



Annual financial report

2012/2013

Aedifica, a Belgian listed company investing in residential real estate

Who we are ?



Klein Veldeken
Assisted-living complex
located in a green zone in the
Flemish Brabant

With an investment portfolio of €643 million and a total surface area of more than 305,000 m², Aedifica aims to position itself as the market leader among listed Belgian residential real estate companies.

Aedifica's portfolio responds to multiple housing needs present in the modern urban context. Aedifica differentiates itself through its strategy of creating a balanced portfolio of primarily residential buildings that generate stable and recurring revenues and offer strong potential for capital gains.

In order to achieve its goals, Aedifica's investments are diversified within the residential real estate sector.

Aedifica has been quoted on Euronext Brussels (continuous market) since 2006.

As a Belgian REIT (real estate investment company), Aedifica offers the investor a high-quality alternative to direct investment in residential real estate.

Aedifica's strategy is based on two demographic trends:

- population growth in Belgium's main cities
- population ageing in Western Europe

The effects of these demographic evolutions on overall housing needs and in particular on the specific housing needs of an ageing population, shape the key themes of the Aedifica investment strategy.



Résidence Chamaris
Located at the heart of the Leopold
Quarter, the premier business district in
Brussels in which many main European
Union institutions are concentrated

Content

Pont d'Amour
The extension project currently in progress will bring the site capacity up to 150 beds



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1. This chapter is part of the consolidated Board of Directors' report.

Risk factors

Aedifica carries out its activities in an ever-moving environment, which implies certain risks. The occurrence of these risks might have a negative impact on the Company as a whole, or on its operations, outlook, financial position or financial result. Hence, these risks must be duly considered in any investment decision.

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

Management and the Board of Directors monitor Aedifica's main risk factors closely. They set conservative policies in this respect, and regularly adapt them as necessary. Please note that completeness in respect of risk factors cannot be ensured, and that the following list is based on information available as of 10 September 2013. It is acknowledged that other risk factors may exist, which are currently unknown, remote or considered as benign for the Company, its operations 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 change in the main macro-economic indicators could hurt the activity level and the outlook for Aedifica. The operations of the Company are indeed subject to economic cycles, since these affect the available income of tenants (and hence their ability to respect their financial commitments), the take-up, 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, and entrepreneurs. To mitigate this risk, Aedifica diversifies its investments across several segments in the residential market, which tend to evolve differently under 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 in terms of geography and segments, while focused on the Belgian residential market. Since summer 2013, Aedifica is also active in the senior housing segment in Germany.

Each segment of the residential market in which Aedifica invests targets different types of tenants who rent premises based on contracts with varying maturities (short-term for furnished apartments, mid-term for unfurnished apartments, and long-term for senior housing and hotels). Given the high proportion of long term irrevocable contracts with a minimum initial maturity of 27 years ("emphytéoses / erpachten" representing 67 % of the fair value of investment properties as of 30 June 2013), the average residual maturity of Aedifica's contracts is very high at 18 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.

1.3 Inflation risks

At constant interest rates, inflation risk is low for Aedifica, since rents are subject to indexation (mainly according to the full CPI or 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 €0.4 million.

In a context of increasing nominal interest rates, lower inflation implies higher real interest rates, which in turn implies that financial charges are growing faster than 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 in the senior housing segment

Given the dynamism of the main professional group of operators in the operation of senior housing, and the on-going consolidation of this market, it is highly likely that one or more business combinations will occur among Aedifica's operators (the groups controlling legal entities). This may affect diversification in Aedifica's tenant base. Such business combinations have already occurred in the past in Aedifica's portfolio, which lead to sensibly improve professionalism of these legal entities and which have been diluted by the increase of Aedifica's portfolio. The data concerning these groups are given in the property report included in this 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 staff 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 30 June 2013, Aedifica's properties were exclusively located in Belgium and consisted mainly in marketable properties used or intended to be used for housing. Its composition (number of properties, surface area) and breakdown (by type of property, by segment, geographical) as of 30 June 2013 is provided in section 3.1 of the consolidated Board of Director's Report included in this annual financial report. Since summer 2013, Aedifica's portfolio is also partially located in Germany.

Aedifica is also carrying out works on a portfolio of 25 development projects (see section 2.2.2 of the property report included in this annual financial report). In accordance with IAS 40, marketable investment properties and development projects are presented together on the balance sheet, under the heading "I.C. Investment property".

2.1 Rents

Aedifica's turnover is made up of rental income generated on properties that are rented out to third parties (natural persons, companies, and operators of rest homes, 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, espe-

cially in view of the current economic environment. The economic climate can also lead to renegotiations of current leases, in particular to reduce the rent of current contracts in order to rebalance the level of rent of the tenants compared to their potential future income, and therefore to maintain the sustainability of the cash flows generated by the building for the benefit of Aedifica. And since property costs cannot always be reduced in line with rental income, the Company's income and cash flows 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 senior housing and hotels segments for example, Aedifica enters into long leases (mainly under the form of "emphytéoses / erpachten") with specialised operators, which generate high yields. By doing so, Aedifica can offset most the risks associated with shorter-term contracts in the other segments (unfurnished apartments, furnished apartments).

The Company is also exposed to the risk of default of its tenants, and is not credit-insured. Procedures have been put in place to monitor the payment pattern of the few tenants with whom long leases 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.

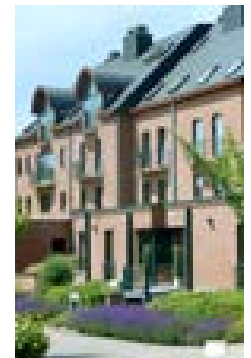
Nevertheless, the Company continues to face a risk of lost rental income, and this risk could increase in line with any deterioration of the economy. Movements in the provisions for bad debts are detailed in note 34.

