	12,160
Benefits in kind	7,091	8,843	15,934
Total	665,558	668,811	1,334,369

1. CFO for 12 months; COO and CLO prorata temporis.

For information purposes, note that the ratio between the total remuneration of the CEO for 2014/2015 and the average remuneration of personnel amounts to 9 times.

Each Executive Manager benefits from a company car as from the time of entering the Company. In 2014/2015, the cost to the Company (rental charge and petrol) was €20,000 excl. VAT for the CEO and a combined total (prorate temporis) of €22,000 excl. VAT for the three other Executive Managers. Each Executive Manager also uses a Company PC and mobile phone. Moreover, the Company reimburses the Executive Managers' actual professional expenses, and grants the CEO and the CFO a fixed allowance for representation expenses of €300 per month (as from 1 July 2008).

During the 2015/2016 financial year, Executive Managers' remunerations will be indexed, as specified in the Management Agreements.

The Management Agreements signed with the Executive Managers may be terminated in the following circumstances:

- If Aedifica gives a 12-month notice;
- Immediately in case of serious misconduct (notice must be sent by registered mail);
- Immediately in case of withdrawal by the market authority (FSMA) of their approval of the hiring of the Executive Manager;
- Immediately if the Executive Manager does not act as Executive Manager during a period of 3 months, except in case of illness or accident;

- Immediately if the Executive Manager cannot act as Executive Manager during a period of 6 months, in case of illness or accident.

The Management Agreements provide for specific events of termination in the event of a change in control of the Company, as disclosed in section 15.10 of the Consolidated Board of Directors' Report.

The only case in which an indemnity granted to an Executive Manager could exceed 12 months of remuneration is in the event of a change in control of the Company; in this case, the CEO is eligible to obtain 18 months' remuneration. The Nomination and Remuneration Committee highlights the fact that this clause is included in the Management Agreement signed with the CEO in 2006 and that it is consistent with market practice. The approval of the shareholders is not required, as specified in Article 9 of the Belgian Act of 6 April 2010.

8.3 Remuneration of the Board of Directors

The Board of Directors expects to keep its remuneration policy unchanged for the non-executive directors. This policy is described in section 8.1 above.

FINANCIAL STATEMENTS¹

1. The annual financial reports, the Board of Directors' reports and the statutory auditor's reports related to financial years 2011/2012, 2012/2013 and 2013/2014, and the experts' reports, interim statements and semi-annual reports (including the statutory auditor's reports) are available on the website of the Company (www.aedifica.be) or on request at the headquarters of the Company.



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1. Consolidated Financial Statements

1.1 Consolidated Income Statement

Year ending on 30 June (x €1,000)		Notes	2015	2014
I.	Rental income	4	49,903	40,675
II.	Writeback of lease payments sold and discounted		0	0
III.	Rental-related charges	5	-50	-62
Net rental income			49,853	40,613
IV.	Recovery of property charges	6	32	36
V.	Recovery of rental charges and taxes normally paid by tenants on let properties	7	1,811	1,096
VI.	Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	8	0	0
VII.	Rental charges and taxes normally paid by tenants on let properties	9	-1,811	-1,096
VIII.	Other rental-related income and charges	10	-1,563	-1,510
Property result			48,322	39,139
IX.	Technical costs	11	-1,071	-933
X.	Commercial costs	12	-492	-549
XI.	Charges and taxes on unlet properties	13	-131	-162
XII.	Property management costs	14	-892	-717
XIII.	Other property charges	15	-1,588	-1,187
Property charges			-4,174	-3,548
Property operating result			44,148	35,591
XIV.	Overheads	16	-5,355	-4,202
XV.	Other operating income and charges	17	229	32
Operating result before result on portfolio			39,022	31,421
XVI.	Gains and losses on disposals of investment properties	18	428	0
XVII.	Gains and losses on disposals of other non-financial assets	19	0	0
XVIII.	Changes in fair value of investment properties	20	19,259	3,816
Operating result			58,709	35,237
XX.	Financial income	21	478	894
XXI.	Net interest charges	22	-12,833	-11,128
XXII.	Other financial charges	23	-792	-731
XXIII.	Changes in fair value of financial assets and liabilities	47	374	-2,990
Net finance costs			-12,773	-13,955
XXIV.	Share in the profit or loss of associates and joint ventures accounted for using the equity method		0	0
Profit before tax (loss)			45,936	21,282
XXV.	Corporate tax	24	-771	103
XXVI.	Exit tax	25	0	0
Tax expense			-771	103
Profit (loss)			45,165	21,385
Attributable to:				
Non-controlling interests			0	0
Owners of the parent			45,165	21,385
Basic earnings per share (€)			4.24	2.16
Diluted earnings per share (€)			4.24	2.16

1.2 Consolidated Statement of Comprehensive Income

Year ending on 30 June (x €1,000)	2015	2014
I. Profit (loss)	45,165	21,385
II. Other comprehensive income recyclable under the income statement		
A. Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-7,432	-3,736
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	-181	-2,710
H. Other comprehensive income, net of taxes	0	0
Comprehensive income	37,552	14,939
Attributable to:		
Non-controlling interests	0	0
Owners of the parent	37,552	14,939

1.3 Consolidated Balance Sheet

ASSETS	Notes	2015	2014
Year ending on 30 June (x €1,000)			
I. Non-current assets			
A. Goodwill	27	1,856	1,856
B. Intangible assets	28	102	21
C. Investment properties	29	1,003,358	784,980
D. Other tangible assets	31	1,834	1,911
E. Non-current financial assets	32	1,397	461
F. Finance lease receivables		0	0
G. Trade receivables and other non-current assets		0	0
H. Deferred tax assets	54	110	244
I. Equity-accounted investments		0	0
Total non-current assets		1,008,657	789,473
II. Current assets			
A. Assets classified as held for sale	29	1,805	0
B. Current financial assets		0	0
C. Finance lease receivables		0	0
D. Trade receivables and other non-current assets	34	4,352	2,938
E. Tax receivables and other current assets	35	962	495
F. Cash and cash equivalents	36	3,598	1,156
G. Deferred charges and accrued income	37	910	661
Total current assets		11,627	5,250
TOTAL ASSETS		1,020,284	794,723

EQUITY AND LIABILITIES	Notes	2015	2014
Year ending on 30 June (x €1,000)			
EQUITY	38		
I. Issued capital and reserves attributable to owners of the parent			
A. Capital		360,633	264,231
B. Share premium account		151,388	64,729
C. Reserves		41,084	46,730
a. Legal reserve		0	0
b. Reserve for the balance of changes in fair value of investment properties		95,679	91,863
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties		-25,015	-17,582
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS		-19,667	-19,484
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS		-18,717	-15,729
h. Reserve for treasury shares		0	-56
k. Reserve for deferred taxes on investment properties located abroad		244	0
m. Other reserves		0	0
n. Result brought forward from previous years		8,560	7,718
D. Profit (loss) of the year		45,165	21,385
Equity attributable to owners of the parent		598,270	397,075
II. Non-controlling interests		0	0
TOTAL EQUITY		598,270	397,075
LIABILITIES			
I. Non-current liabilities			
A. Provisions	39	0	0
B. Non-current financial debts			
a. Borrowings	40	340,752	274,955
C. Other non-current financial liabilities	32	39,320	37,774
a. Authorised hedges		38,050	37,774
b. Other		1,270	0
D. Trade debts and other non-current debts		0	0
E. Other non-current liabilities		0	0
F. Deferred taxes liabilities	54	2,435	0
Non-current liabilities		382,507	312,729
II. Current liabilities			
A. Provisions	39	0	0
B. Current financial debts			
a. Borrowings	40	25,897	70,945
C. Other current financial liabilities		0	0
D. Trade debts and other current debts			
a. Exit tax	41	813	615
b. Other	41	8,484	10,305
E. Other current liabilities		0	0
F. Accrued charges and deferred income	42	4,313	3,054
Total current liabilities		39,507	84,919
TOTAL LIABILITIES		422,014	397,648
TOTAL EQUITY AND LIABILITIES		1,020,284	794,723

1.4 Consolidated Cash Flow Statement

Year ending on 30 June (x €1,000)	Notes	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss)		45,165	21,385
Non-controlling interests		0	0
Tax expense	24	771	-103
Amortisation and depreciation		670	599
Write-downs	5	33	43
Change in fair value of investment properties (+/-)	20	-19,259	-3,816
Gains and losses on disposals of investment properties	18	-428	0
Net finance costs		12,773	13,955
Changes in trade receivables (+/-)		-1,446	-467
Changes in tax receivables and other current assets (+/-)		-467	397
Changes in deferred charges and accrued income (+/-)		-250	-133
Changes in trade payables and other current debts (excl. exit tax) (+/-)		-2,100	2,773
Changes in accrued charges and deferred income (+/-)		1,253	212
Cash generated from operations		36,715	34,845
Taxes paid		-141	-70
Net cash from operating activities		36,574	34,775
CASH FLOW RESULTING FROM INVESTING ACTIVITIES			
Purchase of intangible assets		-96	-11
Purchase of real estate companies and marketable investment properties		-66,675	-49,714
Purchase of tangible assets		-577	-651
Purchase of development projects		-33,435	-36,727
Disposals of investment properties		15,943	0
Net changes in non-current receivables		49	46
Net investments in other assets		0	0
Net cash from investing activities		-84,791	-87,057
CASH FLOW FROM FINANCING ACTIVITIES			
Capital increase, net of costs *		149,158	0
Disposals of treasury shares		56	28
Dividend for previous fiscal year		-8,891	-16,211
Net changes in borrowings		20,749	98,444
Net changes in other loans		0	0
Net finance costs paid		-13,574	-10,802
Repayment of financial debts of acquired or merged companies		-36,258	-10,461
Repayment of working capital of acquired or merged companies		-60,581	-8,285
Net cash from financing activities		50,659	52,713
TOTAL CASH FLOW FOR THE PERIOD			
Total cash flow for the period		2,442	431
RECONCILIATION WITH BALANCE SHEET			
Cash and cash equivalents at beginning of period		1,156	725
Total cash flow for the period		2,442	431
Cash and cash equivalents at end of period	36	3,598	1,156

* Some types of capital increases (contributions in kind, partial demergers) do not result in any cash flow.

1.5 Consolidated Statement of Changes in Equity

Year ending on 30 June (x €1,000)	2013	Capital increase in cash	Capital increase in kind	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropriation of the result	Roundings	2014
Capital	248,072	0	16,159	0	0	0	0	264,231
Share premium account	64,730	0	0	0	0	0	-1	64,729
Reserves	41,686	0	0	28	-6,446	11,460	2	46,730
<i>a. Legal reserve</i>	0	0	0	0	0	0	0	0
<i>b. Reserve for the balance of changes in fair value of investment properties</i>	82,798	0	0	0	0	9,067	-2	91,863
<i>c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties</i>	-13,848	0	0	0	-3,736	0	2	-17,582
<i>d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS</i>	-16,637	0	0	0	-2,710	-137	0	-19,484
<i>e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS</i>	-17,467	0	0	0	0	1,737	1	-15,729
<i>h. Reserve for treasury shares</i>	-84	0	0	28	0	0	0	-56
<i>k. Reserve for deferred taxes on investment properties located abroad</i>	0	0	0	0	0	0	0	0
<i>m. Other reserves</i>	0	0	0	0	0	0	0	0
<i>n. Result brought forward from previous years</i>	6,924	0	0	0	0	793	1	7,718
Profit (loss)	27,671	0	0	0	21,385	-27,671	0	21,385
Equity attributable to owners of the parent	382,159	0	16,159	28	14,939	-16,211	1	397,075
Non-controlling interests	0	0	0	0	0	0	0	0
TOTAL EQUITY	382,159	0	16,159	28	14,939	-16,211	1	397,075

Year ending on 30 June (x €1,000)	2014	Capital increase in cash	Capital increase in kind	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropriation of the result	Roundings	2015
Capital	264,231	78,812	17,591	0	0	0	-1	360,633
Share premium account	64,729	70,580	16,079	0	0	0	0	151,388
Reserves	46,730	0	0	56	-7,613	1,912	-1	41,084
a. Legal reserve	0	0	0	0	0	0	0	0
b. Reserve for the balance of changes in fair value of investment properties	91,863	0	0	0	0	3,816	0	95,679
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-17,582	0	0	0	-7,432	0	-1	-25,015
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-19,484	0	0	0	-181	-1	-1	-19,667
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-15,729	0	0	0	0	-2,989	1	-18,717
h. Reserve for treasury shares	-56	0	0	56	0	0	0	0
k. Reserve for deferred taxes on investment properties located abroad	0	0	0	0	0	244	0	244
m. Other reserves	0	0	0	0	0	0	0	0
n. Result brought forward from previous years	7,718	0	0	0	0	842	0	8,560
Profit (loss)	21,385	0	0	0	45,165	-21,385	0	45,165
Equity attributable to owners of the parent	397,075	149,392	33,670	56	37,552	-19,473	-2	598,270
Non-controlling interests	0	0	0	0	0	0	0	0
TOTAL EQUITY	397,075	149,392	33,670	56	37,552	-19,473	-2	598,270

1.6 Notes to the Consolidated Financial Statements

Note 1: General information

Aedifica SA (referred to in the financial statements as “the Company”, “the Parent” or “the Group”) is a limited liability company having opted for public Regulated Real Estate Company (RREC) status under Belgian law. Its primary shareholders are listed in Note 38. The address of its registered office is the following:

Avenue Louise 331-333, B-1050 Brussels (telephone: +32 (0)2 626 07 70)

Aedifica aims to position itself as a market leader among listed Belgian residential real estate companies, in particular with regard to senior housing. Our objective is to create a balanced portfolio of residential buildings that generates recurring revenues and offers potential for capital gains. We aim to take advantage of two underlying demographic trends, namely population ageing in Western Europe and population growth in Belgium’s main cities.

To attain its objectives, Aedifica has identified two strategic pillars in which it will concentrate activities: senior housing in Western Europe and apartment buildings in Belgium’s main cities. The diversification sought by Aedifica centres on these two strategic pillars, which provide for easy adaptation of the Company’s policy in response to shifting market opportunities and economic conditions. The two strategic poles are concentrated in two main segments (senior housing and apartment buildings) with a residual non-strategic segment comprising hotels and other types of buildings.

The Company’s shares are listed on the Euronext Brussels (continuous market), as they have been since October 2006.

Publication of the Consolidated Financial Statements was approved by the Board of Directors on 2 September 2015. The Company’s shareholders have the power to amend the Consolidated Financial Statements after issue at the Annual General Meeting, to be held on 23 October 2015.

Note 2: Accounting policies

Note 2.1: Basis of preparation

The Consolidated Financial Statements cover the 12-month period ending 30 June 2015. They have been prepared in conformity with “International Financial Reporting Standards” (“IFRS”) and the interpretations of the “International Financial Reporting Interpretations Committee” (“IFRIC”), issued as of 30 June 2015 and approved by the European Union (“EU”).

These are fully in line with the standards and interpretations published by the “International Accounting Standards Board” (“IASB”) applicable as of 30 June 2015. Elements of IAS 39 that were rejected by the EU are not applicable for the Aedifica group. The Consolidated Financial Statements have also been prepared in accordance with the spirit and provisions of the Royal Decree of 13 July 2014 on Regulated Real Estate Companies.

The Consolidated Financial Statements are prepared in Euros, and presented in thousands of Euros.

The Consolidated Financial Statements have been prepared with application of the historical cost convention, except for the following assets and liabilities, which are measured at fair value: investment properties, investment properties held for sale, and financial assets and liabilities held for hedging or held for trading (mainly derivatives), put options granted to non-controlling shareholders.

The Consolidated Financial Statements have been prepared in accordance with accrual accounting principles on a going concern basis.

The preparation of the Consolidated Financial Statements in conformity with IFRS requires significant judgment in the application of accounting policies (including the classification of lease contracts, identification of business combinations, and calculation of deferred taxes) and the use of certain accounting estimates (such as impairment tests involving goodwill). Underlying assumptions are based on prior experience, input from third parties (notably real estate experts), and on other relevant factors. Actual results may vary on the basis of these estimations. Consequently, the assumptions and estimates are regularly revisited and modified as necessary.

A summary of significant accounting policies is provided in Note 2.2. The new and amended standards and interpretations listed below are obligatory and have been applied by the Group since 1 July 2014 and have no impact on the Consolidated Financial Statements presented for the 2014/2015 financial year:

- IFRS 12 (new) – Disclosure of Interests in Other Entities;
- IFRS 11 (new) – Joint Arrangements;
- IFRS 10 (new) – Consolidated Financial Statements;
- IAS 27 (amended) – Separate Financial Statements;
- IAS 28 (amended) – Investments in Associates and Joint Ventures;
- IAS 32 (amended) – Presentation – Offsetting Financial Assets and Financial Liabilities;
- IFRS 10, IFRS 11 and IFRS 12 (amended) – Transition Guidance;
- IFRS 10, IFRS 12 and IAS 27 (amended) – Investment Entities;
- IAS 36 (amended) – Recoverable Amount Disclosures for Non-Financial Assets;
- IAS 39 (amended) – Novation of Derivatives and Continuation of Hedge Accounting;
- Annual Improvements to IFRS 2011-2013 Cycle issued in December 2013;
- Annual Improvements to IFRS 2010-2012 Cycle issued in December 2013;
- IAS 19 (amended) – Defined Benefit Plans: Employee Contributions.

The new IFRIC 21 interpretation “Levies” which entered into force for the Group on 1 July 2014 had an effect in the income statement during the period through recognition of a net non-recurrent charge of €0.4 million (additional charge of €0.2 million under line “VII. Rental charges and taxes normally paid by tenants on let properties”, additional income of €0.2 million under line “V. Recovery of rental charges and taxes normally paid by tenants on let properties”, additional charge of €0.4 million under line “XIII. Other property charges”). This is the result of the recognition of property taxes which were previously spread over time (i.e. taken pro rata temporis over the financial year) and which are now recognised at once for the full calendar year. Since the Company’s financial year straddles two calendar years, the 2014/2015 income statement exceptionally includes the net effect of 18 months property taxes (6 months for the 2014 calendar year and 12 months for 2015 calendar year).

Several new standards, as well as amendments and interpretations related to existing standards have been issued and will become mandatory for application in financial years beginning on or after 1 July 2015. These changes, which the Aedifica group has not adopted anticipatively, include the following (as of 30 June 2015):

- IFRS 9 (new) – Financial Instruments (effective 1 July 2018, pending EU approval);
- IFRS 11 (amended) – Accounting for Acquisitions of Interests in Joint Operations (effective 1 July 2016, pending EU approval);
- IAS 16 and IAS 38 (amended) – Clarification of Acceptable Methods of Depreciation and Amortisation (effective 1 July 2016, pending EU approval);
- IAS 16 et IAS 41 (amended) – Bearer Plants (effective 1 July 2016, pending EU approval);
- IFRS 14 (new) – Regulatory Deferral Accounts (effective 1 July 2016, pending EU approval);
- IFRS 15 (new) – Revenue from Contracts with Customers (effective 1 July 2018, pending EU approval);
- IAS 27 (amended) – Separate Financial Statements (effective 1 July 2016, pending EU approval);
- Annual Improvements to IFRS 2012-2014 Cycle issued in September 2014 (effective 1 July 2016, pending EU approval);
- IFRS 1 (amended) – Disclosure Initiative (effective 1 July 2016, pending EU approval);
- IFRS 10, IFRS 12 and IFRS 28 (amended) – Investment Entities: Applying the Consolidation Exception (effective 1 July 2016, pending EU approval).

The Group is currently evaluating the impacts of the above-listed changes.

Note 2.2: Summary of significant accounting policies

The main significant accounting policies applied during the preparation of the Consolidated Financial Statements are presented below. These methods were applied consistently to all previous financial years.

The numbering of the paragraphs below refers to the lines presented on the balance sheet and income statement.

Consolidation principles – Subsidiaries

All entities for which Aedifica directly or indirectly holds more than half of the voting rights or has the power to control operations are considered subsidiaries and included in the scope of consolidation. In accordance with IAS 27, subsidiaries are fully consolidated as from the date on which control is transferred to the Group; they are de-consolidated as from the date that control ceases. All intercompany transactions, balances, and unrealised gains and losses on transactions between the Group’s companies are eliminated.

I.A. Goodwill

Business combinations are recognized using the purchase method in accordance with IFRS 3. The excess of the acquisition cost over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition is recognized as goodwill (an asset). In the event that this value is negative, it is recognized immediately in profit. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

I.B. Intangible Assets

Intangible assets are capitalised as assets at their acquisition cost and are amortised using the straight-line method at annual rates between 25 % and 30 %.

I.C. Investment Properties

1. Initial recognition

1.1. Acquisition value

If the acquisition of a building takes place by cash payment, through the acquisition of shares of a real estate company, through the non-monetary contribution of a building against the issuance of new shares, by merger through takeover of a property, or by a partial de-merger, the deed costs, audit and consultancy costs, reinvestment bank fees, costs of lifting security on the financing of the absorbed company, and other costs relating to the merger are also considered part of the acquisition cost and capitalised in the asset accounts on the balance sheet.

1.2. Fair value

Properties in the Group's portfolio or which enter into its portfolio, either with payment in cash or in kind, are valued by independent experts at their fair value.

The fair value of investment properties located in Belgium is calculated as follows:

- Buildings with an investment value greater than €2.5 million: Fair value = investment value / (1+ the average transaction cost defined by BEAMA);
- Buildings with an investment value less than €2.5 million:
 - 1) Where the expert considers that the building can be divided and sold in separate units (notably individual apartments), the fair value is defined as the lower of the separated investment value / (1 + % transfer tax levied in the region where the building is located) and the investment value / (1+ the average transaction cost defined by BEAMA);
 - 2) Where the expert considers that the building cannot be divided and sold in separate units, the fair value is the investment value / (1 + % transfer tax levied in the region where the building is located).

The average transaction cost defined by BEAMA is revised annually and adjusted as necessary in increments of 0.5 %. Experts attest to the percentage deducted and retained in regular reports to shareholders; it currently amounts to 2.5 %.

The fair value of investment properties located abroad take into account locally applicable legal costs.

1.3. Treatment of differences at the time of acquisition

If, for acquisitions such as those defined in section IC 1.1 ("Acquisition value") above, the investment value determined by the independent expert is different than the acquisition value defined in section IC 1.1, the difference (after subtracting the exit tax) is recognised as follows:

- the negative difference between fair value and the investment value attributable to estimated transaction costs is booked directly in equity under line "I.C.c Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties".
- the balance is booked in the income statement under line "XVIII. Changes in fair value of investment properties".

2. Accounting for works projects (subsequent expenditures)

Costs incurred by Aedifica for works carried out on investment properties are accounted for using one of two distinct methods, depending on the nature of the costs. The cost of repairs and maintenance, which neither add new functionality nor constitute a significant enhancement or upgrade to the building, are recognised as expenses as incurred and, thus, deducted from profit for the year. Subsequent expenditures related to two types of works projects are capitalised as assets on the Company's balance sheet:

a) Major renovations and extensions: these usually take place every 25 to 35 years and represent an almost complete renovation of the building, often reusing parts of the original building and applying the most up-to-date building techniques. Upon completion of these major renovation projects, the buildings are considered as new and are presented as such in the real estate portfolio.

b) Upgrades: these consist of occasional works that add new functionality, increase capacity, or significantly enhance or upgrade the building, making it possible to raise rents, and thus increasing the building's estimated rental income.

The appreciation in building values as a result of these projects is generally recognised by experts, which validates the probability that future benefits will flow to the Group as a result of the investment. Thus, all costs directly attributable to these types of works projects are capitalised in assets on the balance sheet. Attributable costs include but are not limited to: direct materials, contractor fees, technical studies, and architectural fees (up to 30 June 2006, only the cost of external architects were deemed eligible; since that time, both the cost of both internal and external architects are included). Any excess of these costs over fair value is recognised in the income statement (expense).

Borrowing costs are capitalised for all qualifying works projects with duration of more than one year.

3. Recurring remeasurement and remeasurement in the event of share transactions

3.1. Depreciation

In accordance with IAS 40, Aedifica applies the fair value model and does not recognise depreciation on its properties, the rights in rem on properties, or on properties rented to the Company under finance leases.

3.2. Share transactions

Real estate properties held by Aedifica and by the subsidiaries under its control are valued by experts each time the Company proceeds to issue new shares, list shares on the stock exchange, or repurchase shares other than through the stock exchange. While Aedifica is not bound by this valuation, any issue or repurchase price set below this level must be justified (in the form of a special report).

A new valuation is not required when a share issuance falls within four months of the last valuation of the property concerned, so long as the experts confirm that neither the economic situation nor the physical state of the property make a new valuation necessary.

3.3. Quarterly revaluations

Real estate experts perform a calculation of fair value at the end of the first three quarters of the financial year based on the conditions of the properties and on fluctuations observed in the real estate market. This valuation is carried out on a building-by-building basis and covers Aedifica's entire real estate portfolio, including properties held by its subsidiaries.

3.4. Annual revaluation

At the end of each financial year, an expert conducts a precise valuation of the following items:

- Real estate properties, properties by destination, and property rights in rem held by Aedifica and by its subsidiaries;
- Options on properties held by Aedifica and its subsidiaries, as well as the properties to which these options relate;
- Rights arising from contracts through which one or multiple properties are held by Aedifica (or its subsidiaries) under finance lease, as well as the underlying properties.

These valuations are binding for Aedifica and must be reflected in the accounts. Thus, the carrying amount of the properties in the accounts corresponds to the fair value at which they are assessed by Aedifica's independent experts.

3.5. Accounting for changes in fair value

Changes in the fair value of real estate properties, as determined by independent experts, arise each time the value is assessed. They are accounted for in the income statement.

4. Asset disposals

Upon disposal of an investment property, the gain or loss on disposal is recognised in the income statement, in line "XVI. Gains and losses on disposals of investment properties".

5. Owner-occupied investment property

Any investment property occupied by Aedifica is transferred to the line “other tangible assets” of the balance sheet. Its fair value at the time of the transfer becomes its so-called acquisition cost. If the Company only occupies a small part of the building, the whole building is recognised as “investment property” in the balance sheet and continues to be carried at fair value.

6. Development projects

Buildings under construction, renovation, or extension, which are considered development projects are recognised on the balance sheet at historical cost, including transfer taxes, non-recoverable VAT and indirect expenses (capitalised interest, insurance, legal fees, architectural fees, consulting fees, etc.). If the historical cost deviates from the fair value appraised by the independent expert, the deviation is recognised in the income statement in order to bring the carrying amount in line with the fair value. Costs incurred in the preliminary phase of development projects are recognised at their historical value.

I.D. Other tangible assets

Tangible assets with definite useful lives, which fall outside the scope of investment property, are initially recognised at their acquisition cost. The components approach is not applied (based on materiality criteria). Depreciation is charged on a linear basis using the pro rata temporis method. Thus, if the financial year does not cover 12 months (i.e. in case of a change in the Company's year-end), the depreciation charge is adjusted accordingly. As residual values are considered marginal, accumulated depreciation is expected to cover the total acquisition cost of each item included in other tangible assets.

The following depreciation rates are applied:

- Plant, machinery and equipment: 20 %;
- Furniture for furnished apartments: 10 % to 20 %;
- Other furniture and vehicles: 25 %;
- IT: 33 %.

I.E. Non-current financial assets

1. Hedging instruments

When a derivative provides cash flow hedges to cover a specific risk arising from a financial asset or a firm commitment or a highly probable transaction liability and meets the criteria for hedge accounting under IAS 39, the effective portion of the income or the charge is recognised directly in equity (line “I.C.d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS”). The ineffective portion is recognised in the income statement.

When a derivative does not meet the criteria for hedge accounting under IAS 39, it is recognised on the balance sheet at its fair value, and changes in fair value are recognised in the income statement as they occur. The same treatment is applied for hedging instruments showing a negative fair value.

2. Other financial and non-current assets

Financial assets available for sale are valued at fair value (market value if available, otherwise acquisition value). Changes in fair value are recognised in equity (under “I.C.i. Reserve for the balance of changes in fair value of financial assets available for sale”). Receivables are valued at amortised cost.

I.F. Deferred tax assets

When a building is acquired outside of Belgium, the net income generated is subject to a foreign income tax. Deferred taxes are recognised on the balance sheet in relation to any unrealised gains (temporary difference between the fair value and the assessed value used for tax purposes of the building in question).

II.A. Assets held for sale

Properties that are considered non-strategic and which are intended to be sold are included in line II.A. They are recognised at fair value.

II.C/D/E. Receivables

Receivables are measured at amortised cost. Impairments are recognised when the insolvency of the debtor is confirmed.

II.G. Deferred charges and accrued income

Costs incurred during the year, which relate partially or in full to the following year, are recognised on a proportional basis as deferred charges. Revenues and portions of revenues earned over the course of one or several subsequent financial years, but which are also related to the current year, are recognised in income for the amount earned in the current year.

I.A. et II.A. Provisions

A provision is recognized on the balance sheet when the Group has an implicit or explicit legal obligation as a result of a past event, and for which it is probable the resources will be used to extinguish this obligation. Provisions are measured by calculating the present value of expected cash flows using a market interest rate. They are reflected as a liability on the balance sheet.

I.C.b. Other non-current financial liabilities – Other

The Company can commit itself to acquire the non-controlling shareholdings owned by third parties in subsidiaries, should these third parties wish to exercise their put options. The exercise price of such options granted to non-controlling interest is reflected on the balance sheet on line “I.C.b. Other non-current financial liabilities – Other”.

I.H. Deferred tax liabilities

When a building is acquired outside of Belgium, the net income generated is subject to a foreign income tax. Deferred taxes are recognised on the balance sheet in relation to any unrealised gains (temporary difference between the fair value and the assessed value used for tax purposes of the building in question).

II.B/D/E. Current debts

Debts are recognized at amortised cost at the year-end date. Debts denominated in foreign currencies are converted into Euros using the spot rate on the year-end date.

II.F. Accrued charges and deferred income

Damages and interests paid by a lessee for breach of contract are booked in the income statement at the time of receipt.

I. to XV. Operating result before result on portfolio

The objective of lines I through XV is to reflect the operating profit generated by the Company's rental property portfolio, including general operating costs.

XVI. to XVIII. Operating result

The objective of lines XVI through XVIII is to reflect in the income statement all transactions and accounting adjustments related to the value of the Company's portfolio:

- Realised capital gains and losses: capital gains and losses are included in the line “Gains and losses on disposals of investment properties”.
- Unrealised gains and losses (carried at fair value): changes in the portfolio's fair value are included in the income statement under “changes in fair value of investment properties”.
- Commissions paid to real estate agents and other transaction costs: commissions related to the sale of buildings are deducted from the sale price in determining the gain or loss on disposal which is recognised in the operating result. Fees paid to real estate and technical experts are recognised as current expenses.

Commitments and contingencies

The Board of Directors values commitments and contingencies at the nominal value of the legal obligation as stated in the contract; in the absence of a nominal value or in exceptional cases, these values are disclosed for information purposes.

Group insurance

Aedifica's insurance contracts are considered defined contribution plans, which imply no additional future obligations.

Note 3: Operating segments

Note 3.1: Presented segments

The following operating segments have been identified with application of IFRS 8:

- Senior housing: consists of rest homes and assisted-living complexes, rented to operators often under “triple net” long leases (which are reflected in the low operating expenses accounted for in the segment income statement).
- Apartment buildings: consists of residential apartment buildings located in Belgian cities. When let, the apartments generate rental income. This segment also includes rental income from commercial ground floors and/or office space included in these buildings.
- Hotels and other: consists mainly of hotels rented to operators under “triple net” long leases.

These three operating segments are consistent with the internal reports provided to the Group's chief operating decision-makers, as required under IFRS 8. The accounting policies presented in Note 2 are used for internal reporting purposes, including segment reporting.

All revenues are earned from external clients located in the Company's country of residence (Belgium: €45,008 thousand) and abroad (Germany: €4,895 thousand), and all non-current assets are located in the Company's country of residence, with the exception of €119,800 thousand located in Germany. In 2013/2014, all revenues were earned from external clients located in the Company's country of residence (Belgium: €39,559 thousand) and abroad (Germany: €1,116 thousand), and all non-current assets were located in the Company's country of residence, with the exception of €37,350 thousand located in Germany.

Each group of entities that falls under common control is considered as a single customer under IFRS 8. Revenues generated through transactions with a single customer representing more than 10 % of the Company's total revenues must be disclosed. This requirement applies to:

- the 9 buildings (in the senior housing segment) operated by legal entities controlled by the Orpea group, for which rents represent 13 % of the Company's total 2014/2015 rental income (16 % in the prior financial year);
- the 17 buildings (in the senior housing segment) operated by legal entities controlled by the Senior Living Group group (a subsidiary of the Korian – Medica group), for which rents represent 14 % of the Company's total 2014/2015 rental income (17 % in the prior financial year);
- the 11 buildings (in the senior housing segment) operated by legal entities controlled by the Armonia group, for which rents represent 13 % of the Company's total 2014/2015 rental income (13 % in the prior financial year).

Rents mentioned here represent the turnover realised by the Company over the duration of the financial year, which differ from the contractual rents (representing the agreements in place at the time of the year-end closure) on which the analyses included in the Property Report of this Annual Financial Report are based (refer to sections 3.7 and 3.8 of the Property Report).

Note 3.2: Segment information

Year ending on 30 June (x €1,000)		2014				
		Senior housing	Apartment buildings	Hotels and other	Non-allocated	Inter-segment items*
TOTAL						
SEGMENT RESULT						
I.	Rental income	24,566	12,084	4,132	0	-107
II.	Writeback of lease payments sold and discounted	0	0	0	0	0
III.	Rental-related charges	-1	-60	0	0	-1
	Net rental income	24,565	12,024	4,132	0	-108
IV.	Recovery of property charges	0	36	0	0	0
V.	Recovery of rental charges and taxes normally paid by tenants on let properties	135	916	45	0	0
VI.	Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	0	0	0	0	0
VII.	Rental charges and taxes normally paid by tenants on let properties	-135	-916	-45	0	0
VIII.	Other rental-related income and charges	0	-1,512	2	0	0
	Property result	24,565	10,548	4,134	0	-108
IX.	Technical costs	-3	-846	-15	-68	-1
X.	Commercial costs	0	-546	-3	0	0
XI.	Charges and taxes on unlet properties	0	-159	-4	0	1
XII.	Property management costs	-16	-703	0	0	2
XIII.	Other property charges	0	-1,168	-18	-1	0
	Property charges	-19	-3,422	-40	-69	2
	Property operating result	24,546	7,126	4,094	-69	-106
XIV.	Overheads	-1	-50	-2	-4,256	107
XV.	Other operating income and charges	1	60	0	-28	-1
	OPERATING RESULT BEFORE RESULT ON PORTFOLIO	24,546	7,136	4,092	-4,353	0
SEGMENT ASSETS						
	Marketable investment properties	482,401	210,128	73,260	-	-
	Development projects	-	-	-	19,191	-
	Investment properties					
	Assets classified as held for sale	-	-	-	-	-
	Other assets	-	-	-	9,743	-
	Total assets					
	SEGMENT DEPRECIATION	0	-516	0	-83	0
SEGMENT INVESTMENTS						
	Marketable investment properties	86,010	9,965	0	-	-
	Development projects	-	-	-	0	-
	Investment properties	86,010	9,965	0	0	0
	INVESTMENT PROPERTIES IN ACQUISITION VALUE	441,721	199,288	71,344	-	-
	CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES	5,896	-145	-99	-1,836	-
	VALUE INSURED	361,884	191,941	77,105	-	-
	GROSS YIELD IN FAIR VALUE	6.0%	5.8%	6.2%	-	-

* Mainly elimination of the internal rent for the administrative offices of the Company.

Year ending on 30 June (x €1,000)	2015					
	Senior housing	Apartment buildings	Hotels and other	Non-allocated	Inter-segment items*	TOTAL
SEGMENT RESULT						
I. Rental income	34,082	11,949	3,986	0	-114	49,903
II. Writeback of lease payments sold and discounted	0	0	0	0	0	0
III. Rental-related charges	-1	-49	0	0	0	-50
Net rental income	34,081	11,900	3,986	0	-114	49,853
IV. Recovery of property charges	0	30	2	0	0	32
V. Recovery of rental charges and taxes normally paid by tenants on let properties	547	884	145	235	0	1,811
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	0	0	0	0	0	0
VII. Rental charges and taxes normally paid by tenants on let properties	-547	-884	-145	-235	0	-1,811
VIII. Other rental-related income and charges	-74	-1,494	5	0	0	-1,563
Property result	34,007	10,436	3,993	0	-114	48,322
IX. Technical costs	-35	-916	-18	-101	-1	-1,071
X. Commercial costs	0	-492	0	0	0	-492
XI. Charges and taxes on unlet properties	0	-124	-7	0	0	-131
XII. Property management costs	-133	-760	0	0	1	-892
XIII. Other property charges	-11	-1,185	-19	-372	-1	-1,588
Property charges	-179	-3,477	-44	-473	-1	-4,174
Property operating result	33,828	6,959	3,949	-473	-115	44,148
XIV. Overheads	-92	-81	0	-5,296	114	-5,355
XV. Other operating income and charges	134	66	0	29	0	229
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	33,870	6,944	3,949	-5,740	-1	39,022
SEGMENT ASSETS						
Marketable investment properties	694,467	214,461	72,696	-	-	981,624
Development projects	-	-	-	21,734	-	21,734
Investment properties						1,003,358
Assets classified as held for sale	1,805	0	0	-	-	1,805
Other assets	-	-	-	15,121	-	15,121
Total assets						1,020,284
SEGMENT DEPRECIATION						
	0	-578	0	-92	0	-670
SEGMENT INVESTMENTS						
Marketable investment properties	184,871	0	0	-	-	184,871
Development projects	-	-	-	1,526	-	1,526
Investment properties	184,871	0	0	1,526	0	186,397
INVESTMENT PROPERTIES IN ACQUISITION VALUE	640,638	201,688	70,978	-	-	913,304
CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES	13,343	1,061	125	4,730	-	19,259
VALUE INSURED	572,643	191,941	77,105	-	-	841,689
GROSS YIELD IN FAIR VALUE	5.9%	5.4%	6.2%	-	-	5.8%

* Mainly elimination of the internal rent for the administrative offices of the Company.

Note 4: Rental income

(x €1,000)	2015	2014
Rents earned	49,844	40,640
Guaranteed income	0	0
Cost of rent free periods	-23	-24
Indemnities for early termination of rental contracts	82	59
TOTAL	49,903	40,675

The Group exclusively rents its buildings under operating leases.

The schedule of future minimum lease payments to be collected under non-cancellable operating leases required by IAS 17 is based on the following assumptions, which are extremely cautious:

- Residential leases: termination of all leases on 1 July 2015, with an average indemnity payment of one and a half months as indemnity payment.
- Commercial and office leases: termination of leases after one and a half years on average.
- Long-term leases (senior housing, hotels): no inflation.

Future minimum lease payments to be collected under non-cancellable operating leases are presented as follow:

(x €1,000)	2015	2014
Not later than one year	49,573	37,188
Later than one year and not later than five years	185,327	136,040
Later than five years	883,244	703,843
TOTAL	1,118,144	877,071

Rental income includes contingent rents amounting to €41 thousand, with no comparative figure applicable for 30 June 2014.

Note 5: Rental-related charges

(x €1,000)	2015	2014
Rents payable as lessee	-17	-19
Write-downs on trade receivables	-33	-43
TOTAL	-50	-62

Note 6: Recovery of property charges

(x €1,000)	2015	2014
Indemnities on rental damage	32	36
TOTAL	32	36

Note 7: Recovery of rental charges and taxes normally paid by tenants on let properties

(x €1,000)	2015	2014
Rebilling of rental charges invoiced to the landlord	785	628
Rebilling of property taxes and other taxes on let properties	1,026	468
TOTAL	1,811	1,096

Note 8: Costs payable by the tenant and borne by the landlord on rental damage and repair of lease

Aedifica has not paid any amounts justifying particular mention in relation to costs payable by tenants and borne by the landlord on rental damage and/or repairs at the end of the lease term.

Note 9: Rental charges and taxes normally paid by tenants on let properties

(x €1,000)	2015	2014
Rental charges invoiced to the landlord	-785	-628
Property taxes and other taxes on let properties	-1,026	-468
TOTAL	-1,811	-1,096

Note 10: Other rental-related income and charges

(x €1,000)	2015	2014
Cleaning	-332	-367
Energy	-318	-365
Depreciation of furniture	-569	-512
Employee benefits	-260	-236
Other	-84	-30
TOTAL	-1,563	-1,510

Note 11: Technical costs

(x €1,000)	2015	2014
Recurring technical costs		
Repair	-369	-341
Insurance	-81	-57
Employee benefits	-383	-298
Maintenance	-110	-134
Expert fees	-128	-103
TOTAL	-1,071	-933

Note 12: Commercial costs

(x €1,000)	2015	2014
Letting fees paid to real estate brokers	-244	-323
Marketing	-227	-204
Fees paid to lawyers and other legal costs	-14	-17
Other	-7	-5
TOTAL	-492	-549

Note 13: Charges and taxes on unlet properties

(x €1,000)	2015	2014
Charges	-131	-162
TOTAL	-131	-162

Note 14: Property management costs

(x €1,000)	2015	2014
Fees paid to external property managers	-118	-85
Internal property management expenses	-774	-632
TOTAL	-892	-717

Note 15: Other property charges

(x €1,000)	2015	2014
Property taxes and other taxes	-1,588	-1,187
TOTAL	-1,588	-1,187

A number of disputes are ongoing with respect to local taxes; Aedifica continues to defend its position in these cases.

Note 16: Overheads

(x €1,000)	2015	2014
Lawyers/notaries	-337	-209
Auditors	-72	-44
Real estate experts	-599	-522
IT	-139	-119
Insurance	-56	-57
Public relations, communication, marketing, publicity	-258	-180
Directors and executive management	-1,577	-1,238
Employee benefits	-1,038	-807
Depreciation and amortisation of other assets	-101	-88
Tax expense	-418	-358
Other	-760	-580
TOTAL	-5,355	-4,202

Note 17: Other operating income and charges

(x €1,000)	2015	2014
Recovery of damage expenses	6	14
Other	223	18
TOTAL	229	32

Note 18: Gains and losses on disposals of investment properties

(x €1,000)	2015	2014
Net sale of properties (selling price - transaction costs)	15,943	0
Carrying amount of properties sold	-15,515	0
TOTAL	428	0

Note 19: Gains and losses on disposals of other non-financial assets

Over the course of the current and previous financial years, Aedifica has not recognised any gains or losses from the sale of other non-financial assets.

Note 20: Changes in fair value of investment properties

(x €1,000)	2015	2014
Positive changes	34,209	15,094
Negative changes	-14,950	-11,278
TOTAL	19,259	3,816
of which: marketable investment properties	14,529	5,652
development projects	4,730	-1,836

Note 21: Financial income

(x €1,000)	2015	2014
Interests earned	31	100
Other	447	794
TOTAL	478	894

The 2014/2015 financial income includes €0.4 million of non-recurrent income. This amount represents the fee paid to Aedifica at the time of the partial demerger on 4 December 2014 as compensation for the allocation of full dividend rights for the 2014/2015 financial year to the new shares issued that day.

The 2013/2014 financial income included €0.6 million of non-recurrent income resulting from two contributions-in-kind on 12 and 30 June 2014, which were paid to Aedifica when the contributor assumed the expected dividend which accrued over the period 1 July 2013 up to the day before the date of contributions.

Note 22: Net interest charges

(x €1,000)	2015	2014
Nominal interest on borrowings	-6,753	-5,039
Charges arising from authorised hedging instruments		
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-3,566	-3,980
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-3,186	-2,891
Subtotal	-6,752	-6,871
Income arising from authorised hedging instruments		
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	0	0
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	1	0
Subtotal	1	0
Capitalised borrowings costs	675	783
Other interest charges	-4	-1
TOTAL	-12,833	-11,128

Charges and income arising from hedging instruments represents Aedifica's cash interest receipts or payments related to derivatives presented in Note 32 and detailed in Note 33. Changes in the fair value of these derivatives are listed in Note 47 and recognised in the income statement.

Note 23: Other financial charges

(x €1,000)	2015	2014
Bank charges and other commissions	-746	-665
Other	-46	-66
TOTAL	-792	-731

Note 24: Corporate tax

(x €1,000)	2015	2014
Parent		
Profit before tax (loss)	-11,572	18,422
Effect of the Belgian REIT tax regime	11,572	-18,422
Taxable result in Belgium based on non-deductible costs	264	233
Belgian current tax at rate of 33,99%	-90	-79
Belgian current tax regularisation for the previous year	0	13
Foreign current tax	-180	-18
Foreign deferred taxes: originations	142	388
Foreign deferred taxes: reversals	-276	-144
Subtotal	-404	160
Subsidiaries		
Belgian current tax	-100	-57
Foreign current tax	-6	0
Foreign deferred taxes: reversals	-261	0
Subtotal	-367	-57
TOTAL	-771	103

The corporate taxes are composed of current taxes and deferred taxes.

Current taxes consist primarily of Belgian tax on Aedifica's non-deductible expenditures (since Belgian REITs benefit from a specific tax regime, including only the taxation of non-deductible costs, such as regional taxes, car costs, representation costs, social costs, donations, etc.), tax generated abroad and tax on the result of the consolidated subsidiaries.