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 tries to stay aware of their needs and wishes.

For the technical management of its unfurnished apartment buildings, Aedifica employs external service providers who act as asset managers and are permanently monitored by its building manager. Aedifica employs the same external service providers for the administrative and accounting management of certain unfurnished apartment buildings. In case of default of any of these service providers, Aedifica's financial risk exposure is limited, since the rents and provisions for charges are paid by the tenants 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



Giono & Hugo

are paid are strictly restricted. Administrative and accounting management of other unfurnished apartment buildings was recently internalised; related tasks are now performed by Aedifica's property accounting team.

Asset management of furnished apartment buildings has always been carried out by a specialised team at Aedifica. This team follows a pro-active and efficient approach to asset management, which limits the vacancy rate, increases the fidelity of the tenants, and attracts new customers.

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.

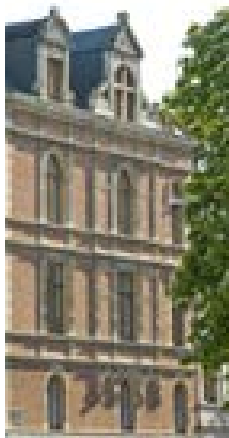
The Company may be involved in court procedures arising in the normal course of business. There are no significant cases on-going at present. Given the uncertainties arising from court procedures, the Company could have to assume new liabilities in the future.

2.3 Quality and valuation of the buildings

In order to sustain and even increase rental incomes, and to facilitate new lettings and/or building disposals of its buildings, Aedifica carries out repair and maintenance works on its buildings on an on-going 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 allows 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.

Aedifica employs an engineer-architect who manages certain 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



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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 €565 million (including furnishings in furnished apartment buildings, and excluding the value of the grounds). This represents 92% of the fair value of marketable investment property as of 30 June 2013 (including grounds). Insurance contracts are signed by Aedifica, or by the tenants in the case of long leases. The insurance contracts cover vacancy costs during the reconstruction period, but do not cover other risks, such as the voluntary acts of the insured person, the risk of war, nuclear risks, the inherent vice proper, hidden defects, deterioration, decrepitude, or asbestos. Insurance premiums paid by Aedifica amount to €48 thousand per year.

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 property would imply an impact of €6.1 million on the Company's net income and of €0.62 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 warranties and representations, etc.). Nevertheless, it is unavoidable that hidden liabilities may be transferred to the Company.

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 7 December 2010 on Belgian REITs) is included in section 3.3 of the consolidated Board of Director's report included in this annual financial report. As of 30 June 2013, it amounts to 36% (as well on consolidated level as on statutory level). This section also mentions the maximum ratio permitted for Aedifica before reaching the maximum debt-to-assets ratio authorised 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 exceeds the threshold of 65% (article 54 of the Royal Decree of 7 December 2010).

Aedifica's financial model relies on a structural indebtedness. As a result, cash balances are usually low, amounting to €1 million as of 30 June 2013.

As of 30 June 2013, Aedifica has neither pledged any buildings as collateral for its debts, nor has it granted any other security to debt-holders. Note that in Germany, it is customary that the properties financed by credit facilities are subject to a collateral loan in favour of the creditor bank.

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 2013, credit facilities in the amount of €228 million are in use by Aedifica (2012: €296 million), out of total available credit of €317 million (a breakdown of the credit facilities by banks is provided in Note 40). The headroom (€89 million, to which the effect of the new conventions in place on 23 July 2013 (€87 million), on 1 August 2013 (€6 million) and on 6 August 2013 (€30 million) should be added, is sufficient to cover the Aedifica's financial needs (including the development projects in progress) until the end of the 2013/2014

financial year. The expected investment amount for the existing projects is estimated at €151 million.

Given the regulatory status of Belgian REITs, 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.

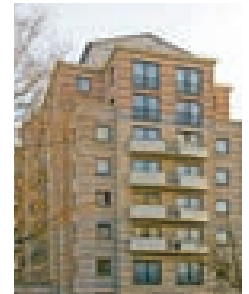
The Company would be exposed to a liquidity risk in the event of early termination of the credit facilities. Should the Company fail to comply with the provisions of credit facility arrangements, the facilities might indeed be cancelled, re-negotiated, or forced into reimbursement. The covenants in place are in line with market practice, and in particular require that the debt-to-assets ratio (as defined by the Royal Decree of 7 December 2010) 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 obligations of the Company, and, more generally speaking, in case 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.

Internally, Aedifica is organised so as to regularly monitor the evolution of the 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.

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 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



Résidence Parc Palace

36 %
statutory and consolidated debt-to-assets ratio as of 30 June 2013

moment of the increase of the nominal interest rates and the moment of the indexation of rental incomes. When the interest rate curve is sufficiently flat (i.e. when interest does not vary a lot in function of 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 positive deviation increase of 25 bps of the 2013/2014 interest rates over the forecast rates would lead to an additional €0.7 million interest expense for the year ended 30 June 2014.

In order to manage the interest rate risk, Aedifica has put in place hedges (interest rate swaps, as well as caps and collars). 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 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, the agreements signed with the banks providing the hedges provide (in line with market practice) for events that would lead to early termination of the hedges or initiate margin calls (in cash for example) in favour of the banks.

Changes in the interest rate curve have a limited impact on the future interest expense, since at least 60% of the financial debts are hedged by IRS, caps or collars. Each change in the interest rates curve has an impact on the fair value of hedging instruments against income statement 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 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 on-going relationship with the banks listed in note 40 of the consolidated financial statements included in this annual financial report. What 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 one small supplier which charges for its services in USD). The borrowings of the Company are all denominated in Euros. Thus, Aedifica is not exposed to significant foreign exchange risk.