Deferred taxes arose from the recognition at fair value of buildings located abroad in conformity with IAS 40. This deferred tax (with no monetary impact, that is to say, non-cash) is thus excluded from the result excluding IAS 39 and IAS 40 (see Note 54).

Note 25: Exit tax

Aedifica has not recognised any exit tax in the income statement.

Note 26: Earnings per share

The earnings per share ("EPS" as defined by IAS 33) is calculated as follows:

	2015	2014
Profit (loss) (Owners of the parent) (x €1,000)	45,165	21,385
Weighted average number of shares outstanding during the period	10,658,981	9,917,093
Basic EPS (in €)	4.24	2.16
Diluted EPS (in €)	4.24	2.16

Aedifica uses profit excluding IAS 39 and 40 to measure its operational and financial performance; however, this performance measure is not defined under IFRS. Profit excluding IAS 39 and IAS 40 represents the profit (attributable to owners of the Parent) after removing changes in fair value of investment properties (and the movements of deferred taxes related to these) and hedging instruments. The definition of profit excluding IAS 39 and 40 as applied to Aedifica's financial statements may differ from that used in the financial statements of other companies.

Profit excluding IAS 39 and IAS 40 is calculated as follows:

(x €1,000)	2015	2014
Profit (loss) (Owners of the parent)	45,165	21,385
Less: Changes in fair value of investment properties (see Note 20)	-19,259	-3,816
Less: Gain and losses on disposal of investment properties (see Note 18)	-428	0
Less: Deferred taxes (see Note 54)	395	-244
Less: Changes in fair value of financial assets and liabilities (see Note 47)	-374	2,990
Roundings	-1	0
Profit excl. IAS 39 and IAS 40 (before gains and losses on disposals of investment properties)	25,498	20,315
Weighted average number of shares outstanding during the period	10,658,981	9,917,093
EPS excl. IAS 39 and IAS 40 (before gains and losses on disposals of investment properties - in €)	2.39	2.05

Note 27: Goodwill

(x €1,000)	2015	2014
Gross value at the beginning of the year	1,856	1,856
Cumulative impairment losses at the beginning of the year	0	0
Carrying amount at the beginning of the year	1,856	1,856
Movements of the year	0	0
CARRYING AMOUNT AT THE END OF THE YEAR	1,856	1,856
of which: gross value	1,856	1,856
cumulative impairment losses	0	0

Goodwill relates to the acquisition of a company that was active in furnished apartment rentals.

In applying IAS 36 – Impairment of Assets, the Group performed an analysis of the carrying amount, principally of goodwill. Goodwill arose from the acquisition of Ixelinvest SA, the original owner of a residential complex that is rented out as furnished apartments on rue Souveraine in Brussels. This complex constitutes the cash-generating unit for the purposes of the goodwill impairment test.

An impairment review, performed by calculating value in use, was carried out to ensure that the carrying value of the cash-generating unit's assets (fair value of properties of €28 million, carrying amount of furniture of less than €1 million and carrying amount of goodwill for less than €2 million, i.e. €30 million in total) does not exceed their recoverable amount, defined as the higher of (i) the fair value less costs to sell and (ii) the value in use (estimated at €49 million).

In determining the value in use, the Group calculated the present value of the estimated future cash flows expected to arise from the continued use of the assets using a pre-tax discount rate of 4 %. The discount rate applied is based upon the weighted average cost of capital with appropriate adjustment for the relevant risks associated with the businesses, and can vary one year to another depending on market indicators. Estimated future cash flows are based on long-term plans (i.e. over 5 years) for each cash-generating unit, with extrapolation thereafter based on long-term average growth rates for the individual cash-generating units. This growth rate is set at 1.8 %, in line with expected inflation.

Future cash flows are estimates and may be revised in future periods as underlying assumptions change. Key assumptions in supporting the value of goodwill include long-term interest rates and other market data, captured in the abovementioned pre-tax discount. Should the assumptions vary adversely in the future, the value in use of goodwill may fall below the carrying amount. Based on current valuations, the headroom (estimated at €18 million) appears sufficient to absorb a normal variation of approx. 1 % in the pre-tax discount. An impairment on goodwill would be booked for any excess over this headroom.

Note 28: Intangible assets

All intangible assets (consisting mainly of computer software) have a fixed useful life. Amortisation is recognised in income under the line "overheads".

(x €1,000)	2015	2014
Gross value at the beginning of the year	305	295
Depreciation and cumulative impairment losses at the beginning of the year	-284	-274
Carrying amount at the beginning of the year	21	21
Entries: items acquired separately	97	10
Amortisations	-16	-10
CARRYING AMOUNT AT THE END OF THE YEAR	102	21
of which: gross value	402	305
amortisations and cumulative impairment losses	-300	-284

Note 29: Investment properties

(x €1,000)	Marketable investment properties	Development projects	TOTAL
CARRYING AMOUNT AS OF 1/07/2013	614,211	28,633	642,844
Acquisitions	95,975	0	95,975
Disposals	0	0	0
Capitalised interest charges	0	782	782
Capitalised employee benefits	0	30	30
Other capitalised expenses	2,786	38,747	41,533
Transfers due to completion	47,165	-47,165	0
Changes in fair value (see Note 20)	5,652	-1,836	3,816
Other expenses booked in the income statement	0	0	0
Transfers to equity	0	0	0
Assets classified as held for sale	0	0	0
CARRYING AMOUNT AS OF 30/06/2014	765,789	19,191	784,980
CARRYING AMOUNT AS OF 1/07/2014	765,789	19,191	784,980
Acquisitions	184,871	1,526	186,397
Disposals	-15,139	0	-15,139
Capitalised interest charges	0	675	675
Capitalised employee benefits	0	20	20
Other capitalised expenses	3,353	25,618	28,971
Transfers due to completion	30,026	-30,026	0
Changes in fair value (see Note 20)	14,529	4,730	19,259
Other expenses booked in the income statement	0	0	0
Transfers to equity	0	0	0
Assets classified as held for sale	-1,805	0	-1,805
CARRYING AMOUNT AS OF 30/06/2015	981,624	21,734	1,003,358

Determination of fair values depends on market factors and is based on valuations provided by independent experts who hold relevant and recognised professional qualifications and recent experience in the geographic areas and property types included in the Group's portfolio. All investment properties are located in Belgium and Germany.

The fair value of the Group's portfolio of marketable investment properties assessed by independent experts as of 30 June 2015. The average capitalisation rate applied to contractual rents is 5.84 % (in accordance with the valuation methodology – presented in the first bullet of section 1.12 of the Standing Documents included in the 2014/2015 Annual Financial Report). A positive 0.10 % change in the capitalisation rate would lead to a negative change of €17 million in the portfolio's fair value.

Development projects are described in detail in the Property Report included in the 2014/2015 Annual Financial Report.

Acquisitions made during the year are described in detail in the Consolidated Board of Directors' Report included in the 2014/2015 Annual Financial Report.

All investment properties are considered to be at "level 3" on the fair value scale defined under IFRS 13. This scale includes three levels: Level 1: observable listed prices in active markets; Level 2: observable data other than the listed prices included in level 1; Level 3: unobservable data. During the 2014/2015 financial year, there were no transfers between level 1, level 2 and level 3.

The valuation methodologies (approach under which a capitalisation rate is applied to the estimated rental value and another based on the present value of future cash flows) are described in section 1.12 of the "Standing Documents" of the 2014/2015 Annual Financial Report.

The quantitative information presented below in relation to the determination of the fair value of investment properties based on unobservable data (level 3) is taken from various reports produced by the independent real estate experts:

Type of asset	Fair value as of 30 June 2015 (x €1,000)	Assessment method	Unobservable inputs	Min	Max	Weighted average
Senior housing	696,272	DCF	ERV / m ²	76	218	193
			Inflation	1.0%	1.6%	1.1%
			Discount rate	4.7%	6.9%	5.6%
			Residual maturity (year)	4	28	24
Apartment buildings	214,461	Capitalisation	ERV / m ²	68	201	132
			Capitalisation rate	4.6%	8.8%	5.6%
Hotels and other	72,696	DCF	ERV / m ²	79	125	98
			Inflation	1.1%	2.0%	1.7%
			Discount rate	5.7%	8.1%	7.1%
			Residual maturity (year)	22	33	28
		Capitalisation	ERV / m ²	86	165	131
			Capitalisation rate	3.3%	7.4%	5.2%
Development projects	21,734	DCF	ERV / m ²	89	201	163
			Inflation	1.0%	1.0%	1.0%
			Discount rate	4.7%	6.2%	5.5%
			Residual maturity (year)	27	27	27
Total	1,005,163					

Type of asset	Fair value as of 30 June 2014 (x €1,000)	Assessment method	Unobservable inputs	Min	Max	Weighted average
Senior housing	482,401	DCF	ERV / m ²	76	222	143
			Inflation	1.1%	1.9%	1.4%
			Discount rate	5.4%	7.5%	6.1%
			Residual maturity (year)	5	29	24
Apartment buildings	210,128	Capitalisation	ERV / m ²	68	201	131
			Capitalisation rate	4.6%	8.9%	5.7%
Hotels and other	73,260	DCF	ERV / m ²	42	125	97
			Inflation	1.1%	2.0%	1.7%
			Discount rate	6.2%	8.1%	7.3%
			Residual maturity (year)	23	34	29
		Capitalisation	ERV / m ²	41	165	129
			Capitalisation rate	3.4%	15.2%	5.2%
Development projects	19,191	DCF	ERV / m ²	97	222	136
			Inflation	1.4%	1.6%	1.4%
			Discount rate	5.9%	6.7%	6.0%
			Residual maturity (year)	27	27	27
Total	784,980					

In accordance with legal provisions, properties are revalued four times per year based on valuation reports prepared by the three independent experts appointed by the Company. These valuations are based on:

- information provided by the Company such as contractual rents, rental contracts, investment budgets, etc. These data are extracted from the Company's information system and are thus subject to the Company's internal control environment.
- assumptions and valuation models used by the independent experts, based on their professional judgment and market knowledge.

Reports provided by the independent experts are reviewed by the Company's Investment Manager, the Control Manager and the Executive Managers. This includes a review of the changes in fair value over the period. When the Executive Managers consider that the valuation reports of the independent experts are coherent, the valuation report is submitted to the Audit Committee. Following a favourable opinion of the Audit Committee, these reports are submitted to the Board of Directors.

The sensitivity of the fair value measurement to a change of the abovementioned unobservable data is generally as follows (all else being equal):

Unobservable inputs	Effect on the fair value	
	in case of decrease of the unobservable input value	in case of increase of the unobservable input value
ERV / m ²	negative	positive
Capitalisation rate	positive	negative
Inflation	negative	positive
Discount rate	positive	negative
Residual maturity (year)	negative	positive

Interrelations between unobservable data are possible, as they are determined in part by market conditions.

Note 30: Development projects

This Note became redundant with the introduction of the revised IAS 40 "Investment Property" on 1 July 2009. Changes in development projects are now covered in Note 29. Development projects are also described in detail in section 4.2. of the Property Report included in the 2014/2015 Annual Financial Report.

Note 31: Other tangible assets

(x €1,000)	2015	2014
Gross value at beginning of the period	5,080	4,441
Depreciation and cumulative impairment losses at beginning of period	-3,169	-2,592
Carrying amount at beginning of period	1,911	1,849
Additions	577	651
Disposals	0	0
Depreciation	-654	-589
CARRYING AMOUNT AT END OF PERIOD	1,834	1,911
of which: gross value	5,531	5,080
depreciations and cumulative impairment losses	-3,697	-3,169

Other tangible assets consist of capital employed in operations (mainly furniture in the furnished apartments).

Note 32: Non-current financial assets and other non-current financial liabilities

(x €1,000)	2015	2014
Receivables		
Collateral	0	0
Other non-current receivables	349	396
Available-for-sale financial assets		
Investments in related entities (Note 51)	0	0
Assets at fair value through profit or loss		
Hedging instruments (see Note 33)	1,048	65
Other non-current financial assets		
Hedging instruments (see Note 33)	0	0
TOTAL NON-CURRENT FINANCIAL ASSETS	1,397	461
Liabilities at fair value through profit or loss		
Hedging instruments (see Note 33)	-18,383	-18,289
Other	-1,270	0
Total non-current financial liabilities		
Hedging instruments (see Note 33)	-19,667	-19,485
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	-39,320	-37,774

Other non-current receivables (included in “loans and receivables” under IAS 39) generate interest and will be recovered over the course of subsequent fiscal years.

Assets and liabilities recognised at fair value through profit or loss consist principally of hedging instruments for which hedge accounting in the sense of IAS 39 is not applied. However, they serve to hedge against interest rate risks. Other hedging instruments, whether assets or liabilities, meet the criteria set out in IAS 39 for application of hedge accounting. Cash flows generated by all hedges, and/or changes in the fair value recognised in income are covered in Notes 22 and 47.

The other liabilities recognised at fair value through profit or loss (€1,270 thousand) include the put options granted to non-controlling shareholders (see Notes 47 and 56).

Note 33: Hedges

1. Framework

In order to limit the interest rate risk, Aedifica has put in place hedges that turn floating rate debts into fixed rate debt or capped-rate debt (cash flow hedges). All hedges (interest rate swaps or “IRS”, caps and collars) relate to existing or highly probable risks. Hedging instruments are either derivatives that meet the strict criteria set by IAS 39 to allow hedge accounting or derivatives which do not meet these criteria but which nonetheless provide economic hedging against interest rate risk. All hedges are entered into in accordance with the hedging policy set out in Note 44. The fair value of hedges is computed by banks based on the present value of expected cash flows and is adapted in accordance with IFRS 13 to reflect the own credit risk (“DVA” or “Debit Valuation Adjustment”) and the counterparty credit risk (“CVA” or “Credit Valuation Adjustment”). The table below lists the hedging instruments.

INSTRUMENT Analysis as at 30 June 2014	Notional amount (x €1,000)	Beginning	Periodicity (months)	Duration (years)	First date possible for the call	Max. interest rate (in %)	Fair value (x €1,000)
IRS*	10,528	1/04/2011	3	32	-	4.89	-4,842
Multi-callable IRS*	28,763	31/07/2007	3	36	31/07/2017	4.39	-10,168
IRS	15,000	2/04/2013	3	9	-	3.50	-2,930
IRS	12,000	3/06/2013	3	9	-	3.64	-2,461
IRS	8,000	3/06/2013	3	9	-	3.67	-1,676
IRS	25,000	2/08/2013	3	5	-	3.23	-2,920
IRS	25,000	2/01/2015	3	5	-	2.99	-2,918
IRS	25,000	2/08/2013	3	5	-	2.97	-2,652
Collar	25,000	1/10/2013	3	3	-	3.00	-458
Cap	25,000	1/11/2013	1	1	-	0.75	0
IRS	25,000	2/08/2013	3	5	-	2.70	-2,371
Cap	25,000	1/10/2013	3	1	-	1.25	0
Cap	25,000	1/11/2014	3	1	-	1.00	0
Cap	25,000	1/10/2013	3	2	-	1.00	0
Cap	25,000	1/10/2014	3	1	-	1.25	0
Cap	25,000	1/11/2015	3	2	-	2.50	32
IRS	25,000	3/01/2014	3	7	-	3.10	-3,782
Collar	25,000	1/10/2013	3	3	-	3.00	-595
Cap	25,000	1/11/2014	3	3	-	2.50	32
TOTAL	424,291						-37,709

* Notional amount depreciable over the duration of the swap. Aedifica and the bank may liquidate in advance these contracts every 10 years.

INSTRUMENT Analysis as at 30 June 2015	Notional amount (x €1,000)	Beginning	Periodicity (months)	Duration (years)	First date possible for the call	Max. interest rate (in %)	Fair value (x €1,000)
IRS*	10,356	1/04/2011	3	32	-	4.89	-5,398
IRS*	27,779	31/07/2014	3	29	-	4.39	-10,520
IRS	15,000	2/04/2013	3	9	-	3.50	-2,925
IRS	12,000	3/06/2013	3	9	-	3.64	-2,438
IRS	8,000	3/06/2013	3	9	-	3.67	-1,667
IRS	25,000	2/01/2015	3	5	-	2.99	-3,015
Cap	25,000	3/11/2014	3	1	-	1.00	0
Cap	25,000	1/10/2013	3	2	-	1.00	0
Cap	25,000	1/10/2014	3	1	-	1.25	0
Cap	25,000	1/11/2015	3	2	-	2.50	8
IRS	25,000	3/01/2014	3	7	-	3.10	-3,631
Cap	25,000	1/11/2014	3	3	-	2.50	8
IRS	25,000	2/02/2015	3	6	-	1.94	-1,946
IRS	25,000	3/11/2014	3	6	-	2.51	-2,674
IRS	25,000	1/01/2015	3	3	-	0.70	-362
Cap	50,000	1/10/2015	3	3	-	0.50	284
Cap	50,000	1/10/2015	3	4	-	0.35	748
IRS	25,000	3/11/2014	3	6	-	2.76	-3,003
IRS	25,000	1/01/2015	3	3	-	0.89	-470
Cap	40,000	1/09/2014	1	1	-	0.05	0
TOTAL	513,135						-37,001

* Notional amount depreciable over the duration of the swap. Aedifica and the bank may liquidate in advance these contracts every 10 years.

The total notional amount of €513 million presented in the table above is broken down as follows:

- operational and active instruments: €248 million;
- operational instruments which became out of the money (caps): €140 million;
- instruments with forward start: €125 million.

The total fair value of the hedging instruments presented in the table above (-€37,001 thousand) can be broken down as follows: €1.048 thousand on line I.E. of the asset side of the consolidated balance sheet (see Note 32) and €38,050 thousand

on line I.C.a. of the liability side of the consolidated balance sheet. Taking into account the carrying amount of the upfront premiums paid for the caps (€921 thousand), the IAS 39 impact on equity amounts to -€37,923 thousand.

2. Derivatives for which hedge accounting is applied

(x €1,000)	2015	2014
Changes in fair of the derivatives		
Beginning of the year	-19,484	-16,637
Changes in the effective portion of the fair value of hedging instruments (accrued interests)	-6,454	-9,581
Transfer to the income statement of interests paid on hedging instruments	6,271	6,734
Transfer to the income statement regarding revoked designation	0	0
AT YEAR-END	-19,667	-19,484

The amounts recorded in equity will be transferred to net finance costs, in line with the payment of interest on the hedged financial debt, between 1 July 2015 and 31 July 2043.

The year-end equity value includes the effective part (as defined in IAS 39) of the change in fair value (-€181 thousand) of derivatives for which hedge accounting is applied, and the ineffective portion of the 2013/2014 financial year (charge of €1 thousand) that was appropriated in 2014/2015 by decision of the Annual General Meeting held in October 2014. These financial instruments are “level 2” derivatives (according to IFRS 13p81). The ineffective part is nil in 2014/2015. Cash flows arising from interest on the hedges are shown in Note 22.

3. Derivatives for which hedge accounting is not applied

The financial result includes an income of €461 thousand (30 June 2014: a charge of €2,989 thousand), arising from the change in the fair value of derivatives for which hedge accounting is not applied (in line with IAS 39, as listed in the aforementioned framework) (see Note 47). These financial instruments are “level 2” derivatives (as defined in IFRS 13p81). The financial result also includes the amortisation of the premiums paid at the time of the subscription to the caps and collars, which amounts to €291 thousand (30 June 2014: €163 thousand).

The interest cash flows arising from the hedges are shown in Note 22 and the change in fair value recognised in the income statement is shown in Note 47.

4. Sensitivity analysis

The fair value of hedging instruments is a function of the interest rates on the financial markets. Changes in market interest rates explain most of the change in the fair value of hedging instruments between 1 July 2014 and 30 June 2015, which led to the recognition of an income of €461 thousand in the income statement and a charge of €181 thousand directly in equity.

A change in the interest rate curve would impact the fair value of instruments for which hedge accounting is applied (in accordance with IAS 39), and recognised in equity (line “I.C.d. Reserve for the balance of changes in the fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS”). All else being equal, a positive change of 10 bps in the interest rate curve at the balance sheet date would have had a positive impact on equity in the amount of €856 thousand (30 June 2014: €812 thousand). A negative change of 10 bps in the interest rate curve at the balance sheet date would have had a negative impact on equity in the same amount. The impact of a change in the interest rate curve on the fair value (instruments for which hedge accounting under IAS 39 is not applied, cannot be determined as precisely, since options are embedded within these instruments. The fair value of these options will change in a non-symmetric and non-linear pattern, and is a function of other parameters (e.g. volatility of interest rates). The sensitivity of the “mark-to-market” value of these instruments to an increase of 10 bps in the interest rate curve is estimated at approx. +€1,134 thousand (30 June 2014: +€857 thousand) in the income statement. A decrease of 10 bps in the interest rate curve would have a negative impact on the income statement in the same range.

Note 34: Trade receivables

(x €1,000)	2015	2014
TRADE RECEIVABLES - NET VALUE	4,352	2,938

It is anticipated that the carrying amount of trade receivables will be recovered within 12 months. This carrying amount represents an estimate of the fair value of assets which do not generate interest.

The credit risk associated with trade receivables is limited thanks to the diversity of the client base and rental guarantees (2015: €20.0 million; 2014: €15.5 million) received from tenants to cover their commitments. The carrying amount on the balance sheet is presented net of the provision for doubtful debts. Thus, the risk of exposure to credit risk is reflected in the carrying amount of receivables recognised on the balance sheet.

Trade receivables are analysed as follows:

(x €1,000)	2015	2014
under 90 days	206	10
over 90 days	130	424
Subtotal	336	434
Not due	4,128	2,731
Write-downs	-112	-227
CARRYING AMOUNT	4,352	2,938

Write-downs have evolved as follows:

(x €1,000)	2015	2014
At beginning of period	-227	-207
Addition	-58	-101
Utilisation	137	24
Reversal	38	57
Mergers	-2	0
AT END OF PERIOD	-112	-227

Note 35: Tax receivables and other current assets

(x €1,000)	2015	2014
Tax	608	0
Other	354	495
TOTAL	962	495

Tax receivables are composed mainly of prepayments.

Note 36: Cash and cash equivalents

(x €1,000)	2015	2014
Short-term deposits	0	0
Cash at bank and in hands	3,598	1,156
TOTAL	3,598	1,156

Cash and cash equivalents are assets which generate interest at varying rates. The amounts presented above were available as of 30 June 2015 and 30 June 2014. Short-term investments may be held during the year, normally for periods of one week to one month.