3.6 Financial planning risk

The yearly budget and long-term financial plan are an important tool used in the decision-making process and 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 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 the Company's compliance with regulatory (e.g. legal covenants associated to Belgian REIT status, like the debt-to-assets ratio) and contractual provisions (e.g. the bank covenants).

4. Regulatory risks

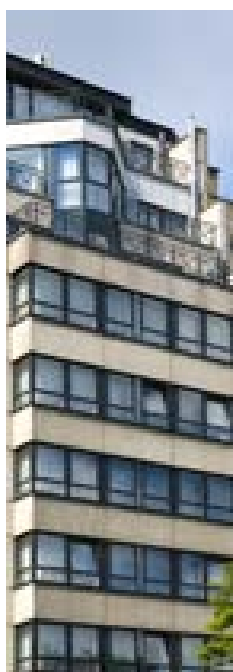
The Company is aware of applicable regulations and does its best to engage experts to provide supplementary assistance and advice. Nonetheless, it is exposed to the risk of non-compliance with regulations or environmental requirements.

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

As such, note that the Company is governed by the law of 3 August 2012 on certain forms of collective management of investment portfolios and could therefore be considered as an alternative investment fund when the European AIFM Directive (Directive 2011/61/EU on alternative investment fund managers) is transposed into Belgian law, along with its implementing measures, which must in principle take place by 22 July 2013.

There are still uncertainties regarding the application of this directive to the REIT sector (see glossary) in the various European countries, but if the Sicafi is treated as an alternative investment fund, the Company would be subject not only to the rules arising from this directive but also to the European EMIR Regulation (Regulation (EU) No 648/2012 on OTC derivatives, central

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counterparties and trade repositories) or other regulations in preparation (financial transaction tax as part of the common system devised by the Commission, CRD IV (new capital and liquidity requirements for credit institutions that may affect the relationship with alternative investment fund counterparties), etc.).

The additional requirements laid down by the AIFMD, including on systems of administrative management, internal audit, management of conflicts of interest, risk management, liquidity management and the appointment of a depositary, would compel the Company to adapt its internal organisation, rules or procedures, which would make its management more cumbersome, hinder certain transactions and require additional resources to implement these new provisions, and would in any case increase management and administration costs.

The EMIR Regulation would expose the Company to margin calls on its hedging instruments, which would increase its financing requirements and costs. The impact of other regulations (tax on financial transactions, CRD IV) mainly entail higher costs for the Company.

As a Belgian REIT, the Aedifica benefits from a specific tax regime under which its annual result (rental income and gains on disposals, after deduction of operating costs and financial expenses) is not subject to corporate tax (but subsidiaries are 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.

Aedifica welcomed the lifting of uncertainties related to the tax treatment of dividends distributed by residential Belgian REITs. These uncertainties, which had persisted throughout 2012, were lifted by the end of December 2012. The Programme law of 27 December 2012 establishes a 25% withholding tax on dividends effective as of 1 January 2013. As a Belgian REIT 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% will

be increased to 80% as from 1 January 2015 (as of 30 June 2013, this percentage amounts to 80% for Aedifica. Taking into consideration the development projects in progress, the Company should quickly exceed the 80% investment threshold). In addition, residential Belgian REITs are now permitted to invest within the European Economic Area.

In the event that the Company's status as a Belgian REIT is lost (this would suppose major and re-iterated disregards for the provisions of the Belgian Act of 3 August 2012 and/or of the Royal Decree of 7 December 2010), the Company would also lose its favourable 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 Belgian REIT status is generally considered an event of default, thus triggering the reimbursement of all loans granted to the Company.

Even with Belgian REIT status, the Company acts in 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 7 December 2010 (i.e. the reserves that the law or the articles of association does not prohibit from being paid-out), amount to €8 million as of 30 June 2013 (see Note 38 of the attached consolidated financial statements).

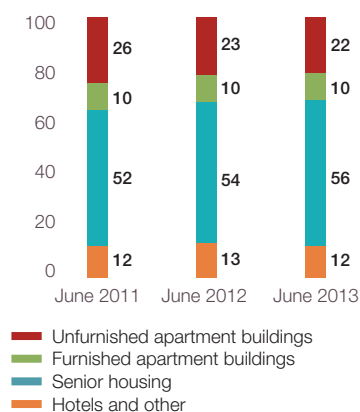
15 %
withholding tax for
residential REITs

Kasteelhof



Key figures 2012/2013

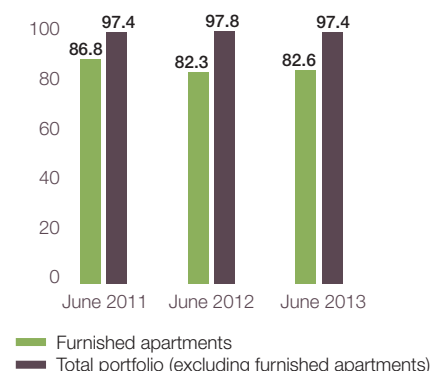
Breakdown by segment in fair value (%)



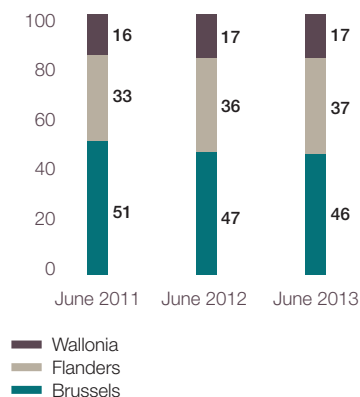
Gross yield by segment in fair value¹ (%)



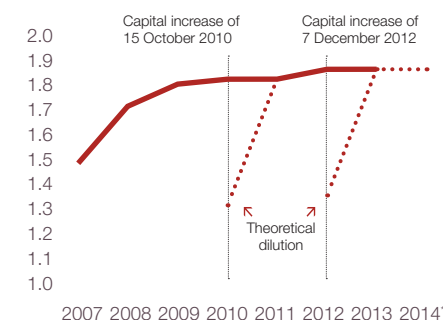
Occupancy rates (%)



Geographical breakdown in fair value (%)



Dividend (€/share)



* Forecast dividend for 2013/2014 (see section 11 of the consolidated Board of Directors' report in this annual financial report).