Note 37: Deferred charges and accrued income

(x €1,000)	2015	2014
Accrued rental income	563	290
Deferred property charges	347	371
Other	0	0
TOTAL	910	661

Note 38: Equity

Aedifica shareholders holding more than 5 % of the Company's outstanding shares are disclosed below (based on declarations received as of 30 June 2015 – see also section 3 of the chapter "Aedifica in the Stock Market" chapter included in the 2014/2015 Annual Financial Report:

SHAREHOLDERS	Share in capital (in %)
Wulfsdonck Investment (via Finasucre)	5.46

The capital has evolved as follows:

	Number of shares	Capital (x €1,000)
Situation at the beginning of the previous year	9,903,690	254,293
Capital increase	345,427	16,159
Situation at the end of the previous year	10,249,117	270,451
Capital increase	3,796,814	100,190
Situation at the end of the year	14,045,931	370,641

Equity is presented above before subtracting the costs of raising capital; the equity value presented on the balance sheet in accordance with IFRS is shown net of these costs.

The totality of the 14,045,931 shares issued as of 30 June 2015 are listed on the Euronext Brussels continuous market.

Capital increases are detailed in the “Standing Documents” included in the 2014/2015 Annual Financial Report. All subscribed shares are fully paid-up, with no par value. The shares are registered, bearer, or dematerialised shares and grant one vote.

Aedifica SA holds no treasury shares.

The Board of Directors is authorised to raise share capital through one or a series of issuances up to a maximum amount of €180 million on the dates and following the procedures established by the Board, in accordance with Article 603 of the Belgian Companies Code. This authorisation is granted to the Board of Directors for a period of 5 years from the publication date in the annexes of the Belgian State Gazette (Moniteur belge/Belgisch Staatsblad) of the minutes of the Extraordinary General Meeting of 29 June 2011. Each time new shares are issued, the Board of Directors determines the price, the possible issue premium and the terms of issue for the new shares (unless such decisions are made by shareholders at the Annual General Meeting). Increases in share capital decided upon by the Board of Directors may also be realised through subscriptions paid in cash or by way of in-kind incorporation of premiums, reserves, or profits, with or without the issuance of new shares. These capital increases can equally be realised through the issuance of convertible debt securities or subscription rights. The remaining balance of the authorised capital amounts to €3 million as of 30 June 2015.

The Board of Directors has proposed a dividend distribution of €2.00 gross per share for the year ended 30 June 2015, i.e. a total dividend of €21,849 thousand.

Calculated in accordance with Article 617 of the Belgian Companies Code and given the Royal Decree of 13 July 2014, reserves available for distribution (statutory) amount to €10,801 thousand as of 30 June 2015, after taking into account the dividend proposed above (2014: €7,803 thousand). Detailed calculations are provided in the notes to the attached Abridged Statutory Accounts.

Aedifica defines capital in accordance with IAS 1p134 as the sum of all equity accounts. The equity level is monitored using a consolidated debt-to-assets ratio calculated in accordance with the provisions of the Royal Decree of 13 July 2014 (see Note 52), which cannot exceed 60 % and according to the credit agreements in place with the Company's banks (see Notes 40 and 44). Equity is managed so as to permit the Group to continue as a going concern and to finance its future growth.

Note 39: Provisions

Aedifica contributes to a number of defined contribution plans, open to newcomers. It concerns pension schemes per capitalisation for all beneficiaries, i.e. labourers, staff members and members of the Management Committee (Executive Managers). These schemes are managed through group insurances with a guaranteed return. No personal contributions from the beneficiaries are required.

The Belgian legislation currently provides that the employer needs to guarantee a return of 3.25% on his contribution, and this could generate a liability in his balance sheet. This guarantee is not applicable to the scheme of the members of the Management Committee.

The obligations for defined benefit plans correspond to the maximum amount between the current accounts and the account calculated with the minimum guaranteed return, assessed for each individual (intrinsic value approach). Under these schemes, Aedifica had externalized assets for the amount of €200 thousand as of 30 June 2015. During the 2015/2016 financial year, the expected contribution for the schemes will amount to €80 thousand. An actuarial valuation (intrinsic value approach) showed that as of 30 June 2015 no net asset or liability had to be recognised in the balance sheet for these schemes.

Given that the interest rates that are guaranteed by the insurers have decreased below the level of 3.25 % since 2013, there is a risk for future underfunding, which is however limited in view of the externalised assets.

The amounts recognised as an expense for the long-term benefits granted the members of the Management Committee are detailed in the Remuneration Report included in the 2014/2015 Annual Financial Report.

Note 40: Borrowings

(x €1,000)	2015	2014
Non-current financial debts		
Borrowings	340,752	274,955
Current financial debts		
Borrowings	25,897	70,945
TOTAL	366,649	345,900

As of 30 June 2015, Aedifica benefits from credit facilities (financial liabilities carried at amortised cost according to IAS 39 and presented as current and non-current financial debts on the balance sheet) issued by eight banks (Bank für Sozialwirtschaft, Bank Degroof, Banque Européenne du Crédit Mutuel, Bayerische Landesbank, Belfius Bank, BNP Paribas Fortis, ING and KBC Bank) totalling €550 million.

- Aedifica can use up €534 million depending on its needs, so long as: (i) the debt-to-assets ratio does not exceed 60 %, (ii) the share of fair value of the rest homes in assets does not exceed 75 % of the total of the balance sheet, and (iii) other covenants (in line with market practice) are met. Each withdrawal is made in Euros for a period of up to 12 months, at a fixed margin set with reference to the euribor rate prevailing at the time of the withdrawal.
- Aedifica also benefits from amortising facilities amounting to €16 million at fixed rates between 3.1 % and 5.8 %.

The average interest rate, including the spread charged by the banks and the effect of hedging instruments, was 2.8 % after deduction of capitalised interest (3.8 % in 2013/2014) and 3.0 % before deduction of capitalised interest (4.0 % in 2013/2014). Given the short duration of the withdrawals, the carrying amount of the variable-rate financial debts is an approximation for their fair value (€351 million). The hedges in place as of 30 June 2015 are detailed in Note 33. The fair value of the fixed-rate financial debts (€16 million) is estimated at €18 million.

As of 30 June 2015, the Group has neither pledged any Belgian buildings as collateral for its debts, nor has it granted any other securities to debt-holders. Note that in Germany, it is customary that real estate buildings financed by bank credit are linked to a mortgage in favour to the creditor bank. As such, 3 of the Company's 14 German buildings are linked to a mortgage, respecting the requirements laid down in Article 43 of the Belgian Act of 12 May 2014 on Regulated Real Estate Companies.

The classification between current financial debts and non-current financial debts is made based on the maturity dates of the underlying credit facilities on which the drawings are made, rather than on the maturity date of the individual drawings.

The timetable showing the maturity of Aedifica's credit facilities is as follows (in € million):

— 2015/2016 :	85
— 2016/2017 :	150
— 2017/2018 :	92
— 2018/2019 :	102
— 2019/2020 :	80
— 2020/2021 :	2
— 2021/2022 :	25
— > 2022/2023 :	14
Credit facilities on 30 June 2015:	550

Net financial debt is a non-GAAP measure, i.e. its definition is not included in IFRS. Aedifica uses the concept of net financial debt to reflect its indebtedness. It is measured as current and non-current financial debts less cash and cash equivalents. It excludes the fair value of hedging derivatives. The definition of financial debt may differ from that used in the financial statements of other companies. Net financial debt is not taken into account in the computation of debt-to-assets ratio as defined by the Royal Decree of 13 July 2014.

(x €1,000)	2015	2014
Borrowings	366,649	345,900
Less: Cash and cash equivalents	-3,598	-1,156
NET FINANCIAL DEBT	363,051	344,744

Note 41: Trade payables and other current debts

(x €1,000)	2015	2014
Exit tax	813	615
Other		
Suppliers	4,661	7,422
Tenants	1,408	871
Tax	1,513	1,242
Salaries and social charges	880	748
Dividends of previous years	22	22
TOTAL	9,297	10,920

The majority of trade payables and other current debts (recognised as “financial liabilities at amortised cost” under IAS 39, excluding taxes covered by IAS 12 and remuneration and contributions to social security plans covered by IAS 19). It is anticipated that these debts will be settled within 12 months. The carrying amount constitutes an approximation of their fair value.

Note 42: Accrued charges and deferred income

(x €1,000)	2015	2014
Property income received in advance	424	77
Financial charges accrued	1,912	1,752
Other accrued charges	1,977	1,225
TOTAL	4,313	3,054

Note 43: Employee benefits expense

Total employee benefits (excluding Executive Managers and Directors presented in Note 16) are broken down in the income statement as follows:

(x €1,000)	2015	2014
Cleaning costs (see Note 10)	-260	-236
Technical costs (see Note 11)	-383	-298
Commercial costs	-51	-38
Overheads (see Note 16)	-1,038	-807
Property management costs (see Note 14)	-774	-632
Capitalised costs	-20	-30
TOTAL	-2,526	-2,041

Headcount at the year-end (excluding Executive Managers and Directors):

	2015	2014
Total excluding students	35	36
Students	0	2
TOTAL	35	38

Note 44: Financial risk management

Aedifica's financial risk management aims to ensure permanent access to borrowings, and to closely follow and minimize interest risk rate.

1. Debt structure

The debt-to-assets ratio (as defined in the Royal Decree of 13 July 2014) is provided in section 3.3 of the Consolidated Board of Directors' Report included in this Annual Financial Report. As of 30 June 2015, it amounts to 36.9 % on statutory level and to 37.0 % on consolidated level. This section also discloses the maximum ratio permitted before the Company reaches the maximum debt-to-assets ratio permitted for Belgian REITs (65 % of total assets) or arising due to bank covenants (60 % of total assets). When exceeding the debt-to-assets threshold of 50 %, a financial plan with an implementation schedule must be elaborated, describing the measures taken to prevent the consolidated debt-to-assets ratio from exceeding the maximum permissible threshold of 65 % (Article 24 of the Royal Decree of 13 July 2014).

Aedifica's financial model relies on a structural indebtedness. As a result, cash balances are usually low, amounting to €4 million as of 30 June 2015.

As of 30 June 2015, Aedifica has neither pledged any Belgian building as collateral for its debts, nor has it granted any other securities to debt-holders. Note that in Germany, it is customary that real estate buildings financed by bank credit are linked to a mortgage in favour to the creditor bank. As such, 3 out of the Company's 14 buildings in Germany are linked to a mortgage as of 30 June 2015, respecting the requirements laid down in Article 43 of the Act of 12 May 2014.

2. Liquidity risk

Aedifica enjoys a strong and stable relationship with its banks, which form a diversified pool of multinational institutions. Details of Aedifica's credit facilities are disclosed in Note 40.

As of 30 June 2015, Aedifica is using credit facilities totalling €367 million (2014: €346 million), out of €550 million in total available credit. This provides a headroom of €183 million is sufficient to cover Aedifica's short-term financial needs (including the development projects in progress) until the end of the 2015/2016 financial year. The investment amount that is budgeted in the Company's financial plan for the existing projects as of 30 June 2015 is estimated at €61 million, to which a hypothetical investment of €50 million should be added. This brings the total investment which is included in the financial plan for the 2015/2016 financial year to €111 million.

Given the regulatory status of Belgian REITs/RRECs, and the type of property in which Aedifica invests, the risk of non-renewal of mature credit facilities is remote, even in the context of a credit crunch, except in unforeseen and extreme circumstances. There is a risk of increasing credit spreads should market conditions deteriorate as compared to those present at the time of the current credit facilities were signed.

The Company would be exposed to a liquidity risk which would arise due to a lack of cash flow in the event of early termination of the credit facilities. Should the Company fail to comply with the provisions of credit facility arrangements, the facilities might indeed be cancelled, re-negotiated, or forced into reimbursement. The covenants in place are in line with market practice, and in particular require that the debt-to-assets ratio (as defined by the Royal Decree of 13 July 2014) does not exceed 60 %. Moreover, there is a risk of early termination in the event of a change of control, in case of non-compliance with the Company's obligations, and, more generally speaking, in the event of default as defined in these arrangements. Based on the information available to date, and the prospects for the foreseeable future, there is no indication of a possible early termination of one or more of the existing credit facilities. However, this risk cannot be ignored completely. Moreover, Aedifica does not itself retain control over certain commitments, such as in the event of a change of control, which could lead to the early termination of the credit facilities.

Internally, Aedifica is organised so as to regularly monitor the evolution of financial markets, optimise the Company's financial structure over both the short and long terms, and manage financial risks (liquidity risk, interest rate risk). Aedifica aims to further diversify its funding sources, given market conditions.

As of 30 June 2015, the undiscounted future cash flows related to the credit facilities include €352 million maturing within 1 year, €4 million maturing within 1 to 5 years, and €11 million maturing in more than 5 years (2014: €330 million within 1 year). The credit facilities also give rise to an interest expense of €0.9 million that is due within 1 year (2014: €1.0 million interest within 1 year).

The undiscounted contractual future cash flows related to hedging instruments are analysed as follows:

As at 30 June 2015 (x €1,000)	Due within the year	Due between one to five years	Due after more than five years	TOTAL
Derivatives for which hedge accounting is applied	-3,214	-13,542	-4,632	-21,388
Derivatives for which hedge accounting is not applied	-2,890	-8,969	-8,156	-20,015

As at 30 June 2014 (x €1,000)	Due within the year	Due between one to five years	Due after more than five years	TOTAL
Derivatives for which hedge accounting is applied	-3,167	-16,282	-4,383	-23,832
Derivatives for which hedge accounting is not applied	-1,831	-4,528	-1,341	-7,700

3. Interest rate risk

Almost all of Aedifica's financial debts are floating-rate borrowings. This allows Aedifica to benefit from low interest rates on the non-hedged part of its borrowings. To mitigate the risk of increasing interest rates, Aedifica follows a policy aimed at securing the interest rates related to at least 60 % of its current or highly probable indebtedness over several years.

This policy is supported by the fact that an increase in nominal interest rates, when not coupled with a simultaneous increase in inflation, implies an increase in real interest rates that cannot be offset by increasing rental incomes through indexation alone. Moreover, in case of accelerating inflation, there is a delay between the moment of the increase of the nominal interest rates and the timing of the indexation of rental incomes. When the interest rate curve is sufficiently flat (i.e. when interest does not vary a lot in relation of the maturity date), Aedifica aims to enter into hedges over longer periods, in line with its horizon of investment.

For example, assuming that the structure and level of financial debts remain unchanged, and assuming that no hedges have been entered into, simulations show that a 25 bps positive deviation (increase) in the 2015/2016 interest rates over the forecast rates would lead to an additional €1.1 million interest expense for the year ended 30 June 2016.

In order to manage the interest rate risk, Aedifica has put in place hedges (interest rate swaps and caps). All hedges are entered into with leading banks and relate to existing or highly probable risks. Where appropriate, Aedifica applies hedge accounting as defined by IAS 39. An analysis of the Company's hedges is provided in the Consolidated Board of Directors' Report and in Note 33 of the Consolidated Financial Statements included in this Annual Financial Report. The hedges are entered into for long periods; however, hedge agreements include provisions (in line with market practice) that could lead the issuing banks to terminate the hedges early or initiate margin calls (in cash for example) in their own favour in certain circumstances.

Changes in the interest rate curve have a limited impact on the future interest expense, as 60 % of the financial debts are hedged by IRS or caps. Each change in the interest rate curve has an impact on the fair value of hedging instruments against income statement and/or equity (line "I.C.d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS" and line "I.C.e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS"). A sensitivity analysis is provided in Note 33 of the Consolidated Financial Statements included in this Annual Financial Report.

4. Counterparty risk

The signing of a credit facility or a hedging instrument with a bank generates a counterparty risk in terms of counterparty default. In order to mitigate this risk, Aedifica trades with several leading national and international banks to diversify its funding and hedging sources, while remaining cautious about the balance between cost and quality of the services provided. In the context of the current banking crisis, one should bear in mind that one or several counterparties could default.

In line with market practice, the agreements signed with banks include market shock clauses and major adverse change clauses which could lead to, in extreme circumstances, additional costs for the Company or possibly the early termination of the credit facility.

Aedifica is in an on-going relationship with the banks listed Note 40 of the Consolidated Financial Statements included in the Annual Financial Report. What regards to hedging, the main providers (by order of magnitude) are ING, BNP Paribas Fortis and KBC Bank.

5. Foreign exchange risk

Aedifica earns all its rental income and incurs all expenses within the euro-zone (except for certain small suppliers which charge for their services in USD and CAD). The borrowings of the Company are all denominated in Euros. Thus, Aedifica is not exposed to significant foreign exchange risk.

6. Financial planning risk

The yearly budget and long-term financial plan are important tools used in the decision-making process and in daily management activities. The budget and financial plan are derived from a computerised model that incorporates a number of assumptions; this model can suffer from programming errors, and human errors which may arise when using it. The potential for wrong assumptions, and undetected programming or human errors might put pressure on the Company's performance or threaten its compliance with regulatory (e.g. legal covenants associated to the public RREC status, such as the debt-to-assets ratio) and contractual provisions (e.g. bank covenants).

Note 45: Contingencies and commitments

1. Commitments

The acquisition values mentioned below respect the requirements laid down in Article 49 § 1 of the Belgian Act of 12 May 2014 on Regulated Real Estate Companies (at the time of the signing of the agreements which generated the commitment).

1.1 Extension of the Aux Deux Parcs rest home in Jette

Aedifica committed to finance the extension of the existing rest home for a maximum budget of €1.9 million. Works are expected to begin shortly.

1.2 Renovation and extension of the L'Air du Temps rest home in Chênée

Under the long lease with Senior Living Group, Aedifica committed to finance the renovation and extension of the L'Air du Temps rest home in Chênée for a maximum budget of €6.2 million. Works are expected to begin shortly.

1.3 Construction of a new rest home and assisted-living apartments next to the existing building Au Bon Vieux Temps in Mont-Saint-Guibert

Under the long lease with the operator of the Au Bon Vieux Temps rest home (being part of Senior Living Group), Aedifica committed to finance the construction of a new rest home and assisted-living apartments next to the existing rest home in Mont-Saint-Guibert, for a maximum budget of €10.3 million. Works are currently in progress.

1.4 Renovation and extension of the Op Haanven rest home in Veerle-Laakdal

Under the long lease with Senior Living Group, Aedifica committed to finance the renovation and extension of the rest home in Veerle-Laakdal for a maximum budget of €4.4 million. Works are currently in progress.

1.5 Extension of the Pont d'Amour rest home in Dinant

Under the long lease with the operator of the Pont d'Amour rest home (being part of the Armonea group), Aedifica committed to finance the extension of the rest home for a maximum budget of €7.9 million. Works are currently in progress.

1.6 Renovation and reconversion of the Marie-Louise into assisted-living apartments in Wemmel

Under the long lease with Soprim@, Aedifica committed to finance the renovation of this building and its conversion into a rehabilitation centre for seniors, for a maximum budget of €4.0 million. Works are currently in progress.

1.7 Construction of a new assisted-living apartment building next to the Cheveux d'Argent rest home in Sart-lez-Spa

Under the long lease with the operator of the Cheveux d'Argent rest home (being part of Senior Living Group), Aedifica committed to finance the construction of a new assisted-living apartment building next to the existing rest home in Sart-lez-Spa for a maximum budget of €3.0 million. This commitment remains subject to outstanding conditions.

1.8 Renovation and extension of the 't Hoge rest home in Kortrijk

Under the long lease with the operator of the 't Hoge rest home (which includes a guarantee from Senior Living Group), Aedifica committed to finance the renovation and extension of the existing building in Kortrijk for a maximum budget of €5.6 million. The first phase is already operational (€3.9 million). Works for the second phase are currently in progress (budget of €1.7 million).

1.9 Extension of the Helianthus rest home in Melle

Under the long lease with the operator of the Helianthus rest home (that benefits the guarantee of Senior Living Group), Aedifica committed to finance the extension of the site for the construction of 22 assisted-living apartments in Melle for a maximum budget of €3.8 million. Works are currently in progress.

1.10 Renovation and extension of the Plantijn rest home in Kapellen

Under the long lease with Armonea, Aedifica committed to finance the renovation and extension of the Plantijn rest home for a maximum budget of €7.6 million. The development permit has been obtained.

1.11 Renovation and redevelopment of the Salve rest home in Brasschaat

Under the long lease with Armonea, Aedifica committed to finance the renovation and redevelopment of the Salve rest home for a maximum budget of €8.4 million. The construction is currently underway (budget of €2.4 million), with the first phase (€6.0 million) already completed.

1.12 Renovation and extension of the Huize Lieve Moenssens rest home in Dilsen-Stokkem

Under the long lease with the operator of the Huize Lieve Moenssens rest home, Aedifica committed to finance the renovation and the extension of the site for a maximum budget of €7.0 million. Works are expected to begin shortly.

1.13 Extension of the De Stichel rest home in Vilvoorde

Under the long lease with the operator of the De Stichel rest home, Aedifica committed to finance the extension of the site for a maximum budget of €3.5 million. The commitment is subject to outstanding conditions.

1.14 Extension of the Oase Binkom rest home in Binkom

Under the long lease with Oase, Aedifica committed to finance the extension of the rest home for a maximum budget of €2.2 million. The commitment is subject to outstanding conditions.

1.15 Renovation and extension of the La Ferme Blanche rest home in Remicourt

Aedifica committed to finance the extension and the renovation of the existing La Ferme Blanche rest home, located in Remicourt, for a budget of €6.0 million. Works are expected to begin shortly.

1.16 Construction of a new rest home and renovation of the Villa Temporis assisted-living apartment complex in Hasselt

Aedifica committed to finance the construction of a new rest home and renovation of the existing assisted-living apartment complex for a budget of €9.6 million (including plot of land). Works are currently under progress.

1.17 Acquisition of two senior housing sites in Flanders

On 12 June 2014, Aedifica announced an agreement in principle (subject to outstanding conditions) which allows the Company to acquire two new rest homes, one under construction in Aarschot (Poortvelden) and another in the planning phase in Glabbeek for a total budget of €27.8 million.

1.18 Acquisition of the Leopoldsborg senior housing site in Leopoldsborg

On 18 December 2014, Aedifica signed an agreement (subject to outstanding conditions) under which the Company has committed to acquire the shares of the company RL Invest SA. This company is the owner of a rest home under construction, which, upon completion, will comprise 128 beds and 22 assisted-living apartments. The contractual value of these properties will amount to approx. €20 million upon completion.

1.19 Earn-outs

For some acquisition deals, a portion of the acquisition price has been set based on future contingent events, such as (in the case of one rest home) the increase of rent after an extension. These events could trigger earn-outs.

2. Contingent liabilities

2.1 Credit facilities

A security has been pledged in relation to the Company's credit agreements, within the limits authorised by the regulation on following buildings: SZ AGO Herkenrath, SZ AGO Dresden and SZ AGO Kreischa.

2.2 Acquisition of shares in property companies, mergers and de-mergers

Aedifica benefits from warranties provided by the sellers of shares in property companies acquired.

3. Contingent assets

3.1 Securities received on rental agreements

Aedifica benefits from rental guarantees (in line with market practice and applicable regulations), in the form of bank guarantees, restricted bank deposits or guarantor backings.