Key performance indicators according to the EPRA principles

	30 June 2013
EPRA Earnings (in €/share)	1.95
EPRA NAV (in €/share)	41.87
EPRA NNNNAV (in €/share)	38.59
EPRA Net Initial Yield (NIY) (in %)	5.2
EPRA Topped-up NIY (in %)	5.2
EPRA Vacancy Rate (in %)	2

1. Based on the appraised value (revalued every 3 months) plus the goodwill and furniture in the furnished apartments. In the senior housing segment, gross yield is equal to the net yield ("triple net lease" contracts), as operators assume responsibility for operating charges, maintenance costs and vacancy risks. The same applies to hotels.

EPRA

Aedifica was added to the EPRA indices on 18 March 2013

€643 M
Fair value of
investment properties

18 years

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

€1.86/share

Proposed dividend for 2012/2013, representing a gross yield of 4.39% as compared to the TERP (see section 4 of the consolidated Board of Director's Report)

Investment properties (x €1,000)

	30 June 2013	30 June 2012
Marketable investment properties in fair value	614,211	583,403
Development projects	28,633	9,314
Total of investment properties in fair value	642,844	592,717

Net asset value per share (in €)

	30 June 2013	30 June 2012
Based on fair value of investment properties		
Net asset value after deduction of dividend 2011/2012, excl. IAS 39	41.87	40.38
IAS 39 impact	-3.28	-4.94
Net asset value after deduction of dividend 2011/2012	38.59	35.44

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

	30 June 2013	30 June 2012
Rental income	36,230	34,340
Rental-related charges	-147	-51
Net rental income	36,083	34,289
Operating charges ¹	-8,549	-8,119
Operating result before result on portfolio	27,534	26,170
EBIT margin ² (%)	76%	76%
Financial result excl. IAS 39	-10,460	-10,796
Corporate tax	-70	-54
Profit excl. IAS 39 and IAS 40	17,004	15,320
Number of dividend rights ³	8,715,339	7,153,096
Earnings per share excl. IAS 39 and IAS 40 (€/share)	1.95	2.14
Profit excl. IAS 39 and IAS 40	17,004	15,320
IAS 40 impact ⁴	9,013	9,423
Impact IAS 40: gains on disposals of investment properties	54	54
IAS 39 impact ⁵	1,600	-9,459
Profit (owners of the parent)	27,671	15,338
Weighted average number of shares outstanding (IAS 33)	8,715,370	7,152,918
Earnings per share (owners of the parent - IAS 33 - €/share)	3.17	2.14

1. Items IV to XV of the income statement. 2. Operating result before result on portfolio divided by the net rental income. 3. Calculated on the basis of the prorata temporis rights to the dividend for the shares issued during the year. 4. Changes in fair value of investment properties. 5. Changes in fair value of hedging instruments.

Consolidated balance sheet (x €1,000)

	30 June 2013	30 June 2012
Investment properties (fair value)	642,844	592,717
Other assets included in debt-to-assets ratio	8,827	16,337
Other assets	526	38
Total assets	652,197	609,092
Equity		
Excl. IAS 39 impact	414,662	303,023
IAS 39 impact ¹	-32,503	-35,447
Equity	382,159	267,576
Liabilities included in debt-to-assets ratio	234,821	303,921
Other liabilities	35,217	37,595
Total equity and liabilities	652,197	609,092
Debt-to-assets ratio (%)	36.0%	49.9%

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

Letter to the shareholders

Dear shareholders,

Aedifica's investment strategy is built on two underlying demographic trends, namely population growth in Belgium's main cities and population ageing in Western Europe. These trends have contributed to the market's confidence in Aedifica, confidence which has continued to grow over the course of the 2012/2013 financial year as illustrated by:

- successfully completion of a €100 million capital increase on 7 December 2012 (the largest public capital increase to take place in Belgium in 2012),
- refinancing beginning of summer 2013 of a €210 million credit facility ("club deal") that was originally established in 2006, and
- the evolution of the Company's stock price and average daily trading volume, which both reached historical levels over the last year.

Moreover, Aedifica shares were added to the EPRA indices, the most widely used global benchmark for listed real estate, in March 2013. Aedifica's inclusion in the EPRA indices displays a wider recognition of the Company's commitment to best practice, and provides an opportunity for global investors to play a part in the Company's continued success.

Following the capital increase of 7 December 2012, Aedifica announced a series of new investments in the senior housing segment – in Belgium and beyond the country's borders – totalling €74 million as of 30 June 2013.

Not only is the acquisition of a rest home near Cologne (announced on 20 June 2013) Aedifica's first investment abroad since the Company was created in 2005, it is also the first investment of any Belgian REIT in the German market. The investment is consistent with Aedifica'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 follows changes in Belgian law which



"Aedifica's investment strategy has generated market confidence in the Company over the course of the financial year."

— Stefaan Gielens

recently the European market to residential Belgian REITs, while fixing the rate of withholding tax on dividends they distribute at 15% (compared to 25% for dividends distributed by other types of REITs).