Moreover, in certain cases, Aedifica benefits from other securities:

- Martin's Brugge: commitments of the lessee are covered by a mortgage (ranked #2) in the amount of €25 thousand and a mortgage authorisation in the amount of €1,230 thousand on the buildings "Château du Lac" located at avenue du Lac 87, 1332 Genval, "la Villa du Lac", located at avenue des Merisiers 8 and Drève des Magnolias, 1332 Genval and "Le Manoir du Lac", located at avenue Hoover 8, 1332 Genval;
- Martin's Klooster in Leuven: commitments of the lessee are covered by a mortgage (ranked #2) in the amount of €50 thousand and a mortgage authorisation in the amount of €1,340 thousand on the buildings "Château du Lac" located at avenue du Lac 87, 1332 Genval, "la Villa du Lac", located at avenue des Merisiers 8 and Drève des Magnolias, 1332 Genval and "Le Manoir du Lac", located at avenue Hoover 8, 1332 Genval.

3.2 Securities received following acquisitions

In case of acquisitions, contributions in kind, mergers and de-mergers, Aedifica benefits from the following securities:

- Résidence du Lac: a blocked account for €2.1 million that can be freed in September 2015 at the earliest;
- Stephanie's Corner: a blocked account for €0.2 million that can be freed as of 31 December 2015 at the earliest.

4. Other

4.1 Sundry options

- Long leases on rest homes and hotels: in some cases, Aedifica has granted preferential rights, renewal rights or purchase options to the lessees. Aedifica also benefits from a number of preferential rights granted by rest homes lessees.
- Sale or purchase options (related to some development projects): in certain cases, Aedifica has granted options to third parties, and/or benefits from options allowing it to sell buildings (e.g. when it appears that pieces of buildings will not be used for the development projects).

Note 46: Acquisitions and disposals of investment properties

The main investment property acquisitions of the financial year are the following:

ACQUISITIONS NAME	Business segment	Properties valuation* (in € million)	Register of corporations	Acquisition date**	Acquisition method
Woon & Zorg VG Aarschot SPRL	Senior housing	24	0836.667.164	10/07/2014	Acquisition of shares and subsequent merger
Woon & Zorg VG Tienen SPRL	Senior housing	20	0836.667.956	29/08/2014	Acquisition of shares and subsequent merger
Halmolen	Senior housing	18	-	11/12/2014	Acquisition of a building
La Réserve Invest SA Krentzen SPRL Overbeke SPRL	Senior housing	29	0472.563.511 0831.847.551 0816.956.665	4/12/2014	Partial demerger, acquisitions of shares and subsequent merger
Aedifica Luxemburg I SARL	Senior housing	24	B128048	16/12/2014	Acquisition of shares
Aedifica Luxemburg II SARL	Senior housing	22	B139725	16/12/2014	Acquisition of shares
Aedifica Luxemburg III SARL	Senior housing	20	B143704	16/12/2014	Acquisition of shares
Michri SA	Senior housing	4	0862.001.188	18/12/2014	Acquisition of shares
Villa Temporis SA	Senior housing	5	0442.682.066	18/12/2014	Acquisition of shares
Schloss Bensberg	Senior housing	14	-	1/03/2015	Acquisition of a building
TOTAL		180			

* in order to determine the number of shares issued, the exchange ratio and/or the value of the acquired shares.

** and consolidation date in the financial statements.

All these operations are detailed in the Board of Directors' Report.

Note 47: Changes in fair value of financial assets and liabilities

(x €1,000)	2015	2014
Authorised hedging instruments		
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	0	-1
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	461	-2,989
Subtotal	461	-2,990
Other	-87	0
TOTAL	374	-2,990

The Line "Other" represents the changes in fair value of the put options granted to non-controlling shareholders (see Notes 32 and 56).

Note 48: Related party transactions

Related party transactions (as defined under IAS 24 and the Belgian Companies Code) relate exclusively to the remuneration of the Company's Directors and Executive Managers (€1,577 thousand in 2014/2015; €1,238 thousand in 2013/2014). Remuneration details are provided in the Corporate Governance Statement included in the 2014/2015 Annual Financial Report.

Note 49: Subsequent events

— 2 July 2015: Résidence de la Houssière rest home (Braine-le-Comte, Province of Hainaut, Belgium)

On 2 July 2015, Aedifica announced the acquisition (together with its subsidiary, Aedifica Invest SA) of 100 % of the shares of the limited liability company La Croix Huart SA. La Croix Huart is the owner of the plot of land on which the Résidence de la Houssière rest home is located in Braine-le-Comte, Belgium.

The Résidence de la Houssière rest home is well located in a green area, near the centre of Braine-le-Comte, a municipality of approx. 20,000 inhabitants, situated approx. 20 kilometres from Mons (Province of Hainaut, Belgium). The rest home currently comprises 94 beds. The initial building, which dates from the late 1990s, was completed in 2006 with the construction of a new wing. The site also includes a land reserve of approx. 1.5 ha, which presents potential for an extension project. The site is operated by the limited liability company Résidence de la Houssière SA, a local player that has been present on the senior care market for more than 20 years.

The contractual value of the site (including plot of land) amounts to approx. €10 million. The initial triple net yield amounts to approx. 6 %. The Aedifica Group will receive this yield based on a 27-year triple net long lease which will be granted to Résidence de la Houssière SA.

This transaction was structured for execution in two phases:

- Acquisition of 100 % of the shares of SA La Croix Huart (2 July 2015), bare owner of the plot of land to which the surface rights are attached;
- Transfer of the ownership of the building to SA La Croix Huart upon expiration of the surface rights (31 December 2015).

— 9 July 2015 : Senior Flandria assisted-living apartment building (Bruges, Province of West-Flanders, Belgium)

On 9 July 2015, Aedifica acquired 100 % of the shares of the limited liability companies Senior Hotel Flandria SA and Patrimoniale Flandria SA. Senior Hotel Flandria SA is the owner of the Senior Flandria assisted-living apartment building located in Bruges (Province of West-Flanders, Belgium). Patrimoniale Flandria SA is the owner of the plot of land on which the assisted-living apartment building is located.

The Senior Flandria assisted-living apartment building is well located in a residential area, close to the centre of Bruges. This city of 117,000 inhabitants is the capital city of the province of West Flanders, Belgium. The building, which dates from 1991, currently comprises 108 one-bedroom apartments and common areas (total surface of approx. 6,500 m²). The building is very well maintained and has undergone some renovation works (such as the bathrooms). The building is a recognised assisted-living apartment building intended for senior housing, and offers various facilities (concierge, anti-intruder system, call system, restaurant, fitness, bar, etc.), services (animation, hairdresser, handyman services, cleaning services) and health-care services (physiotherapy, care, home nursing).

The contractual value of the site (including plot of land) amounts to approx. €10 million. The site is operated by the SPRL Happy Old People (controlled by the Armonia group) on the basis of a triple net long lease for which the remaining maturity is approx. 20 years. The initial triple net yield amounts to approx. 6 %.

Note 50: Corrected profit as defined in the Royal Decree of 13 July 2014

The corrected profit as defined in the Royal Decree of 13 July 2014 is calculated based on the Statutory Accounts as follows:

(x €1,000)	2015	2014
Profit (loss)	39,444	18,582
Depreciation	670	599
Write-downs	33	98
Other non-cash items	-2,187	2,922
Gains and losses on disposals of investment properties	-428	0
Changes in fair value of investment properties	-12,105	-1,799
Roundings	-1	1
Corrected profit	25,426	20,403
Denominator* (in shares)	10,924,613	10,249,083
CORRECTED PROFIT PER SHARE* (in € per share)	2.33	1.99

* Based on the rights to the dividend for the shares issued during the year.

Note 51: List of the subsidiaries, associates and joint ventures

The table below presents a full list of the companies covered by Articles 114 and 165 of the Royal Decree of 30 January 2001 pertaining to the execution of the Belgian Companies Code. For the subsidiaries already present in the prior year (Aedifica Invest SA, Aedifica Invest Brugge SA and De Stichel SA), the percentage of equity held by Aedifica is unchanged as compared to 30 June 2014.

NAME	Country	Category	Register of corporations	Capital held (in %)
Aedifica Invest SA	Belgium	Subsidiary	0879.109.317	100.00
Aedifica Invest Brugge SA	Belgium	Subsidiary	0899.665.397	100.00
Aedifica Asset Management GmbH	Germany	Subsidiary	DE297302957	100.00
De Stichel SA	Belgium	Subsidiary	0466.259.105	100.00
Overbeke SPRL	Belgium	Subsidiary	0816.956.665	100.00
Villa Temporis SA	Belgium	Subsidiary	0442.682.066	100.00
Michri SA	Belgium	Subsidiary	0862.001.188	100.00
Aedifica Luxembourg I SARL	Luxembourg	Subsidiary	B128048	94.00
Aedifica Luxembourg II SARL	Luxembourg	Subsidiary	B139725	94.00
Aedifica Luxembourg III SARL	Luxembourg	Subsidiary	B143704	94.00

Note 52: Belgian RREC status

(x €1,000)	2015	2014
Consolidated debt-to-assets ratio (max. 65%)		
Total liabilities	422,014	397,648
Corrections	-44,798	-40,828
Total liabilities according to the Royal Decree of 13 July 2014	377,216	356,820
Total assets	1,020,284	794,723
Corrections	-1,048	-65
Total assets according to the Royal Decree of 13 July 2014	1,019,236	794,658
Debt-to-assets ratio (in %)	37.0%	44.9%
STATUTORY PAY-OUT RATIO		
Statutory corrected profit	25,426	20,403
Proposed dividend	21,849	19,473
PAY-OUT RATIO (MIN. 80%)	86%	95%

Prohibition to invest more than 20 % of assets in real estate assets that form a single property

As of 30 June 2015, no single property represents more than 20 % of the Company's assets (see "Risk Factors", section 1.4).

Valuation of investment properties by an expert

Aedifica's properties are valued quarterly by independent experts, Stadim CVBA, de Crombrughe & Partners SA and CBRE GmbH.

Note 53: Audit fees

(x €1,000)	2015	2014
Statutory (audit Aedifica SA)	29	29
Statutory audit (subsidiaries)	46	23
Opinion reports foreseen in the Belgian Companies Code (Aedifica SA)	20	5
Other opinion reports (comfort letter, etc.) (Aedifica SA)	36	2
Tax advice missions	0	0
Other missions unconnected with the statutory audit	0	0
TOTAL	131	59

Note 54: Deferred taxes

Deferred taxes recognised on the balance sheet arise from the acquisition of investment properties located outside of Belgium.

They arise from the temporal difference between the buildings' fair value and the assessed value used for tax purposes.

Changes in deferred taxes are presented as follows (see also Note 24):

(x €1,000)	Assets	Liabilities
CARRYING AMOUNT AS OF 1/07/2013	0	0
Originations	388	0
Reversals	-144	0
Scope changes	0	0
CARRYING AMOUNT AS OF 30/06/2014	244	0

(x €1,000)	Assets	Liabilities
CARRYING AMOUNT AS OF 1/07/2014	244	0
Originations	142	0
Reversals	-276	-261
Scope changes	0	-2,174
CARRYING AMOUNT AS OF 30/06/2015	110	-2,435

Note 55: Fair value

In accordance with IFRS 13, balance sheet elements for which the fair value can be computed are presented below and broken down according to the levels defined by IFRS 13:

(x €1,000)	Level 1	Level 2	Level 3	Carrying amounts of the balance sheet 2015
Investment properties	-	-	1,003,358	1,003,358
Assets classified as held for sale	-	-	1,805	1,805
Non-current financial assets	-	1,397	-	1,397
Trade receivables and other non-current assets	-	4,352	-	4,352
Tax receivables and other current assets	-	962	-	962
Cash and cash equivalents	3,598	-	-	3,598
Non-current financial debts (a. Borrowings)	-	-342,970	-	-340,752
Other non-current financial liabilities	-	-39,320	-	-39,320
Current financial debts (a. Borrowings)	-	-25,897	-	-25,897
Trade debts and other current debts (b. Other)	-	-8,484	-	-8,484

(x €1,000)	Level 1	Level 2	Level 3	Carrying amounts of the balance sheet 2014
Investment properties	-	-	784,980	784,980
Non-current financial assets	-	461	-	461
Trade receivables and other non-current assets	-	2,938	-	2,938
Tax receivables and other current assets	-	495	-	495
Cash and cash equivalents	1,156	-	-	1,156
Non-current financial debts (a. Borrowings)	-	-277,337	-	-274,955
Other non-current financial liabilities	-	-37,774	-	-37,774
Current financial debts (a. Borrowings)	-	-70,945	-	-70,945
Trade debts and other current debts (b. Other)	-	-10,305	-	-10,305

In the table above, the fair value of hedging instruments is included under lines “non-current financial assets” and “other non-current financial liabilities”, as broken down in Note 32.

Note 56: Put options granted to non-controlling shareholders

The Company has committed to acquire the non-controlling shareholdings (6 % of the share capital) owned by third parties in Aedifica Luxembourg I SARL, Aedifica Luxembourg II SARL and Aedifica Luxembourg III SARL, should these third parties wish to exercise their put options. The exercise price of such options granted to non-controlling interest is reflected on the liability side of balance sheet on line “I.C.b. Other non-current financial liabilities – Other” (see Notes 32 and 47).

1.7 Auditor's Report

This auditor's report has been faithfully reproduced and, to Aedifica's knowledge, no facts have been omitted which would render the information reproduced inexact or misleading.

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF AEDIFICA NV AS OF AND FOR THE YEAR ENDED 30 JUNE 2015

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the consolidated balance sheet as at 30 June 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in capital and reserves and the consolidated cash flow statement for the year ended 30 June 2015 and the notes (all elements together "the Consolidated Financial Statements"), and includes as well our report on other legal and regulatory requirements.

Report on the consolidated financial statements - Unqualified opinion

We have audited the Consolidated Financial Statements of Aedifica SA ("the Company") and its subsidiaries (together "the Group") as of and for the year ended 30 June 2015, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, which show a consolidated balance sheet total of €1.020.284 thousand and of which the consolidated income statement shows a profit for the year of €45.165 thousand.

Responsibility of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the given circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the Consolidated Financial Statements of the Group as at 30 June 2015 give a true and fair view of the consolidated net equity and financial position, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements, in accordance with article 119 of the Belgian Company Code.

In the context of our mandate and in accordance with the additional standard issued by the 'Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises' as published in the Belgian Gazette on 28 August 2013 (the "Additional Standard"), it is our responsibility to perform certain procedures to verify, in all material respects, compliance with certain legal and regulatory requirements, as defined in the Additional Standard. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the Consolidated Financial Statements.

- The Board of Director's report to the Consolidated Financial Statements includes the information required by law, is consistent with the Consolidated Financial Statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 2 September 2015

Ernst & Young Réviseurs d'Entreprises scrl

Statutory auditor

represented by Jean-François Hubin*, Partner

* Acting on behalf of a BVBA/SPRL

2. Abridged Statutory Financial Statements 2014/2015

The Abridged Statutory Financial Statements of Aedifica SA, prepared under IFRS, are summarised below in accordance with Article 105 of Belgian Companies Code.

The unabridged Statutory Financial Statements of Aedifica SA, its Board of Directors' Report and its Auditors' Report will be registered at the National Bank of Belgium within the legal deadlines. They will also be available for free on the Company's website (www.aedifica.be) or on request at the Company's headquarters.

The statutory auditor released an unqualified opinion on the Statutory Financial Statements of Aedifica SA.

Abridged Statutory Income Statement

Year ending on 30 June (x €1,000)	2015	2014
I. Rental income	47,178	38,855
II. Writeback of lease payments sold and discounted	0	0
III. Rental-related charges	-84	-67
Net rental income	47,094	38,788
IV. Recovery of property charges	32	35
V. Recovery of rental charges and taxes normally paid by tenants on let properties	1,687	1,086
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	0	0
VII. Rental charges and taxes normally paid by tenants on let properties	-1,687	-1,086
VIII. Other rental-related income and charges	-1,563	-1,509
Property result	45,563	37,314
IX. Technical costs	-1,071	-908
X. Commercial costs	-492	-549
XI. Charges and taxes on unlet properties	-131	-148
XII. Property management costs	-892	-707
XIII. Other property charges	-1,567	-1,166
Property charges	-4,153	-3,478
Property operating result	41,410	33,836
XIV. Overheads	-5,230	-4,190
XV. Other operating income and charges	915	242
Operating result before result on portfolio	37,095	29,888
XVI. Gains and losses on disposals of investment properties	428	0
XVII. Gains and losses on disposals of other non-financial assets	0	0
XVIII. Changes in fair value of investment properties	12,105	1,799
XIX. Other result on portfolio	1,792	0
Operating result	51,420	31,687
XX. Financial income	1,474	1,504
XXI. Net interest charges	-12,720	-11,048
XXII. Other financial charges	-787	-731
XXIII. Changes in fair value of financial assets and liabilities	461	-2,990
Net finance costs	-11,572	-13,265
Profit before tax (loss)	39,848	18,422
XXIV. Corporate tax	-404	160
XXV. Exit tax	0	0
Tax expense	-404	160
Profit (loss)	39,444	18,582
Basic earnings per share (€)	3.70	1.87
Diluted earnings per share (€)	3.70	1.87

Abridged Statutory Statement of Comprehensive Income

Year ending on 30 June (x €1,000)	2015	2014
I. Profit (loss)	39,444	18,582
II. Other comprehensive income recyclable under the income statement		
A. Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-3,517	-2,668
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	-181	-2,710
H. Other comprehensive income, net of taxes	0	0
Comprehensive income	35,746	13,204

Abridged Statutory Balance Sheet

ASSETS Year ending on 30 June (x €1,000)	2015	2014
I. Non-current assets		
A. Goodwill	1,856	1,856
B. Intangible assets	102	21
C. Investment properties	909,048	736,065
D. Other tangible assets	1,833	1,911
E. Non-current financial assets	80,252	25,068
F. Finance lease receivables	0	0
G. Trade receivables and other non-current assets	0	0
H. Deferred tax assets	110	244
Total non-current assets	993,201	765,165
II. Current assets		
A. Assets classified as held for sale	1,805	0
B. Current financial assets	0	0
C. Finance lease receivables	0	0
D. Trade receivables and other non-current assets	4,222	2,608
E. Tax receivables and other current assets	6,049	17,078
F. Cash and cash equivalents	2,639	1,120
G. Deferred charges and accrued income	897	635
Total current assets	15,612	21,441
TOTAL ASSETS	1,008,813	786,606

EQUITY AND LIABILITIES	2015	2014
Year ending on 30 June (x €1,000)		
EQUITY		
A. Capital	360,633	264,231
B. Share premium account	151,388	64,729
C. Reserves	43,285	47,818
<i>a. Legal reserve</i>	0	0
<i>b. Reserve for the balance of changes in fair value of investment properties</i>	93,599	91,800
<i>c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties</i>	-20,032	-16,516
<i>d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS</i>	-19,667	-19,484
<i>e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS</i>	-18,718	-15,729
<i>h. Reserve for treasury shares</i>	0	-56
<i>k. Reserve for deferred taxes on investment properties located abroad</i>	244	0
<i>m. Other reserves</i>	0	0
<i>n. Result brought forward from previous years</i>	7,859	7,803
D. Profit (loss) of the year	39,444	18,582
TOTAL EQUITY	594,750	395,360
LIABILITIES		
I. Non-current liabilities		
A. Provisions	0	0
B. Non-current financial debts		
a. Borrowings	337,913	269,395
C. Other non-current financial liabilities	38,049	37,775
a. Authorised hedges	38,049	37,775
b. Other	0	0
D. Trade debts and other non-current debts	0	0
E. Other non-current liabilities	0	0
F. Deferred taxes liabilities	0	0
Non-current liabilities	375,962	307,170
II. Current liabilities		
A. Provisions	0	0
B. Current financial debts		
a. Borrowings	25,663	70,559
C. Other current financial liabilities	0	0
D. Trade debts and other current debts		
a. Exit tax	114	158
b. Other	8,057	10,360
E. Other current liabilities	0	0
F. Accrued charges and deferred income	4,267	2,999
Total current liabilities	38,101	84,076
TOTAL LIABILITIES	414,063	391,246
TOTAL EQUITY AND LIABILITIES	1,008,813	786,606

Abridged Statutory Statement of Changes in Equity

Year ending on 30 June (x €1,000)	2013	Capital increase in cash	Capital increase in kind	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropriation of the result	Roundings	2014
Capital	248,072	0	16,159	0	0	0	0	264,231
Share premium account	64,729	0	0	0	0	0	0	64,729
Reserves	41,841	0	0	28	-5,378	11,328	-1	47,818
a. Legal reserve	0	0	0	0	0	0	0	0
b. Reserve for the balance of changes in fair value of investment properties	82,732	0	0	0	0	9,067	1	91,800
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-13,848	0	0	0	-2,668	0	0	-16,516
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-16,637	0	0	0	-2,710	-137	0	-19,484
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-17,466	0	0	0	0	1,737	0	-15,729
h. Reserve for treasury shares	-83	0	0	28	0	0	-1	-56
k. Reserve for deferred taxes on investment properties located abroad	0	0	0	0	0	0	0	0
m. Other reserves	0	0	0	0	0	0	0	0
n. Result brought forward from previous years	7,143	0	0	0	0	661	-1	7,803
Profit (loss)	27,538	0	0	0	18,582	-27,538	0	18,582
TOTAL EQUITY	382,180	0	16,159	28	13,204	-16,210	-1	395,360

Year ending on 30 June (x €1,000)	2014	Capital increase in cash	Capital increase in kind	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropriation of the result	Roundings	2015
Capital	264,231	78,812	17,591	0	0	0	-1	360,633
Share premium account	64,729	70,580	16,079	0	0	0	0	151,388
Reserves	47,818	0	0	56	-3,698	-891	0	43,285
a. Legal reserve	0	0	0	0	0	0	0	0
b. Reserve for the balance of changes in fair value of investment properties	91,800	0	0	0	0	1,799	0	93,599
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-16,516	0	0	0	-3,517	0	1	-20,032
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-19,484	0	0	0	-181	-1	-1	-19,667
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-15,729	0	0	0	0	-2,989	0	-18,718
h. Reserve for treasury shares	-56	0	0	56	0	0	0	0
k. Reserve for deferred taxes on investment properties located abroad	0	0	0	0	0	244	0	244
m. Other reserves	0	0	0	0	0	0	0	0
n. Result brought forward from previous years	7,803	0	0	0	0	56	0	7,859
Profit (loss)	18,582	0	0	0	39,444	-18,582	0	39,444
TOTAL EQUITY	395,360	149,392	33,670	56	35,746	-19,473	-1	594,750

Abridged Statutory Appropriation Account

PROPOSED APPROPRIATION	2015	2014
Year ending on 30 June (x €1,000)		
A. Profit (loss)	39,444	18,582
B. Transfer to/from the reserves	14,653	-947
1. Transfer to/from the reserve of the (positive or negative) balance of changes in fair value of investment properties (-/+)		
- fiscal year	13,898	1,799
- previous fiscal years	0	0
- disposals of investment properties	428	0
2. Transfer to/from the reserve of the estimated transaction costs resulting from hypothetical disposal of investment properties (-/+)	0	0
3. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting (-)		
- fiscal year	0	-1
- previous years	0	0
4. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting (+)		
- fiscal year	0	0
- previous years	0	0
5. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments not qualifying for hedge accounting (-)		
- fiscal year	461	-2,989
- previous years	0	0
6. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments not qualifying for hedge accounting (+)		
- fiscal year	0	0
- previous years	0	0
7. Transfer to/from the reserve of the balance of currency translation differences on monetary assets and liabilities (-/+)	0	0
8. Transfer to the reserve of the fiscal latencies related to investment properties abroad (-/+)	-134	244
9. Transfer to the reserve of the received dividends aimed at the reimbursement of financial debts (-/+)	0	0
10. Transfer to/from other reserves (-/+)	0	0
11. Transfer to/from the result carried forward of the previous years (-/+)	0	0
C. Remuneration of the capital provided in article 13, § 1, para. 1	20,341	16,323
D. Remuneration of the capital - other than C	1,508	3,151
Result to be carried forward	2,942	56
SHAREHOLDERS' EQUITY THAT CAN NOT BE DISTRIBUTED ACCORDING TO ARTICLE 617 OF THE COMPANY CODE (x €1,000)	2015	2014
Paid-up capital or, if greater, subscribed capital (+)	360,633	264,231
Share premium account unavailable for distribution according to the Articles of Association (+)	151,388	64,729
Reserve for positive balance of changes in fair value of investment properties (+)	107,924	93,599
Reserve for the estimated transaction costs resulting from hypothetical disposal of investment properties (-)	-20,032	-16,516
Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS (+/-)	-19,667	-19,485
Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS (+/-)	-18,256	-18,718
Reserve of the balance of currency translation differences on monetary assets and liabilities (+)	0	0
Reserve for foreign exchange differences linked to conversion of foreign operations (+/-)	0	0
Reserve for the balance of changes in fair value of financial assets available for sale (+/-)	0	0
Reserve for actuarial differences of defined benefits pension plans (+)	0	0
Reserve of the fiscal latencies related to investment properties abroad (+)	110	244
Reserve of the received dividends aimed at the reimbursement of financial debts (+)	0	0
Other reserves declared as non-distributable by the general meeting (+)	0	0
Legal reserve (+)	0	0
Shareholders' equity that cannot be distributed according to Article 617 of the Company Code	562,100	368,083
Net asset	594,750	395,360
Dividend to be paid out	-21,849	-19,473
Net asset after distribution	572,901	375,887
Headroom after distribution	10,801	7,803

Standing Documents

1. General information

1.1 Company name (Article 1 of the Articles of Association)

The legal form of the Company is that of a public limited liability company with the name “Aedifica”.

The Company is a Public Regulated Real Estate Company (“PRREC”), subject to the Belgian Act of 12 May 2014 on Regulated Real Estate Companies (the “Act”) as well as the Royal Decree of 13 July 2014 on Regulated Real Estate Companies (the “Royal Decree”) (hereafter together “the RREC legislation”).

The name of the Company and all documents that it issues must include a reference to it being a Regulated Real Estate Company under Belgian law, either written out in full as “openbare geregementeerde vastgoedvennootschap naar Belgisch recht” / “société immobilière réglementée publique de droit belge” (“public regulated real estate company under Belgian law”) or abbreviated as “openbare GVV naar Belgisch recht” or “OGGV naar Belgisch recht” / “SIR publique de droit belge” or “SIRP de droit belge” (“public RREC under Belgian law”), or be immediately followed by these words.

The Company has made a public call on savings within the meaning of Article 438 of the Belgian Companies Code.

1.2 Registered and administrative offices (Article 2 of the Articles of Association)

The registered and administrative office is located at Avenue Louise/Louizalaan 331-333, 1050 Brussels.

The registered office may be moved to any other place in Belgium, subject to compliance with the language legislation in administrative affairs, by means of a simple resolution of the Board of Directors, which is authorised to have the ensuing amendment to the Articles of Association recorded in an officially certified deed.

1.3 Constitution, legal form and publication

Aedifica was set up as a limited liability company incorporated under Belgian law (Société Anonyme/Naamloze Vennootschap) by Degroof Bank SA and GVA Finance SCA, by deed enacted on 7 November 2005 by Notary Bertrand Nerincx, Notary in Brussels, published in the annexes to the Belgian State Gazette (Moniteur belge/Belgisch Staatsblad) of 23 November 2005, under number 20051123/05168061.

Aedifica was recognised as a Belgian REIT by the Commission Bancaire, Financière et des Assurances (CBFA), which became the FSMA, on 8 December 2005. Aedifica was recognised as a RREC by the FSMA on 17 October 2014.

1.4 Registry of Legal Entities

The Company is entered in the Brussels Registry of Legal Entities (R.L.E., or “R.P.M.” in French / “R.P.R.” in Dutch) under No. 0877.248.501.

1.5 Duration (Article 5 of the Articles of Association)

The Company is incorporated for an indefinite duration.

1.6 Purpose (Article 3 of the Articles of Association)

The Company's sole purpose is:

- (a) to make immovable property available to users, directly or through a company in which it holds a participation in accordance with the provisions of the Act and its implementing decrees and regulations; and
- (b) within the limits set out in the Act, to possess real estate as specified in article 2,5°, vi to x of the Act.

The notion real estate is to be understood as “real estate” within the meaning of the RREC legislation.

In the context of making available immovable property, the company can carry out all activities relating to the construction, conversion, renovation, development, acquisition, disposal, administration and exploitation of immovable property.

As an additional or temporary activity, the company may invest in securities that are not real estate within the meaning of the RREC legislation, insofar as these securities may be traded on a regulated market. These investments will be made in accordance with the risk management policy adopted by the company and will be diversified so as to ensure an appropriate risk diversification. It may also hold non-allocated liquid assets in all currencies, in the form of a call or term deposit or in the form of any monetary instrument that can be traded easily.

The Company may moreover carry out hedging transactions, insofar as the latter's exclusive purpose is to cover interest rate and exchange rate risks within the context of the financing and administration of the real estate of the company, to the exclusion of any speculative transactions.

The Company may lease out or take a lease on (under finance leases) one or more immovable properties. Leasing out (under finance leases) immovable property with an option to purchase may only be carried out as an additional activity, unless the immovable properties are intended for purposes of public interest, including social housing and education (in this case, the activity may be carried out as main activity).

The Company may carry out all transactions and studies relating to all immovable property as described above, and may perform all acts relating to immovable property, such as purchase, refurbishment, laying out, letting, furnished letting, subletting, management, exchange, sale, parcelling, placing under a system of co-ownership, and have dealings with all enterprises with a corporate purpose that is similar to or complements its own by way of merger or otherwise, insofar as these acts are permitted under the RREC legislation and, generally, perform all acts that are directly or indirectly related to its purpose.

1.7 Prohibitions (Article 4 of the Articles of Association)

The Company may not:

- act as a real estate promotor within the meaning of the RREC legislation, with the exception of occasional transactions;
- participate in a firm underwriting or guarantee syndicate;
- lend stock, with the exception of loans which are carried out in accordance with the provisions and under the conditions of the royal decree of 7 March 2006;
- acquire stock which is issued by a company or a private law association which has been declared bankrupt, has entered into an amicable settlement with its creditors, is the subject of a corporate reorganisation, has received a suspension of payment or which has been the subject of similar measures in another country.

1.8 Financial year (Article 28 of the Articles of Association)

The financial year commences on the **1st July** of each year and ends on the **30th June** of the following year. At the end of each financial year, the Board of Directors draws up an inventory and the annual accounts.

The annual and semi-annual financial reports of the Company, which contain its consolidated accounts and the statutory auditor's report, are made available to the shareholders, in accordance with the provisions that apply to issuers of financial instruments that are admitted to trading on a regulated market. The annual and semi-annual financial reports of the Company and the annual accounts are published on the Company's website. The shareholders are entitled to obtain a free copy of the annual and semi-annual financial reports at the registered office.

The Board of Directors then prepares a report, called "Board of Directors' Report", in which it reports its management. The statutory auditor writes, for the ordinary general meeting, a detailed report called "Auditor's Report".

1.9 General meetings (Article 19 and 20 of the Articles of Association)

The ordinary general meeting will be held at **3pm on the fourth Friday of October**.

If this day is a public holiday, the meeting will be held at the same time on the next business day, except if the next day is a Saturday or Sunday. Ordinary or extraordinary general meetings are held at the venue specified in the meeting notice. A general meeting must be convened by the Board of Directors whenever shareholders representing one-fifth of the capital request it to do so. One or more shareholders who jointly hold at least 3 % of the share capital may, subject to the conditions laid down by the Belgian Companies Code, also ask to add items to the agenda of general meetings and submit proposals for resolutions relating to items included or to be included on the agenda. Meeting notices are drawn up and distributed in accordance with the applicable provisions of the Belgian Companies Code.

1.10 Accredited statutory auditor

The statutory auditor of the Company, who is accredited by the Financial Services and Markets Authority (FSMA), is Ernst & Young Réviseurs d'Entreprises SCCRL, represented by Jean-François Hubin, Partner, located at 2 De Kleetlaan in 1831 Diegem.

The statutory auditor has an unlimited right of supervision over the operations of the Company.

The accredited statutory auditor was appointed for a 3-year period by the Ordinary General Meeting on 24 October 2014, and receives an indexed audit fee of €29,100 excluding VAT per year for auditing the consolidated and statutory annual accounts.

1.11 Depositary bank

Since the entry into force of the Royal Decree of 7 December 2010, the mission of Bank Degroof SA as depositary bank is complete.

1.12 Real estate expert

To avoid conflicts of interest, Aedifica's real estate portfolio is assessed by three independent real estate experts, namely:

- de Crombrughe & Partners SA, represented (within the meaning of Article 24 of the RREC Act) by Mr Michaël Zapatero and Ms Karen Cox, for which its registered office is located in Avenue Hermann Debroux 54 in 1160 Brussels.
- Stadim SCRL, represented (within the meaning of Article 24 of the RREC Act) by Mr Dave Verbist and Ms Katrien Van Grieken, for which its registered office is located in Uitbreidingstraat 10-16 in 2018 Antwerpen.
- CBRE GmbH, represented (within the meaning of Article 24 of the RREC Act) by Mr Henrik Baumunk and Mr Andreas Polter, for which its registered office is located in Hausvogteiplatz 10 in 10117 Berlin.

According to the RREC legislation, the experts assess the entire portfolio every quarter and their assessment is recognised as the carrying amount ("fair value") of the buildings on the balance sheet.

Since 1 January 2011, the expert fee excluding VAT is determined as a fixed amount per type of property appraised.

Valuation methodology

The valuations are established on the basis of several widely used methodologies:

- Application of a capitalisation rate to the estimated rental value adapted for actual deviations as regards rental income and operating expenses on a going concern basis.
- Computation of the present value of future cash flows based on assumptions regarding future income (DCF method) and the exit value. The discount factor takes into account the interest rate on financial market as well as a risk premium specific to real estate investments. The impact of expected changes in inflation and interest rates is hence embedded in a conservative way in this evaluation.
- These assessments are also tested by reference to unit prices recorded when similar properties are sold, taking into account deviations arising from differences in the characteristics of the property.
- Development projects (constructions, renovations, extensions) are valued by deducting the costs upon completion of the projects from the anticipated value determined by applying the abovementioned methodologies. Costs incurred in the preliminary phase of construction, renovation or extension projects are considered at their historical value.

1.13 Financial services

Aedifica has established financial service conventions with the two following banks:

- Bank Degroof SA, located rue Guimard 18 in 1040 Brussels ("main paying agent" and share depositary for the general meetings);
- KBC Bank SA, located avenue du Port 2 in 1080 Brussels (share depositary for the general meetings).

The remuneration of the financial service is almost entirely based on the amount of the distributed dividend. It amounted to €64 thousand for the 2014/2015 financial year (€31 thousand for the 2013/2014 financial year).

1.14 Places at which documents are available to the public

The Company's Articles of Association are available at the Commercial Court of Brussels and on the Company's website (www.aedifica.be).

The statutory and consolidated accounts of the Aedifica Group are registered at the National Bank of Belgium, in accordance with the related legal provisions. The decisions regarding the nomination and the dismissal of the members of the Board of Directors are published in the annexes to the Belgian State Gazette (Moniteur belge/Belgisch Staatsblad). The convening of general meetings is published in the annexes to the Belgian State Gazette (Moniteur belge/Belgisch Staatsblad) and in two financial dailies.

These meeting notices and all documents related to the general meetings are simultaneously available on the Company's website (www.aedifica.be). All press releases, annual and semi-annual reports, as well as all financial information published by the Aedifica Group are available on the Company's website (www.aedifica.be).

The Auditor's Report and the real estate experts' report are available in the Annual Financial Reports provided on the Company's website (www.aedifica.be).

During the period of validity of the registration document, the following documents are available in print at the Company's headquarters, or electronically at www.aedifica.be:

- The Articles of Association of Aedifica;
- All reports, letters and other documents, historical financial information, valuation and declarations established by an expert at the request of Aedifica, for which a part is included or referred in the registration document;
- The historical financial information of Aedifica and its subsidiaries for the two years preceding the publication of the registration document.

1.15 Investors' profile

Given the specific legal regime of RRECs, and in particular residential RRECs, the Aedifica shares can present an interesting investment for both private investors and institutional investors.

1.16 Historical financial information referred by reference

The Annual Financial Reports (which include the Consolidated Financial Statements -with an abridged version of the Statutory Accounts-, the Consolidated Board of Directors' Report, the Auditor's Report, the Property Report), the interim statements, the semi-annual reports, the description of the financial situation, the information regarding the related-parties, and the historical information regarding the subsidiaries of Aedifica, for the 2011/2012, 2012/2013 and 2013/2014 financial years are included by reference in this Annual Financial Report and are available at the headquarters of Aedifica. These can also be downloaded from the Company's website (www.aedifica.be).

1.17 Significant change of the financial or trading situation

No significant change in the Group's financial or trading situation has occurred since the end of last financial year for which audited financial statements or semi-annual statements have been published.

1.18 Actions necessary to change the rights of the shareholders

The modification of shareholders' rights can only be done within the framework of an extraordinary general meeting, in accordance with Articles 558 and 560 of the Belgian Companies Code. The document containing the information on the rights of the shareholders referred to in Articles 533ter and 540 of the Belgian Companies Code can be downloaded from the Company's website (www.aedifica.be).

1.19 Strategy or factors of governmental, economical, budgetary, monetary or political nature which have substantially influenced, directly or indirectly, Aedifica's operations

Refer to the section "Risks factors" of this Annual Financial Report.

1.20 History and evolution of the Company - important events in the development of Aedifica's activities

In addition to paragraph 1.3 above, the history of Aedifica was marked by its IPO on 23 October 2006 (see the section "Aedifica in the stock market"), and by numerous acquisitions of real estate assets that have occurred since its creation (detailed in the occasional press releases, in the periodic press releases and in the annual and semi-annual financial reports available on the Company's website) and that led to the formation of an investment properties portfolio of more than €1 billion.

1.21 Rights to vote of the main shareholders

The main shareholders of Aedifica SA do not have voting rights different from those that arise from their share in the share capital (as defined in item 18.2 of Annex I of Regulation (EC) No 809/2004).

2. Declarations

Persons responsible (Royal Decree 14 November 2007)

Mr. Olivier Lippens, Chairman of the Board of Directors of Aedifica SA, and Mr. Stefaan Gielens, CEO of Aedifica SA, declare for and on behalf of Aedifica SA, that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable accounting standards, give an accurate picture of the assets, financial situation and results of Aedifica SA and the businesses included in the consolidation;
- the Board of Directors' Report contains an accurate account of the development of the business, results and situation of Aedifica SA and businesses included in the consolidation, and a description of the main risks and uncertainties they face.

Persons responsible (Annex I to the Regulation (EC) No 809/2004)

Mr. Olivier Lippens, Chairman of the Board of Directors of Aedifica SA, and Mr. Stefaan Gielens, CEO of Aedifica SA, attest that, after having taken all reasonable measures for this matter, the information contained in the registration document is, to their knowledge, in accordance with reality and contains no omission likely to affect its scope.

Information from third parties

Aedifica SA declares that the information provided by the real estate experts and by the accredited statutory auditor have been faithfully reproduced and included with their consent. As far as Aedifica SA knows and is able to assure, in the light of data published by these third parties, no facts have been omitted that might render the information reproduced incorrect or misleading.

Forecast information

This report contains forecast information. This information is based on Company's estimates and projections and is, by its nature, subject to risks, uncertainties and other factors. Consequently, the results, financial situation, performance and figures, expressed or implicitly communicated, may differ substantially from those mentioned or suggested by the forecast information. Taking into account these uncertain factors, statements regarding future developments cannot be interpreted as a guarantee in any way.

Proceedings and arbitration procedures

The Board of Directors of Aedifica SA declares that there exists no government intervention, proceeding or arbitration procedure that may have a significant influence, or may have had such an influence in the recent past, on the financial position or profitability of Aedifica SA and that, as far as is known, there are no situations or facts that could give rise to such government intervention, proceeding or arbitration procedure.

Declaration concerning the Directors (Annex I to the Regulation (EC) No 809/2004) and the members of the Management Committee

The Board of Directors declares that, to the best of its knowledge:

- none of the Directors and none of the members of the Management Committee has ever been convicted for a fraud-related offence, that no official and/or public accusation has been expressed against one of them by statutory or regulatory authorities (including designated professional bodies) for at least the previous five years;
- none of the Directors and none of the members of the Management Committee has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years;
- none of the Directors and none of the members of the Management Committee has been involved in any bankruptcies, receiverships or liquidations for at least the previous five years, with the exception of the following:
 - SA Insumat (permanently represented by Ms. Sophie Maes) is one of the directors of SA Gindac. SA Gindac was as of 26 June 2013 one of the directors of SA Afinco – in which SA Gindac held a participation – and has since then been represented permanently by Ms. Sophie Maes. Following a judicial reorganisation proceeding through a transfer under judicial authority, SA Afinco was declared bankrupt as of 29 January 2015;
 - Ms. Laurence Gacoin was co-partner and co-manager of SPRL Fides CapMan. This company was voluntarily dissolved and liquidated on 7 May 2015;
- no employment contract has been concluded with the non-executive directors, which provides for the payment of indemnities upon termination of the employment contract. However, there exists a (management) agreement between the Company and the Executive Manager(s) and members of the Management Committee providing for such indemnities;
- no Director or member of the Management Committee holds shares of the Company, except for Mr. Stefaan Gielens (3,983 shares), Mr. Jean Kotarakos (2,796 shares), Ms. Laurence Gacoin (140 shares) and Ms. Sarah Everaert (135 shares);
- no option on the Company's shares has been given to date;
- no family ties exist between the Directors and/or members of the Management Committee.

3. Share capital

Date	Description	Amount of capital (€)	Number of shares ¹
7 November 2005	Initial capital paid up by Degroof Bank and GVA Finance	2,500,000.00	2,500
		2,500,000.00	2,500
29 December 2005	Contribution in cash	4,750,000.00	4,750
	Merger of "Jacobs Hotel Company SA"	100,000.00	278
	Merger of "Oude Burg Company SA"	3,599,587.51	4,473
	Transfer of reserves to capital	4,119,260.93	
	Capital decrease	-4,891,134.08	
		10,177,714.56	12,001
23 March 2006	Merger of "Sablon-Résidence de l'Europe SA"	1,487,361.15	11,491
	Merger of "Bertimo SA"	1,415,000.00	3,694
	Merger of "Le Manoir SA"	1,630,000.00	3,474
	Merger of "Olphi SA"	800,000.00	2,314
	Merger of "Services et Promotion de la Vallée (SPV) SA"	65,000.00	1,028
	Merger of "Emmane SA"	2,035,000.00	5,105
	Merger of "Ixelinvest SA"	219.06	72
	Merger of "Imfina SA"	1,860.95	8
	Contribution in kind of the business of "Immobo SA"	908,000.00	908
	Contribution in kind (Lombard 32)	2,500,000.00	2,500
	Contribution in kind (Laeken complex - Pont Neuf and Lebon 24-28)	109,115,000.00	10,915
		31,935,155.52	53,510
24 May 2006	Contribution in kind (Louise 331-333 complex)	8,500,000.00	8,500
		40,435,155.52	62,010
17 August 2006	Contribution in kind (Laeken 119 and 123-125)	1,285,000.00	1,285
	Partial demerger of "Financière Wavrienne SA"	5,400,000.00	5,400
	Mixed demerger of "Château Chenois SA"	123,743.15	14,377
	Merger of "Medimmo SA"	1,000,000.00	2,301
	Merger of "Cledixa SA"	74,417.64	199
	Merger of "Société de Transport et du Commerce en Afrique SA"	62,000.00	1,247
	Mixed merger of "Hôtel Central & Café Central SA"	175,825.75	6,294
		48,556,142.06	93,113
26 September 2006	Split by 25 of the number of shares	48,556,142.06	2,327,825
	Contribution in kind (Rue Haute and Klooster Hotel)	11,350,000.00	283,750
		59,906,142.06	2,611,575
3 October 2006	Contribution in cash	23,962,454.18	1,044,630
		83,868,596.24	3,656,205
27 March 2007	Contribution in kind (Auderghem 237, 239-241, 266 et 272, Platanes 6 and Winston Churchill 157)	4,911,972.00	105,248
		88,780,568.24	3,761,453
17 April 2007	Merger of "Legrand CPI SA"	337,092.73	57,879
	Contribution in kind (Livourne 14, 20-24)	2,100,000.00	44,996
		91,217,660.97	3,846,328
28 June 2007	Partial demerger of "Alcasena SA"	2,704,128.00	342,832
	Contribution in kind (Plantin Moretus)	3,000,000.00	68,566
		96,921,788.97	4,275,726
30 November 2007	Partial demerger of "Feninvest SA"	1,862,497.95	44,229
	Partial demerger of "Résidence du Golf SA"	5,009,531.00	118,963
		103,793,817.92	4,438,918
30 July 2008	Partial demerger of "Famifamenne SA"	2,215,000.00	50,387
	Partial demerger of "Rouimmo SA"	1,185,000.00	26,956
		107,193,817.92	4,516,261
30 June 2009	Contribution in kind (Gaerveld service flats)	2,200,000.00	62,786
		109,393,817.92	4,579,047
30 December 2009	Contribution in kind (Freesias)	4,950,000.00	129,110
		114,343,817.92	4,708,157

30 June 2010	Partial demerger of "Carbon SA", "Eburon SA", "Hotel Ecu SA" and "Eurotel SA"	11,239,125.00	273,831
	Partial demerger of "Carlinvest SA"	2,200,000.00	51,350
		127,782,942.92	5,033,338
15 October 2010	Contribution in cash	51,113,114.26	2,013,334
		178,896,057.18	7,046,672
8 April 2011	Contribution in kind (Project Group Hermibouw)	1,827,014.06	43,651
		180,723,071.24	7,090,323
29 June 2011	Merger of "IDM A SA"	24,383.89	592
		180,747,455.13	7,090,915
5 October 2011	Contribution in kind of the shares of "SIRACAM SA"	3,382,709.00	86,293
		184,130,164.13	7,177,208
12 July 2012	Mixed demerger of "S.I.F.I. LOUISE SA"	800,000.00	16,868
		184,930,164.13	7,194,076
7 December 2012	Capital increase through contribution in cash	69,348,785.78	2,697,777
		254,278,949.91	9,891,853
24 June 2013	Merger of limited liability company "Terinvest"	10,398.81	8,622
	Merger of limited partnership "Kasteelhof-Futuro"	3,182.80	3,215
		254,292,531.52	9,903,690
12 June 2014	Contribution in kind (Binkom)	12,158,952.00	258,475
		266,451,483.52	10,162,165
30 June 2014	Contribution in kind (plot of land in Tienen)	4,000,000.00	86,952
		270,451,483.52	10,249,117
24 November 2014	Optional dividend	5,763,329.48	218,409
		276,214,813.00	10,467,526
4 December 2014	Partial demerger of "La Réserve Invest SA"	12,061,512.94	457,087
		288,276,325.94	10,924,613
29 June 2015	Capital increase through contribution in cash	82,364,664.56	3,121,318
		370,640,990.50	14,045,931

1 Shares without par value.

2 These shares are quoted on the stock market as from 24 November 2014 and give dividend rights for the 2014/2015 financial year. They enjoy the same rights and benefits as listed shares and participate in the result of Aedifica.