Of the €74 million in new investments mentioned above, €11 million was used to acquire marketable investment properties (i.e. those that already generate rental income) and €55 million to undertake new development projects (i.e. the projects that will generate rental income in the future). To fully appreciate the significance of investments realised during the course of the financial year, one must also consider cash outflows related significant development projects (€26 million) of which three were completed in 2012/2013, other renovations (€2 million), and acquisitions of marketable investment properties before the capital increase of 7 December 2012 (€1 million). Completion in 2012/2013 of projects initiated in previous financial years, illustrates Aedifica's long term vision to develop its portfolio, often in partnership with its main tenants.

The fair value of investment properties during the financial year exceeded €600 million, reaching €643 million by 30 June 2013 (€593 million at the beginning of the period).

Along with its new investment activities, Aedifica continues to manage its existing real estate portfolio very well despite the difficult economic context the Company has been faced with since the onset of the global financial crisis in 2008. The Company's portfolio consists of:

- hotels: a residual, non-strategic segment for Aedifica, following changes in Belgian law which will make it more difficult as to benefit from the reduced withholding tax available to residential REITs (as from January 2015). Note that the difficult economic climate has led to the renegotiation of existing hotel leases in order to rebalance the level of rent paid by tenants in relation to their future income potential, and maintain the sustainability of the related cash inflows for Aedifica,

- apartment buildings: unfurnished apartment buildings, which are generally resistant to economic downturns, and furnished apartment buildings which face more challenging market conditions, and
- senior housing: the most significant segment both in terms of rental income and fair value, and the segment least sensitive to the current economic situation.

This portfolio provides excellent rental incomes (with an occupancy rate of 97.4% for the unfurnished portion of the portfolio and 82.6% for the furnished portion), a high and stable EBIT margin (76% in 2012/2013; 76% in 2011/2013), and well controlled financing costs. Profit excluding non-cash elements arising from application of accounting standards on financing instruments (IAS 39) and investment property (IAS 40) has reached €17.0 million (30 June 2012: €15.3 million), i.e. €1.95 per share (30 June 2012: €2.14). The decline in profit per share excluding IAS 39 and IAS 40 originates in the dilution resulting from the capital increase of 7 December 2012. This result (in absolute terms and per share) is better than the forecast amounts.

Aedifica owes its strong results for the 2012/2013 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 over the course of the year. Again this year, the Board of Directors expresses its sincere congratulations to the Aedifica team.

Given the performance and achievements described above, Aedifica's Board of Directors proposes to the Annual General Meeting to distribute a dividend of €1.86 per share, which exceeds forecast amount (€1.78 per share) and is stable as compared to the prior year dividend distribution, despite the abovementioned dilution.

Two noteworthy items have had no effect on the level of the proposed dividend. First, a change in the fair

value of investment properties (as valued by independent experts) gave rise to unrealised (non-cash) capital gains for which €9 million has been recognised in the income statement. Second, due to the volatile evolution of interest rates over the course of the financial year, unrealised gains on hedging instruments were recognised in the amount of €3 million (of which half has been taken in the income statement). Taking these two items into account, Aedifica's total profit amounts to €27.7 million (30 June 2012: €15.3 million).

In light of the financial crisis that continues to unfold around the world, the Board of Directors anticipates a stable dividend at €1.86 per share for 2013/2014.

New investment opportunities are currently under consideration in Belgium and in Germany. Potential investments are fully aligned with the Company's investment strategy, which is highly favoured by the market.

Stefaan Gielens
Chief Executive Officer

Jean-Louis Duplat
Chairman of the Board
of Directors



“In light of the financial crisis that continues to unfold around the world, the Board of Directors anticipates a stable dividend at €1.86 per share for 2013/2014.”

Jean-Louis Duplat

Leopold district
In October 2011, Aedifica acquired the "Résidence Chamaris" situated at the heart of the Leopold Quarter, the premier business district in Brussels in which many major European Union institutions are concentrated. This 23-unit building was originally an office building in the 1960s and was converted and renovated in 2009/2010.



543

unfurnished apartments

295

furnished apartments

32 %

of the portfolio, of which 10%
furnished apartments and 22%
unfurnished apartments

from 5.1 %
to 8.0 %
gross rental yield

Louise / Châtelain district
Aedifica owns 210 furnished apartments, ideally located in the Louise and place du Châtelain districts of Brussels. In addition to the Livourne buildings shown on the right, the Company also owns a complex on the rue Souveraine, and buildings named Louise 130 and 135, Louise 270 and Vallée 48.



Apartment buildings

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

Aedifica is primarily interested in new or fully renovated buildings that are large to generate good returns and which offer strong potential for capital gains. Aedifica also acts upstream by investing in development projects that meet these criteria.

The apartments are often furnished by the occupants under traditional rental contracts, while apartments furnished by Aedifica tend to be let under short-term rental contracts that generate higher gross rental yields. The furnished apartments (“business-flats”) respond to the specific housing needs of the expatriate community in Brussels, which arise given the presence of the European Institutions, NATO, and the headquarters of many international businesses.

The Company’s 838 apartments are primarily located in Brussels and Antwerp.

Sablon

Aedifica is the owner of a highly visible building located at the heart of Brussels on the corner of Grand Sablon and rue de la Régence. The building was conceived by the celebrated architect Jo Crepain in one of the most lively tourist and shopping districts of the 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.



Seniorerie La Pairelle

Aedifica acquired the rest home in 2008 along with two parcels of adjacent land. The rest home, which dates back to the 1990s and is ideally situated near Namur, on the banks of the Meuse River, comprised 51 beds at the time of acquisition. Aedifica financed the site extension and renovation in order to allow the operator to double the capacity of the site.



Senior housing

Professionalisation and consolidation in the Belgian senior housing market is evident. Aedifica participates actively by acquiring new buildings, engaging in sale and rentback arrangements, and by investing in upstream construction of new buildings. The Company negotiates indexed long term irrevocable contracts (primarily in the form of long leases with a minimum duration of 27 years) with professional and specialised operators. These investments generate high net yields.