3 These shares are quoted on the stock market as from 4 December 2014 and give dividend rights for the 2014/2015 financial year. They enjoy the same rights and benefits as listed shares and participate in the result of Aedifica.

4 These shares are quoted on the stock market as from 29 June 2015 and give dividend rights for the 2015/2016 financial year. They enjoy the same rights and benefits as listed shares and participate in the result of Aedifica.

4. Extracts from the Articles of Association

4.1 Subscribed and fully paid-up capital (Article 6.1 of the Articles of Association)

The capital amounts to €370,640,990.50 (three hundred seventy million, six hundred forty thousand, nine hundred ninety euro and fifty cents). It is represented by 14,045,931 (fourteen million, forty-five thousand and nine hundred and thirty-one) shares without nominal value, which each represent $\frac{1}{14,045,931}^{\text{st}}$ (fourteen million, forty-five thousand and nine hundred and thirty-one) of the capital. These shares are fully subscribed and paid up.

4.2 Acquisition and disposal of treasury shares (Article 6.2 of the Articles of Association)

The Company may acquire its own shares by purchasing them or may accept them in pledge in accordance with the conditions set out in the Belgian Companies Code, provided that notice of the transaction is given to the Financial Services and Markets Authority (FSMA). In accordance with the general meeting resolution of 24 June 2013, two thousand and nine, the Board of Directors is authorised to acquire own shares (which are then called treasury shares), subject to a maximum of 20 % (twenty per cent) of the total number of issued shares, at a unit price that may not be lower than 90 % (ninety per cent) of the average price quoted for the last thirty days of listing of the share on NYSE Euronext Brussels, or higher than 110 % (one hundred and ten per cent) of the average price quoted for the last thirty days of listing of the share on NYSE Euronext Brussels, i.e. a maximum increase or decrease of 10 % (ten per cent) compared to that average price. This authorisation is granted for a renewable period of five years, calculated from the publication of the minutes of the extraordinary general meeting of 24 June 2013, two thousand and nine, in the Annexes to the Belgian State Gazette.

The company may dispose of its treasury shares, on or outside of the stock exchange, under the conditions determined by the Board of Directors and without the prior consent of the general meeting, provided that it observes the applicable market regulations.

The authorisations referred to above also apply to the acquisition and disposal of shares in the company by one or more of its direct subsidiaries, within the meaning of the statutory provisions on the acquisition of shares of a parent company by its subsidiaries.

4.3 Capital increase (Article 6.3 of the Articles of Association)

Every capital increase must take place in accordance with the applicable regulations, i.e. the Belgian Companies Code and the Royal Decree.

(a) Cash contribution

In case of a capital increase by means of a cash contribution pursuant to a general meeting resolution or in the context of the authorised capital as provided for in Article 6.4. and without prejudice to the application of Sections 592 to 598 of the Belgian Companies Code, the preferential subscription right of the shareholders may only be restricted or cancelled if existing shareholders are granted an irreducible right of allocation when new securities are allocated. This irreducible right of allocation must comply with the following conditions as set out in the RREC legislation:

1. it must relate to all newly issued securities;
2. it must be granted to shareholders pro rata to the portion of the capital that is represented by their shares at the time of the transaction;
3. a maximum price for each share must be announced no later than the eve of the opening of the public subscription period;
4. the public subscription period must last for at least three trading days.

Without prejudice to the application of Sections 595 to 599 of the Belgian Companies Code, the irreducible right of allocation does not have to be granted in case of a cash contribution with restriction or cancellation of the preferential subscription right which is made to supplement a contribution in kind for the purpose of distributing an optional dividend, insofar as this is actually made payable to all shareholders.

(b) Contribution in kind

Without prejudice to Sections 601 and 602 of the Belgian Companies Code, the following conditions must be complied with, in accordance with the RREC legislation, in case of a contribution in kind:

1. the identity of the contributor must be mentioned in the Board of Directors' report referred to in Section 602 of the Belgian Companies Code, as well as, if applicable, in the convening notice of the general meeting that is convened for the capital increase;
2. the issue price may not be less than the lowest amount of (a) a net value per share that dates from no more than four months before the date of the contribution agreement, or, at the company's discretion, before the date of the deed effecting the capital increase and (b) the average closing price during the thirty day period prior to that same day.

It is permitted to deduct an amount from the amount referred to in item 2(b) that corresponds to the portion of the undistributed gross dividend to which the new shares would potentially not confer any right, provided that the Board of Directors specifically accounts for the amount of the accumulated dividend to be deducted in its special report and the financial conditions of the transaction are explained in its Annual Financial Report.

3. unless no later than the working day after the execution of the contribution agreement the issue price or, in the case referred to in Article 6.5, the exchange ratio, as well as the relevant terms and conditions are determined and publicly disclosed, including the term within which the capital increase will actually be implemented, the deed effecting the capital increase must be executed within a maximum term of four months; and
4. the report referred to above under item 1° must also explain the impact of the proposed contribution on the position of the existing shareholders, in particular as regards their share in the profit, in the net value per share and in the capital, as well as the impact in terms of voting rights.

This last paragraph will not apply to the contribution of the right to a dividend for the purpose of distributing an optional dividend, insofar as this will actually be made payable to all shareholders.

4.4 Authorised capital (Article 6.4 of the Articles of Association)

The Board of Directors is authorised to increase the share capital in one or more transactions by a maximum amount of €180,000,000.00 (one hundred and eighty million euro) on such dates and in accordance with such terms and conditions as will be determined by the Board of Directors, in accordance with Section 603 of the Belgian Companies Code.

This authorisation is granted for a renewable period of five years, calculated from the publication of the minutes of the extraordinary general meeting of 29 June 2011, in the Annexes to the Belgian State Gazette.

For each capital increase, the Board of Directors will determine the price, the issue premium (if any) and the terms and conditions of issue of the new securities.

The capital increases that are thus decided on by the Board of Directors may be subscribed to in cash, in kind, or by means of a mixed contribution, or by the incorporation of reserves or by issue premiums, with or without the creation of new securities. These capital increases can also be achieved through the issue of convertible bonds or warrants.

If the capital increases realized within the framework of these authorisations include an issue premium, the amount of this premium, after deduction of any costs, will be allocated to a non-disposable account («share premium account»), which will provide a guarantee for third parties in the same manner as the share capital and which, subject to its incorporation in the capital, can only be reduced or abolished by means of a resolution of the general meeting of shareholders deliberating in accordance with the quorum and majority requirements for capital reductions.

If the capital increase is accompanied by an issue premium, only the amount of the capital increase will be deducted from the remaining available amount of the authorised capital.

The Board of Directors is authorised to restrict or cancel the preferential subscription right of shareholders, including in favour of specific persons who are not employees of the company or one of its subsidiaries, provided that an irreducible right of allocation is granted to the existing shareholders when the new securities are allocated. This irreducible right of allocation must comply with the conditions that are laid down in the RREC legislation and Article 6.3(a) of the Articles of Association. It does not have to be granted in case of a cash contribution for the purpose of distributing an optional dividend, in accordance with Article 6.3(a) of the Articles of Association. Capital increases by means of contributions in kind are carried out in accordance with the conditions of the RREC legislation and the conditions provided for in Article 6.3(a) of the Articles of Association. These contributions may also be based on the dividend right in the context of the distribution of an optional dividend.

The Board of Directors is authorised to record the ensuing amendments to the Articles of Association in an officially certified deed.

4.5 Mergers, de-mergers and equivalent transactions (Article 6.5 of the Articles of Association)

Pursuant to the RREC legislation, the provisions of Article 6.3(b) apply mutatis mutandis to mergers, de-mergers and equivalent transactions as referred to in Sections 671 to 677, 681 to 758 and 772/1 of the Belgian Companies Code.

4.6 Capital increase in a subsidiary with the status of an institutional RREC (Article 6.6 of the Articles of Association)

Pursuant to the RREC legislation, if there is a capital increase in a subsidiary that has the status of an institutional RREC by means of a cash contribution at a price that is 10 % higher or lower than the lowest of (a) a net asset value that dates from no more than four months before the launch of the issue and (b) the average closing price during the thirty calendar day period before the launch date of the issue, the Board of Directors of Aedifica will draw up a report in which it explains the economic justification of the applied discount, the financial consequences of the transaction for the shareholders of Aedifica and the importance of that capital increase for Aedifica. This report and the applied valuation criteria and methods will be explained by the statutory auditor in a separate report. The reports of the Board of Directors and of the statutory auditor will be publicly disclosed no later than the launch date of the issue and, in any event, as soon as the price is established if this occurs earlier, in accordance with Sections 35 et seq. of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments that are admitted to trading on a regulated market.

It is permitted to deduct from the amount referred to in item (b) of the previous paragraph an amount that corresponds to the portion of the undistributed gross dividend to which the new shares would potentially not confer any right, provided that the Board of Directors of Aedifica specifically accounts for the amount of the accumulated dividend to be deducted and explains the financial conditions of the transaction in Aedifica's Annual Financial Report.

If the relevant subsidiary is not listed, the discount referred to in the first paragraph will be calculated solely on the basis of a net value per share that is not more than four months old.

This Article 6.6 does not apply to capital increases that are fully subscribed to by Aedifica or subsidiaries of which the entire capital is held either directly or indirectly by Aedifica.

4.7 Capital reduction (Article 6.7 of the Articles of Association)

The Company may reduce its capital subject to compliance with the relevant statutory provisions.

4.8 Nature of the shares (Article 8 of the Articles of Association)

The shares are registered or dematerialised shares, at the option of the shareholder and within the limits set by law.

Every dematerialised share is represented by an accounting entry in the name of the owner or holder at a recognised account holder or settlement institution.

A register of registered shares is held at the Company's registered office, and may be in electronic form. Every shareholder may consult the register in relation to his shares.

In accordance with the act of 14 December 2005 on the abolition of bearer securities, the shares which were not converted into dematerialised shares or for which no conversion into registered shares has been requested by 1 January 2014 will be automatically converted into dematerialised shares. These shares will be entered into a securities account which is registered to the Company, without the Company thus gaining ownership of these shares. The exercise of the rights attached to these shares is suspended until the shareholder has requested the conversion of the shares and the shares have been registered in his name in the registered shareholders' register or in a securities account held by the Company, a recognised account holder or by a settlement institution.

As of 1 January 2015, the shares of which the owner has not been identified will be offered for sale in accordance with the applicable legislation.

4.9 Other securities (Article 9 of the Articles of Association)

The Company may issue the securities referred to in Section 460 of the Belgian Companies Code, with the exception of profit sharing certificates and similar securities, in compliance with the Belgian Companies Code and the RREC legislation.

4.10 Notification and disclosure of major shareholdings (Article 10 of the Articles of Association)

Every shareholder must notify the Company and the Financial Services and Markets Authority (FSMA) that he possesses voting securities, voting rights or similar financial instruments of the Company, in accordance with the legislation on the disclosure of major shareholdings (the "Transparency Legislation").

The thresholds, which if exceeded (both upwards and downwards) give rise to a notification obligation under the Transparency Legislation, are set at five per cent and multiples of five per cent of the total number of existing voting rights.

Without prejudice to Section 545 of the Belgian Companies Code, nobody may participate in voting at the general meeting of the Company with more voting rights than those associated with the securities that he has given notice of holding at least 20 (twenty) days prior to the date of the general meeting.

4.11 Participation in the General Meeting (Article 21 of the Articles of Association)

The right to participate in and vote at a general meeting is only granted on the basis of the registration for accounting purposes of the shares in the shareholder's name by midnight (Belgian time) on the fourteenth day prior to the general meeting (hereinafter: the "record date"), either by their entry in the Company's share register, their entry in the accounts of a recognised account holder or settlement institution, regardless of the number of shares that the shareholder holds on the day of the general meeting.

Owners of registered shares who wish to participate in the meeting must communicate their intention to the Company by means of an ordinary letter, fax or e-mail, to be sent no later than the sixth day prior to the date of the meeting.

Owners of dematerialised shares who wish to participate in the meeting must submit a certificate issued by a financial intermediary or a recognised account holder which indicates with how many dematerialised shares, as entered in the name of the shareholder in his accounts on the record date, the shareholder has indicated that he wishes to participate in the general meeting. This certificate must be filed at the locations mentioned in the meeting notices, no later than the sixth day prior to the date of the general meeting.

4.12 Representation (Article 22 of the Articles of Association)

Every owner of securities may be represented at the general meeting by a proxy holder who may or may not be a shareholder.

The shareholder may only designate one person as his proxy holder for any specific general meeting, save for the exceptions set out in the Belgian Companies Code.

The Board of Directors draws up a proxy form.

The proxy must be signed by the shareholder. Notice of the proxy must be given to the Company by means of an ordinary letter, fax or e-mail, in accordance with the terms and conditions laid down by the Board of Directors in the meeting notice. The proxy must reach the Company or the venue indicated in the meeting notice no later than the sixth day prior to the meeting. The person granting the proxy and the proxy holder must comply with the provisions of the Belgian Companies Code in all other respects.

Minors, persons declared incompetent and legal entities must be represented by their statutory representatives or representatives under the Articles of Association.

Co-owners, usufructuaries and bare owners, pledgees and pledgors must in each respective case be represented by one and the same person.

4.13 Voting by letter (Article 23 of the Articles of Association)

Shareholders will be able to vote by letter using a form drawn up by the Company, if the Board of Directors has allowed for this in its meeting notice.

The form must reach the Company no later than the sixth day prior to the date of the meeting.

4.14 Bureau (Article 24 of the Articles of Association)

All general meetings are chaired by the chairman of the Board of Directors or, in his absence, by the managing director or one of the managing directors or, in their absence, by the person designated by the directors in attendance. The chairman designates the secretary.

The meeting elects two vote tellers.

The other members of the Board of Directors complete the bureau.

4.15 Number of votes (Article 25 of the Articles of Association)

Every share confers the right to one vote, subject to the suspension of the right to vote provided for by the Belgian Companies Code.

4.16 Deliberation (Article 26 of the Articles of Association)

No meeting can validly deliberate on items that do not appear on the agenda.

The general meeting can validly deliberate and vote, regardless of the portion of the share capital that is present or represented, except in those cases for which the Belgian Companies Code requires an attendance quorum.

The general meeting can only validly deliberate on amendments to the Articles of Association if at least half of the share capital is present or represented. If this condition is not met, a new meeting must be convened. The second meeting will validly deliberate and decide regardless of the portion of the capital that is represented by the shareholders who are present or represented.

Unless a statutory provision requires otherwise, all resolutions of the general meeting will be adopted by a simple majority of votes.

Resolutions relating to the approval of the Company's annual accounts and the discharge of directors and statutory auditor(s) from liability are adopted by a majority of votes.

Notwithstanding the exceptions provided for in the Belgian Companies Code, an amendment to the Articles of Association requires a majority of three-quarters of the votes cast.

Voting takes place by a show of hands or roll call, unless the general meeting decides otherwise by means of a simple majority of the votes cast.

4.17 Minutes (Article 27 of the Articles of Association)

Copies or extracts from the minutes for use in court or otherwise will be signed by the chairman, the secretary and the two vote tellers or, in their absence, by two directors.

4.18 Distribution (Article 29 of the Articles of Association)

Within the limits set out by the Belgian Companies Code and the RECC legislation, the Company distributes a dividend to its shareholders, the minimum amount of which is determined in accordance with article 13 of the Royal Decree.

4.19 Advances on dividends (Article 30 of the Articles of Association)

The Board of Directors may adopt a resolution, under its responsibility and insofar as the results allow for it, to pay advances on dividends, in such cases and within such periods as permitted by the Belgian Companies Code.

4.20 Dissolution - Liquidation

ARTICLE 31 - LOSS OF CAPITAL.

If the capital has been reduced by half or three-quarters, the directors must put the question of dissolution to the general meeting, pursuant to and in accordance with the formalities set out in Section 633 of the Belgian Companies Code.

ARTICLE 32 - APPOINTMENT AND POWERS OF LIQUIDATORS.

If the Company is dissolved, for any reason and at any time, it will be wound up by liquidators who are appointed for this purpose by the general meeting or, in the absence of such an appointment, by the Board of Directors that is in office at that time, acting as the liquidator.

Insofar as required by law, the liquidators will only take office after their appointment has been confirmed by the Commercial Court.

The liquidators have the most extensive powers for that purpose, granted by the provisions of Section 186 et seq. of the Belgian Companies Code.

Where applicable, the general meeting determines the remuneration of the liquidators.

ARTICLE 33 - DISTRIBUTION.

After all debts, charges and costs of liquidation have been paid, the net assets will preferably be used to refund the fully paid-up, unredeemed amount of the shares, in cash or in securities.

The balance will be distributed among all shareholders in proportion to their shareholding.

4.21 Statutory provisions on the members of administrative, management and supervisory bodies

The provisions on the members of administrative, management and supervisory bodies contained in the Articles of Association are presented below; the surplus is available in the Corporate Governance charter on www.aedifica.be and we refer you to the section "Corporate Governance Statement" in this Annual Financial Report.

ARTICLE 11 - COMPOSITION OF THE BOARD OF DIRECTORS.

The Company is managed by a Board of Directors. This board consists of at least five members who are appointed for a maximum term of three years by the general meeting of shareholders, which can also dismiss them at any time. The directors are eligible for re-election.

The majority of the directors do not perform any executive duties in the Company. At least three directors must be independent. Directors who comply with the conditions for independence as set out in Section 526ter of the Belgian Companies Code are considered to be independent directors.

The mandate of outgoing directors who are not re-elected ends immediately after the general meeting that has made the new appointments.

If one or more mandates become vacant, the remaining directors, convening as a board, may provide for temporary replacement(s) until the next general meeting, which will then make the final appointment(s). The directors must ensure in this case that a sufficient number of independent directors remain as set forth in this article and the applicable regulations. This right will become an obligation each time the number of directors actually in office or the number of independent directors no longer amounts to the minimum number under the Articles of Association.

Notwithstanding the transitional provisions of the RREC legislation, only natural persons can be directors.

A director who is appointed to replace another director will complete the mandate of the director whom he replaces.

Directors must possess the professional reliability and the appropriate competence which is required for the performance of their duties and may not be in a situation as referred to in article 15 of the Act. Their appointment is subject to the prior approval of the Financial Services and Markets Authority (FSMA).

Unless the general meeting decides otherwise, the mandate of directors is unpaid.

Any remuneration the directors do receive, may not be determined on the basis of the activities and transactions carried out by the Company or its subsidiaries.

ARTICLE 12 - CHAIRMANSHIP – DELIBERATIONS.

The Board of Directors chooses a chairman from among its members and meets at the venue specified in the meeting notice or, as appropriate, by video conferencing, telephone or internet conferencing as often as is required by the interests of the Company. The Board of Directors must also be convened when two directors make a request to that effect.

The Board of Directors can only validly deliberate and pass resolutions if the majority of its members are present or represented. Meeting notices are given by ordinary letter, by fax or by e-mail. Meetings are held at the venue specified in the meeting notices. Any director who is unable to attend or absent, may even delegate another member of the board by letter, fax or e-mail to represent him at a specific board meeting and vote in his place. The director granting the proxy is deemed to be present in that case.

However, a director may not represent more than one of his colleagues in this manner.

Resolutions are adopted by a majority of votes. If the votes are tied, the chairman of the board has the casting vote. If the chairman is absent, the oldest director will have the casting vote.

The resolutions of the Board of Directors are recorded in the minutes. The minutes are kept in a special register for that purpose at the Company's registered office and signed by the chairman of the meeting or, in his absence, by two directors.

The proxies are attached to the minutes.

The members of the Board of Directors may arrange to have their comments and remarks entered on these minutes if they are of the opinion they need to relieve themselves of their responsibility, notwithstanding the application of Sections 527 and 528 of the Belgian Companies Code.

Copies or extracts of those minutes will be signed by the chairman of the Board of Directors or, in his absence, by two directors.

Pursuant to Section 521, paragraph 1 of the Belgian Companies Code, resolutions of the Board of Directors may be adopted by means of the unanimous written consent of the directors in exceptional cases, when required by urgent necessity and the interests of the Company. However, this procedure cannot be used to prepare the annual accounts or to make use of the authorised capital.

ARTICLE 13 - POWERS OF THE BOARD.

The Board of Directors has the most extensive powers to perform all acts that are necessary or useful to achieve the corporate purpose, with the exception of the acts that are reserved for the general meeting by the Belgian Companies Code or the Articles of Association.

The Board of Directors may delegate all or part of its powers to any authorised representative, who need not be a shareholder or director, with a view to achieving specific and well-defined objectives. Pursuant to the Act and the Royal Decree, the board may determine the remuneration of authorised representatives to whom special powers are delegated.

The Board of Directors draws up semi-annual financial reports as well as a draft Annual Financial Report. The board appoints the real estate expert(s) in accordance with the Royal Decree.

ARTICLE 14 - ADVISORY COMMITTEES.

Pursuant to Sections 522 and 526bis of the Belgian Companies Code, the Board of Directors may establish advisory committees, from among its members and under its responsibility, such as an audit committee, a nomination and remuneration committee or an investment and divestment committee.