By investing in rest homes and assisted-living apartments, Aedifica responds simultaneously to the needs of its operators and to the growing demands of an ageing population, in particular the baby-boom generation which is expected to reach its peak in Belgium, and in Europe, by 2050.

“Investing in German rest homes is the logical next step in Aedifica’s effort to diversify its assets within its main strategic segment, senior housing. Germany presents a significant investment opportunity in this segment: it is the largest European market and exhibits an even stronger demographic trend in terms of population ageing than that observed in Belgium. Care operators continue to grow and consolidate and, as in all Western European countries, the need for financing solutions for real estate infrastructure in the healthcare sector will inevitably grow. In addition, Germany offers the best risk profile of any country in the Eurozone.”

Stefaan Gielens, CEO

Seniorenzentrum AGO Herkenrath

This rest home is a recent construction which benefits from an excellent location and offers comfortable living spaces. It is located 20 km from Cologne (4th largest city in Germany in terms of inhabitants) in the centre of Herkenrath, part of the city of Bergisch Gladbach in North Rhine-Westphalia. Built in 2010, it contains 80 beds in 80 single rooms. The purchase agreement was signed on 20 June 2013 in front of the notary in Frankfurt subject to the usual outstanding conditions in Germany, which were lifted in July. The building was added to Aedifica’s portfolio on 1 August 2013.



Helianthus

“Helianthus” rest home is located in a private park in a residential area in Melle, near Gent in East Flanders. The 1 hectare site comprises a former mansion, a 42-bed rest home and a building with 5 assisted-living apartments (47 units in total). An extension project is currently under consideration.



40
sites

56 %
of the portfolio

5.9 %
gross rental yield

Hotels and other

Aedifica has invested in the past in the hotel sector, with buildings operated by professional and specialised operators under long term, indexed, and irrevocable contracts (primarily in the form of long leases with a minimum initial duration of 27 years).

Strictly speaking, the sector is not considered “residential”; however it was aligned with the Company’s desire to respond to multiple lodging needs. Aedifica now owns two large hotels located in two of the largest tourist cities in Flanders, as well as four hotels in Limburg.

This sector also includes a number of small properties (office buildings, semi-industrial sites, and land reserves).



Eburon

Eburon hotel is operated by Different Hotel Group and is a high quality design hotel located in the centre of Tongeren. 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 VTM in 2010, as well as the TV game show “Mijn Restaurant! 2011” which aired on the same channel.



Carbon

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

Martin's Klooster

Martin's Hotels Group operates two 3 and 4-star hotels located at the heart of the historic centres of Bruges and Leuven. The Martin's Klooster now comprises a unique 4-star hotel with 103 rooms near to Leuven's historical centre, a conference centre, a lounge bar, a reception lobby, an orangery for events, and a private 50-space underground parking lot.

6

hotels

12 %

of the portfolio

6.6 %

gross rental yield



Consolidated Board of Directors' Report



€100 M

capital increase successfully
completed in 2012

€173 M

credit facilities established or
renegotiated since the beginning of
the 2012/2013 financial year

97.4 %

high occupancy rate for the
unfurnished portion of the
portfolio

+6 %

increase in rental income as
compared to 30 June 2012

€6 M

+ 1.05 %

increase in the fair value of
marketable investment properties

€643 M

fair value of investment
properties

€151 M

development project pipeline,
of which 96% pre-let

€1.86 /share

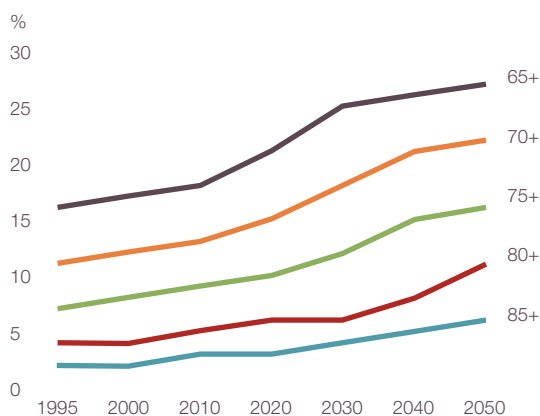
proposed dividend for 2012/2013

Consolidated Board of Directors' Report¹

- Successful completion of a €100 million capital increase on 7 December 2012 – the largest public capital increase to take place in Belgium in 2012 – to bring the Company's total market capitalisation to approximately €470 million and debt-to-assets ratio to 36%
- New credit facilities in the amount of €173 million since the beginning of the 2012/2013 financial year
- Investments and commitments since the capital increase of 7 December 2012 amounting to €74 million as of 30 June 2013, of which €8 million in Germany
- €151 million development projects pipeline as of 30 June 2013, 96 % pre-let
- High occupancy rate of 97.4% for the unfurnished portion of the portfolio (total less furnished apartments) and at 82.6% for the furnished portion of the portfolio
- 6% Increase in consolidated rental income as compared to the year ended 30 June 2012
- EBIT margin and profit excluding IAS 39 and IAS 40 ahead of forecast
- €6 million Increase in fair the value of marketable investment properties, i.e. +1.05%
- Fair value of investment properties amounting to €643 million as of 30 June 2013
- Proposed dividend of €1.86 per share

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 headquarters of the Company.

Evolution of Belgian population by age group



Source: Pacolet, J. and al. (2004) in Het grijze goud (Itinera Institute 2010)

1. Strategy

1.1. Diversification

Aedifica aims to position itself as the market leader among listed Belgian residential real estate companies.

Our objective is to create a balanced portfolio of residential buildings that generates stable and recurring revenues and offers strong potential for capital gains. We aim to take advantage of two underlying demographic trends, namely population growth in Belgium's main cities and population ageing in Western Europe. As evidence to support these trends, Belgium's federal Bureau of Planning 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 2050.

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

To attain its objectives, Aedifica has identified two strategic pillars in which it will concentrate investment activities: apartment buildings in Belgium's main cities and senior housing in Western Europe. The diversification sought by Aedifica centres on these two strategic pillars, which provide for easy adaptation of the Company's investment policy in response to shifting market opportunities and economic conditions. The two strategic poles are concentrated in three main segments: unfurnished apartment buildings, furnished apartment buildings, and senior housing. Hotels and other types of buildings constitute a residual, non-strategic segment. The weight of each segment may vary from one year to another according to changing circumstances.

Aedifica's strategy – to specialise in the residential housing market and diversify its investments within this market – 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 stable and recurring revenues.

a. Apartment buildings

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

These investments are realised in two ways:

Acquisition of existing buildings

Aedifica is primarily interested in newer buildings that are large enough (i.e. contain a sufficient number of apartments) to provide good returns. Aedifica also acquires portfolios of buildings with the intention to

keep only those components that are fully aligned with the Company's investment strategy and dispose of any remaining assets.

New constructions

Aedifica acts upstream by acquiring development projects for future completion and by developing its own new projects, in order to maintain quality standards and maximize returns over the long term.

The apartment buildings in Aedifica's portfolio offer good yield perspectives thanks to their strong potential for capital gains, reinforced by the possible future sale of individual units within buildings initially acquired in full.

Apartments furnished by the occupants are normally let under classic rental contracts, while those furnished by Aedifica tend to be let under short-term rental contracts that generate higher gross rental yields. The furnished apartments ("business-flats") respond to the specific housing needs of the expatriate community in Brussels which arise given the presence of the European Institutions, NATO, and the headquarters of many international businesses. Furnished apartment rentals do not constitute hotel activities; they are indeed a specific type of apartment rental. The buildings used for this purpose could equally be used for unfurnished apartment rentals or for the sale of individual units. To develop its portfolio of furnished apartment buildings, Aedifica also considers investments in other large Belgian cities are frequented by expatriates and business people, such as Antwerp.

b. Senior housing

Professionalisation and consolidation in the Belgian senior housing market is evident. Aedifica participates actively by acquiring buildings, engaging in sale and rentback arrangements and by investing in upstream construction of new buildings. The Company negotiates indexed long term irrevocable contracts (primarily in the form of long leases) with professional and specialised operators. These investments generate high net yields. The nature of these contracts compensates in large part for the risks associated with shorter-term apartment rentals, most notably in terms of vacancy rates (to date the senior housing segment has enjoyed a constant occupancy rate of 100%). Aedifica responds to the needs of its operators, and to the growing demand arising as a result of shifting demographics, by investing in both rest homes and assisted-living buildings.

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

The senior housing market generates stable and recurring revenues, allowing 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 for the period 2005-2012, representing 27% of the total amount invested by REITs, insurers banks and other types of investors. Considerable growth potential remains in this sector. As a portion of the number of beds approved by social security (INAMI/RSZ) in Belgium, Aedifica holds approximately 2.5% of the market as of 30 June 2013.

Moreover, Aedifica's Board of Directors recently announced a first acquisition in Germany (see section 2.1.1 above). Not only is this Aedifica's first investment abroad since the company was created in 2005, it is also the first investment of any Belgian REIT in the German market.

This investment in Germany is consistent with Aedifica'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 follows changes in the Belgian law which recently opened the European market to residential Belgian REITs (see section on "Risk factors"). Information on the German senior housing market is given in the "Property report" section.

c. Hotels and other

Aedifica also holds investments in the hotel sector in Belgium; buildings are operated under indexed, long term, irrevocable contracts (long leases of with a minimum initial maturity of 27 years) by two professional and specialised operators.

In this segment, Aedifica holds two large hotels situated in two of the most touristic cities in Flanders (Bruges and Leuven), and four hotels situated in Limbourg (Genk, Tongeren, and nearby Maastricht).

Given the change in regulations relating to the withholding tax applicable to dividends distributed by residential REITs (see "risk factors" section above), hotels (which are not strictly speaking residential investments) are no longer a priority investment for Aedifica.

This segment also includes a number of small properties (office buildings, semi-industrial sites, and land reserves).

2nd

largest private investor in rest homes for the period 2005-2012

27 %

Aedifica's portion of the total investment in rest homes by REITs, insurers, banks and other types of investors for the period 2005-2012

14th
position
among the 100
largest real estate
portfolios in Belgium
(36th in 2006)

€74 M
invested since the
capital increase of
7 December 2012

1.2. Growth strategy

Between 31 December 2006 and 31 December 2012, Aedifica rose successfully from 36th to 14th place in the ranking of Belgium's 100 largest real estate portfolios (according to the "Investors Directory 2013", edited by Expertise BVBA in January 2013).

Aedifica intends to continue on this growth path in order to derive benefits linked to its scale, including:

- Strong liquidity – an important criterion for investors;
- Good diversification of risks;
- Capacity to effectively respond to market opportunities;
- Strong portfolio management, which features collaboration with high-level partners;
- Stable 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 which 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 in the senior housing segment.

2. Operations carried out before and after the 30 June 2013 closure

2.1. Operations carried out before the 30 June 2013 closure

The most memorable event of the year is undoubtedly the capital increase carried out during the first semester 2012/2013. On 16 November 2012, Aedifica launched a capital increase, in cash and with preferential rights, to raise a total gross amount of €99.8 million. The main objective of this capital increase was to collect new financial resources in order to pursue growth in its property portfolio while maintaining an appropriate level of indebtedness (50-55 %). In this context, Aedifica issued on 7 December 2012 2,697,777 new shares at an issue price of €37.00 per share, for a total capital increase of €99,817,749 (including share premium). These new shares were immediately admitted to trading and give right to a prorata temporis dividend as from 7 December 2012.