The Board of Directors determines the composition and powers of these committees, taking into account the applicable regulations.

ARTICLE 15 - MANAGEMENT COMMITTEE OR EXECUTIVE COMMITTEE.

The Board of Directors may establish a management committee or an executive committee, comprised of several people, who may or may not be directors. The Board of Directors determines the procedures of the committee, the conditions for the appointment of its members, their dismissal, their remuneration and the duration of their mandate.

Without prejudice to the transitional provisions of the RREC legislation, the members of the management or executive committee are all natural persons. They must possess the professional reliability and the appropriate competence which is required for the performance of their duties and may not be in a situation as referred to in article 15 of the Act. Their appointment is subject to the prior approval of the Financial Services and Markets Authority (FSMA).

ARTICLE 16 - EFFECTIVE MANAGEMENT AND ASSIGNMENT OF POWERS.

Notwithstanding the right of the Board of Directors to designate special representatives for the duties that it specifies, with the exception of those powers which, according to the Belgian Companies Code, the Act and its implementing decrees, are reserved for the Board of Directors, the Board of Directors will entrust the effective management of the Company to at least two natural persons.

These natural persons must have the required professional reliability and appropriate competence to perform these duties and may not be in a situation as referred to in article 15 of the Act. Their appointment is subject to the prior approval of the Financial Services and Markets Authority (FSMA).

These delegates are entrusted with the day-to-day management of the Company and may be given the title of managing director.

They report to the Board of Directors with regard to their management.

They can assign special powers to proxy-holders.

These delegates designate the financial institution that is entrusted with providing financial services and distributing the dividend and the surplus after liquidation, with settling the securities issued by the Company and with providing the information that must be disclosed by the Company pursuant to laws and regulations. The delegates to whom the day-to-day management has been delegated may at any time suspend, withdraw or replace the institution entrusted with providing financial services. The decisions relating thereto will be published according to the statutory rules on the Company's website and via press releases. The Company must satisfy itself that such a suspension/withdrawal will not adversely affect the provision of the financial services.

ARTICLE 17 - REPRESENTATION OF THE COMPANY - SIGNATURE OF INSTRUMENTS.

The Company is validly and legally represented in all its acts either by two directors acting jointly, or within the limitations of the day-to-day management, by two persons who have been entrusted with the day-to-day management acting jointly.

The Company is moreover validly represented by special representatives of the Company, within the limits of the power of attorney granted to them by the Board of Directors, or by the delegates entrusted with the day-to-day management.

ARTICLE 18 – AUDIT.

The audit of the Company is entrusted to one or more statutory auditors who are accredited by the Financial Services and Markets Authority (FSMA).

They perform the duties that are assigned to them under the Belgian Companies Code and the RREC legislation.

4.22 General provisions

ARTICLE 34 - ELECTION OF DOMICILE.

Every shareholder who is domiciled abroad and every director, statutory auditor, manager and liquidator must elect domicile in Belgium for the implementation of the Articles of Association. If no election is made, these parties will be deemed to have chosen their domicile at the registered office, where all communications, demands, summonses and notifications can be validly served.

ARTICLE 35 - JURISDICTION OF COURTS.

Unless expressly waived by the Company, exclusive jurisdiction is granted to the courts of the Company's registered office for the purpose of all disputes among the Company, its shareholders, bondholders, directors, statutory auditors and liquidators relating to the Company's affairs and the implementation of these Articles of Association.

ARTICLE 36 - ORDINARY LAW.

The Company is moreover governed by the Belgian Companies Code, the Act, the Royal Decree, as well as all other regulatory provisions that apply to it. Provisions that are inconsistent with the mandatory provisions of these laws and decrees will be regarded as null and void. The invalidity of one article, or part of an article, of these Articles of Association will not affect the validity of any of the other articles.

5. RREC

5.1 General definition

Aedifica is a limited liability Company ("SA/NV") having opted for a public Regulated Real Estate Company (RREC) status.

A Regulated Real Estate Company (RREC) is:

- set up in the form of a limited liability Company ("SA/NV") or limited partnership by shares ("SCA/CommVA");
- set up on the basis of the RREC legislation (Act of 12 May 2014 and Royal Decree of 13 July 2014);
- quoted on the stock exchange, where at least 30% of shares are traded on the market;
- a Company of which the sole purpose is:
 - (a) to make property available to users, directly or through a Company in which it holds a participation in accordance with the provisions of the RREC legislation; and
 - (b) within the limits set out in the RREC legislation, to possess real estate as specified in article 2, 5°, vi to x of the Act;
 - The notion real estate is to be understood as "real estate" within the meaning of the RREC legislation;
 - In the context of making available property, the Company can carry out all activities relating to the construction, conversion, renovation, development, acquisition, disposal, management and use of property.

RRECs are regulated by the Financial Services and Markets Authority (FSMA) and have to follow extremely strict rules governing conflicts of interest.

Until 17 October 2014, "REIT" or "Belgian REIT" referred to the status legally known in Belgium as "sicafi" (French) or "vastgoedbevak" (Dutch). As from 17 October 2014, "REIT", "Belgian REIT" or "RREC" refers to "société immobilière réglementée" (SIR, in French) or "geregulementeerde vastgoedvennootschap" (GVV, in Dutch), also translated as "regulated real estate Company" (RREC).

5.2 Particular regulations

Real estate property

Article 30 of the Act of 12 May 2014 specifies that a public RREC may invest a maximum of 20 % of its consolidated assets in real estate properties which form a single real estate complex. The FSMA can give an exemption under certain circumstances.

Accounting

European legislation specifies that RRECs, along with all listed companies, must prepare their consolidated annual accounts in accordance with the IAS/IFRS international standards. Given that investment properties constitute their main assets, RRECs must pay particular attention to appraising the fair value of their properties, i.e., in technical terms, to applying IAS 40. This is also applied to the statutory accounts, also prepared under IFRS. In addition, IAS 39 (valuation of financial instruments) is likely to generate significant movements from one year to another in the income statement or balance sheet (statutory and consolidated) of RRECs. Aedifica uses the accounting scheme shown in Annex C of the Royal Decree of 13 July 2014.

Valuation

Real estate properties are assessed at their fair value on a quarterly basis by independent experts and recorded in the balance sheet at this value. Depreciation is not recognised on investment properties.

Profit or loss

As return on capital, the Company is required to distribute a sum corresponding to at least the positive difference between the following amounts:

- 80 % of an amount ("corrected profit") determined in the form shown in Chapter III of Annex C of the Royal Decree of 13 July 2014;
- and the net decrease in the debt of the public RREC during the financial year.

Debt

The debt-to-assets ratio of the public RREC and its subsidiaries, and the statutory debt-to-assets ratio of public RRECs, may not exceed 65 % (other than by the change in the fair value of assets) of total consolidated or statutory assets, after deduction of authorised hedging instruments. When exceeding the threshold of 50 %, a financial plan with an implementation schedule must be elaborated, describing the measures taken to prevent the consolidated debt-to-assets ratio from exceeding the threshold of 65 %.

Financing

A RREC may not provide financing, except to its subsidiaries.

Fiscal status

A RREC is not subject to corporate tax (except on non-recoverable expenses and abnormal or benevolent benefits), provided that at least 80 % of corrected profit is distributed in the form of dividends. Refer to section 4 of chapter "Risks factors" of this Annual Financial Report.

Effective 1 January 2013, the withholding tax on dividends amounts in principle to 25 %. As a RREC investing directly at least 60 % of its property in housing, and in accordance with Articles 171, 3° quater and 269, 3° of the Belgian Income Tax Code, Aedifica benefits from a reduction of the withholding tax to 15 %. The concept of housing includes single-family houses and collective housing such as apartment buildings and rest homes. The investment threshold of 60 % was increased from 60 % to 80 % effective 1 January 2015. In addition, residential Belgian RRECs are now permitted to invest within the European Economic Area.

A new risk has arisen (which has been reported in the media since 4 August 2015) in relation to a potential increase in the withholding tax (which could be brought from 15 % to 27 %) for dividends that will be distributed in 2016 and the following years, in the context of the fiscal reform (generally baptised "tax shift" by the media) that is currently under preparation by the Belgian government. The possible disappearance of the reduced withholding tax of 15% for residential RRECs could also be an opportunity for Aedifica, by expanding the potential range of its future investments.

Companies applying for approved RREC status, or which merge with a RREC, are subject to a reduced rate of taxation, which currently stands at 16.995 % (i.e. 16.5 % plus the crisis tax uplift of 3 %), referred to as the exit tax (i.e. the rate of corporate tax which has to be paid in order to leave the common law system).

Belgian RRECs (SIR/GVV) are investment instruments which can be compared to the Dutch FBI (Fiscale BeleggingsInstellingen), the French SIIC (Société d'Investissement Cotée en Immobilier) and the REIT (Real Estate Investment Trust) which exist in a number of countries, including the United States.

Glossary

1. Definitions

Acquisition value

The acquisition value is the agreed value between parties on the basis of which the transaction is performed. If the acquisition of a building takes place by cash payment, through the acquisition of shares of a real estate Company, through the non-monetary contribution of a building against the issue of new shares, by merger through takeover of a property, or by a partial de-merger, the deed costs, audit and consultancy costs, reinvestment bank fees and costs of lifting security on the financing of the absorbed Company and other costs of the merger are also considered as part of the acquisition cost and capitalised in the asset accounts on the balance sheet. Transfer taxes are included if they were paid at the acquisition of the building.

Assisted-living apartment complex

One or more buildings forming a functional unit and including special housing for the elderly, allowing them to lead independent lives and with additional services available on demand.

Closed period

Period during which any officer or any person covered on the lists established by the Company in accordance with Article 6.5 of the Corporate Governance Charter, as well as any person who is closely related to them, may not carry out any trading of Aedifica shares. Closed periods are shown in the corporate governance statement.

Contractual rents

Indexed rents, including rental guarantees, but excluding cost of rent-free periods for occupied surface area.

Debt-to-assets ratio

"Total liabilities" in balance sheet

- I. Non-current liabilities – A. Provisions
- I. Non-current liabilities – C. Other non-current financial liabilities - Hedges
- I. Non-current liabilities – F. Deferred taxes liabilities
- II. Current liabilities – A. Provisions
- II. Current liabilities – C. Other current financial liabilities - Hedges
- II. Current liabilities – Accrued charges and deferred income as provided in the annexes of the Royal Decree of 13 July 2014 on RRECs.
/ Total assets less authorised hedging instruments
≤ 65 %

Double net

Type of contract under which the repair and maintenance of the roof, structure and facades of the building remain the responsibility of the owner while other costs and risks are borne by the operator. This type of contract is common for senior housing in Germany.

EBIT margin

Operating result before result on portfolio divided by net rental income.

EPRA

European Public Real Estate Association is an association, founded in 1999 in order to promote, develop and regroup listed European real estate companies. EPRA establishes standards of conduct in accounting, reporting and corporate governance matters, and harmonises these rules to different countries in order to provide quality and comparable information to investors. EPRA also organises discussion forums on issues that are shaping the future of the sector. Finally, EPRA has created indices that serve as benchmarks for the real estate sector. All this information is available on the website www.epra.com.

Estimated rental value (ERV)

The estimated rental value (ERV) is the rental value as determined by independent experts. For furnished apartment buildings, experts' assumptions take into account a hypothetical lease period of 3/6/9 years at the market rent with a single operator, and overlooking furnished occupancy, in order to avoid double assessment of furnishings and goodwill, which are excluded from property values. The rents actually received for furnished apartments are significantly higher than these estimated rental values.

Exit tax

Companies applying for approved RREC status, or which merge with a RREC, are subject to an exit tax. This tax, equivalent to a liquidation tax on net unrealised gains and on tax-exempt reserves, is charged at 16.5 % (increased by a supplementary crisis tax uplift of 3 % for a total of 16.995 %).

Fair value

The fair value of the Belgian investment properties is calculated as following:

— Buildings with an investment value over €2.5 million:

Fair value = investment value / (1 + average transaction cost rate defined by BEAMA)

— Buildings with an investment value under €2.5 million:

1. when the expert considers a building can be sold in units, the fair value is defined as the lowest value between the investment value in units / (1 + % transfer taxes depending on the region where they are located) and the investment value / (1 + average transaction cost rate defined by BEAMA);
2. when the expert considers a building cannot be sold in units, the fair value is the investment value / (1 + % transfer taxes depending on the region where they are located).

The average transaction cost rate defined by BEAMA is reviewed annually and adjusted as necessary in 0.5 % increments.

The Belgian experts attest the deduction percentage retained in their periodic reports.

Free float

Percentage of shares held by the public, according to the Euronext definition.

Gross dividend yield

Gross dividend per share divided by the stock market price as of closure.

Gross yield of the portfolio

For the total portfolio (excluding furnished apartments): (contractual rents + guaranteed income) / investment value, acquisition value or fair value of the concerned buildings.

For the furnished apartments: (Turnover of the financial year) / (Investment value, acquisition value or fair value of the concerned buildings + goodwill + furnishings).

IFRS

The international accounting standards (IFRS, or International Financial Reporting Standards, previously called IAS, or International Accounting Standards) are drawn up by the International Accounting Standards Board (IASB). European listed companies have been obliged to apply these standards in their consolidated accounts since the financial year commencing on or after 1 January 2005. Since 2007, RRECs have also been required to apply IFRS in their statutory accounts.

Investment properties

Investment properties including buildings intended for sale and development projects.

Investment value

Value assessed by the expert, of which transfer taxes are not deducted.

Long lease

Contract with an initial duration of at least 27 years and less than 99 years, giving a temporary right in rem to the tenant. The tenant has full use of the property during this period and pays an annual fee (rent) in return.

Market capitalisation

Closing stock market price multiplied by the total number of shares.

Marketable investment properties

Investment properties including buildings intended for sale and excluding development projects.

Net asset value

Total equity and liabilities divided by the number of shares outstanding (after deduction of the treasury shares).

Net rental income

Rental income

- Writeback of lease payments sold and discounted
- Rental-related charges

Occupancy rate

For the total portfolio (excluding the furnished apartments): $(\text{contractual rents} + \text{guaranteed income}) / (\text{contractual rents} + \text{estimated rental value (ERV) on vacant areas of the property portfolio})$. We note that this occupancy rate includes the investment properties for which units are in renovation and hence temporarily not rentable. For the furnished apartments: % rented days during the financial year. This occupancy rate can thus not be compared to the one calculated on the rest of the portfolio, as the methodology is specific to this segment.

Operating margin

Property operating result divided by net rental income.

Operating result before result on portfolio

Property operating result

- Overheads
- ± Other operating income and charges

Pay-out ratio

Dividend per share divided by the corrected profit per share.

Profit to be paid out (or corrected profit)

The Company must distribute, as return on capital, an amount corresponding at least to the positive difference between the following amounts:

- 80 % of an amount equal to the sum of the adjusted result (A) and the net capital gains on realisation of investment properties not exempt from the obligation of distribution (B). (A) and (B) are calculated according to the following scheme:

Corrected profit (A)

Profit of loss

+ Depreciations

+ Write-downs

- Reversals of write-downs

- Writeback of lease payments sold and discounted

± Other non-cash items

± Gains and losses on disposals of investment properties

± Changes in fair value of investment properties

= Corrected profit (A)

Net capital gains on realisation of investment properties not exempt from the obligation of distribution (B)

± Gains and losses on disposals of investment properties during the financial year (gains and losses compared to the acquisition value plus capital expenditures)

- Gains and losses on disposals of investment properties during the financial year, exempted from the obligation of distribution, subject to reinvestment within 4 years (gains compared to the acquisition value plus capital expenditure)

± Gains and losses on disposals of investment properties earlier exempted from the obligation of distribution and not reinvested within 4 years (gains and losses compared to the acquisition value plus capital expenditures)

= Net capital gains on realisation of investment properties not exempt from the obligation of distribution (B)

And

- net decrease during the financial year of the debt of the public RREC, as provided in Article 13 of the Royal Decree of 13 July 2014 (see definition of the debt-to-assets ratio).

Profits excluding IAS 39 and IAS 40

Profit (attributable to owners of the parent)

- Changes in fair value of investment properties (IAS 40)

- Changes in fair value of financial assets and liabilities (IAS 39)

Property operating result

Property result

- Technical, commercial and property management costs

- Charges and taxes on unlet properties

- Other property charges

Property result

Net rental income

- All rental charges and taxes normally paid by Aedifica on let properties

± Other rental-related income and charges

Result on portfolio

Gains and losses on disposals of investment properties

- Gains and losses on disposals of other non-financial assets

± Changes in fair value of investment properties

Transfer taxes

The transfer of ownership of a property is subject to the payment of transfer taxes. The amount of these taxes depends on the method of transfer, the type of purchaser and the location of the property. The first two elements, and therefore the total amount of taxes to be paid, are only known once the transfer has been completed.

The range of taxes for the major types of property transfer includes:

- Sale of properties: 12.5 % for properties situated in the Brussels Capital Region and in the Walloon Region, 10 % for properties situated in the Flemish Region;
- Sale of real estate under the rules governing estate traders: 4.0 to 8.0 %, depending on the Region;
- Surface and long lease agreements for real estate (up to 50 years for surface rights and up to 99 years for the long lease right): 2 %, or 0.5 % if the tenant is a non-profit organisation);
- Sales of properties where the purchaser is a public body (e.g. an agency of the European Union, the Federal Government, a regional government or a foreign government): tax exempt;
- Contribution in kind of real estate property against the issue of new shares in favour of the contributing party: tax exempt;
- Sale of shares of a real estate Company: no taxes;
- Merger, split and other forms of Company restructuring: no taxes;
- etc.

The effective rate of the transfer tax therefore varies from 0 to 12.5 %, whereby it is not possible to predict which rate would apply to the transfer of a given property before that transfer has effectively taken place.

N.B. We note that, following the interpretations of IFRS by the Belgian Asset Managers Association (BEAMA), the book value of the investment properties under IFRS on the balance sheet is calculated by the expert by deducting a fixed percentage of transfer tax (currently 2.5 %) from the investment value. However, for investment properties with a value of less than €2.5 million, the transfer taxes to be deducted vary depending on the rates applicable given the building's location.

Triple net

Type of contract under which operating charges, maintenance costs and rents on empty spaces related to the operations are borne by the operator.

Velocity

Total volume of shares exchanged over the year divided by the total number of listed shares, following the definition of Euronext.

2. Acronyms

BEAMA: Belgian Asset Managers Association
CEO: Chief Executive Officer
CFO: Chief Financial Officer
CLO: Chief Legal Officer
COO: Chief Operating Officer
DCF: Discounted Cash Flow
EBIT: Earnings Before Interests and Taxes
ECB: European Central Bank
EPRA: European Public Real Estate Association
ERV: Estimated Rental Value
FSMA: Financial Services and Markets Authority
IAS: International Accounting Standards
IFRS: International Financial Reporting Standards
IPO: Initial Public Offering
IRS: Interest Rate Swap
REIT: Real Estate Investment Trust
RREC: Regulated Real Estate Company

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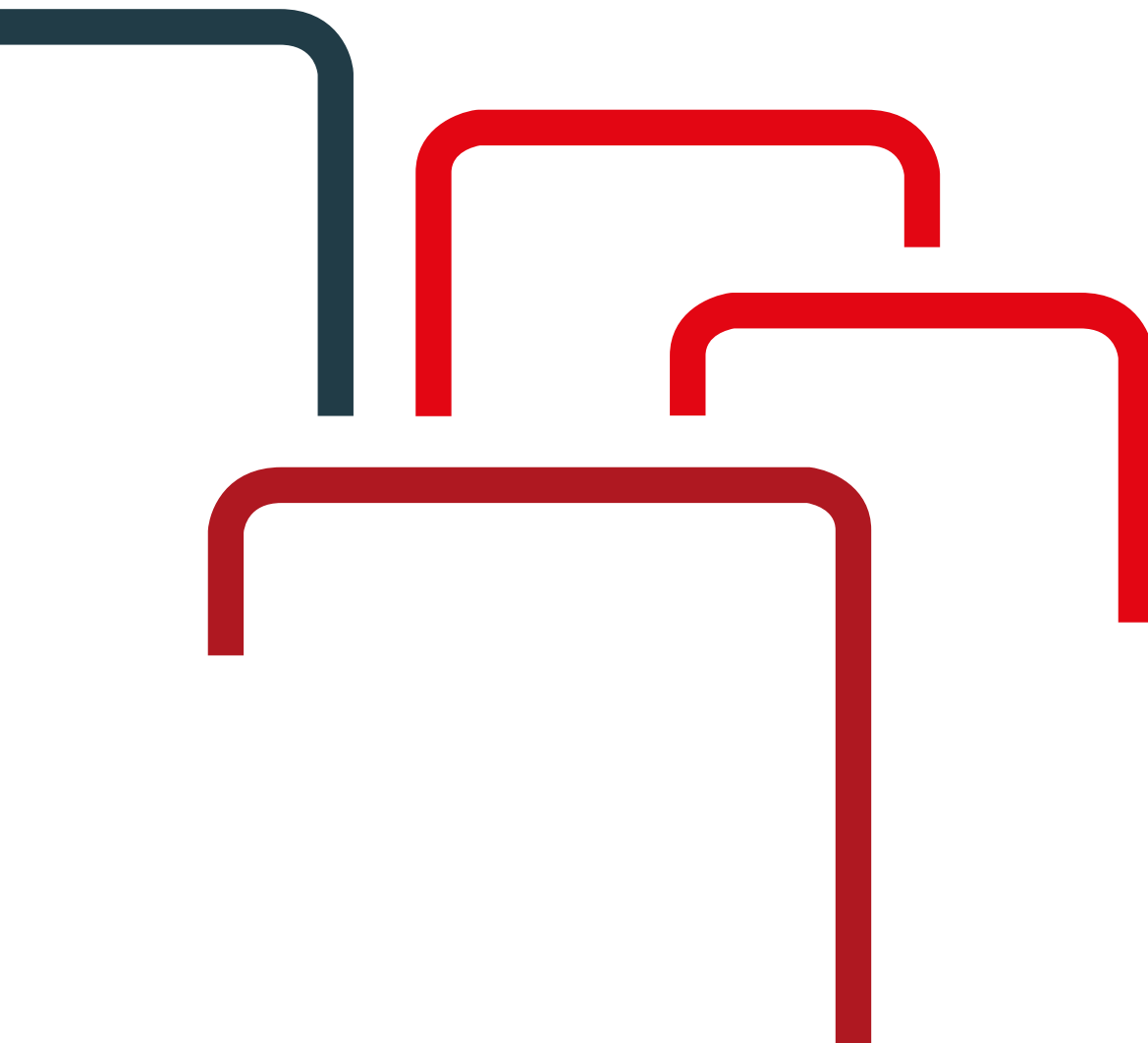
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1. The French version of this annual financial report represents the original document. The Dutch and English versions are translations and are offered for information purposes only. All documents are written and translated under the supervision of Aedifica.





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