This operation was the largest public capital increase to take place in Belgium in 2012.

After the closing of markets on 28 June 2013, the Company's total market capitalisation amounted to approximately €470 million (as compared to €324 million on 15 November 2012, just before the launch of the operation).

Two weeks after the capital increase of December 2012, Aedifica had already announced two investments in the senior housing segment. As of 30 June 2013, the investments and commitments since the capital increase of December 2012 amount to €74 million (€11 million in marketable investment properties, €8 million in marketable investment properties still subject to outstanding conditions as of the closure of the financial year, and €55 million of development projects). A breakdown of investments since the capital increase of 7 December 2012 is provided in the table below; all of made in the senior housing segment.

Investments since the capital increase of 7 December 2012 (in €million)	Marketable investment properties		Development projects	Total
	carried out	subject to outstanding conditions		
Residentie Sporenpark	-	-	17	17
Résidence Cheveux d'Argent	4	-	3	7
't Hoge	3	-	5	8
Helianthus	4	-	3	7
Seniorenzentrum AGO Herkenrath	-	8	-	8
Pont d'Amour	-	-	8	8
Au Bon Vieux Temps	-	-	10	10
Résidence l'Air du Temps	-	-	6	6
Op Haanven	-	-	3	3
Total as of 30 June 2013	11	8	55	74

Acquisitions carried out during the financial year are detailed in section 2.1.1 and 2.1.2. The operations are also described in the the Company's press releases, which are available online at www.aedifica.be. The contractual value of acquisitions mentioned in this section complies with the provisions of article 31 §1 of the Royal Decree of 7 December 2010 regarding Belgian REITs.

2.1.1. Acquisitions

— 12 July 2012: Résidence du Lac (Brussels)

Aedifica's Annual General Meeting was held on 12 July 2012 into a mixed de-merger of the "Société d'Investissements et de Financement Immobiliers de l'avenue Louise" (SIFI LOUISE), with to transfer to Aedifica a parcel of land (approximately 349 m²) belonging to SIFI LOUISE with a contractual value of €0.8 million. This property is located in the Louise district of Brussels, between the streets avenue Louise, rue Vilain XIII and rue du Lac. Preliminary plans and studies related to the residential development project (an apartment building), which will be constructed on the aforementioned land, were also transferred to Aedifica as part of this transaction 16,868 new Aedifica shares (were issued, granting dividend rights as from 12 July 2012 and to be listed as from the ex-dividend date related to the 2012/2013 financial year. No debts were assumed by Aedifica as a result of the mixed de-merger.

— 20 August 2012: Ring building (Antwerp)

On 20 August 2012, Aedifica acquired an apartment in the "Ring" apartment building located at Plantin-Moretuslei 107-115 in Antwerp. Aedifica now holds 88 of the 98 apartments in the building, which first entered its investment portfolio in 2007.

— 18 December 2012: "Residentie Sporenpark" project (Beringen)

On 18 December 2012, Aedifica acquired a plot of land measuring approximately 6,500 m² and located in the Province of Limburg, on the former mining site in Beringen-Mijn.

This site, located between the Stationsstraat and the Koolmijnlaan, will undergo a makeover thanks to the be-MINE project which is currently in progress and expected to reach completion in 2020. The three partners of the be-MINE project are DMI Vastgoed, Van Roey Vastgoed and the Limburg investment company LRM. DMI Vastgoed and Van Roey Vastgoed are leading and multidisciplinary real estate developers. LRM is an investor offering entrepreneurs a unique combination of venture capital and real estate. The project consists of redeveloping the site into several zones, combining culture (museum of the mine, shows, exhibitions), shopping (a shopping centre) and leisure (sport activities including a new municipal swimming pool), with housing and workplaces. The "Houtpark" residential project will include various accommodations: single family housing, apartments, a rest home and assisted-living apartments. Aedifica will participate

in this project through construction of the rest home, scheduled to begin in the summer of 2013. The completion of the project is expected in the fall of 2014. Upon completion, the rest home will comprise 110 beds and 17 assisted-living apartments, spread over a built area of approximately 9,300 m².

Aedifica has allocated a budget of €17.4 million for the development of the rest home. The project will be entirely funded by its existing credit facilities.

The "Residentie Sporenpark" rest home will be operated by the Senior Living Group group (a major player in the Belgian senior care market), on the basis of a triple net long lease of 27 years. The expected rental yield will amount to approximately 6 %.

— 20 December 2012: Résidence Les Cheveux d'Argent (Sart-lez-Spa)

On 20 December 2012, Aedifica acquired all shares of "Immo Cheveux d'Argent SA", owner of the rest home "Résidence Les Cheveux d'Argent" in Sart-lez-Spa, in the Province of Liège.

The "Résidence Les Cheveux d'Argent" rest home currently comprises 80 beds. It is operated by the Senior Living Group group, on the basis of a triple net long lease of 27 years. The initial rental yield amounts to approximately 6 %. The contractual value of the rest home used in the acquisition price computation amounts to approximately €4 million.

The "Résidence Les Cheveux d'Argent" is located a beautiful scenery on a plot of land measuring approximately 3.9 ha and offers significant potential for future development. An addition of 20 assisted-living apartments is currently under review in conjunction with the rest home operator. An investment budget of approximately €3 million has been set aside for this expansion project.

"Immo Cheveux d'Argent SA" went through a merger with Aedifica SA at the Extraordinary General Meeting on 24 June 2013.

— 26 March 2013: 't Hoge (Kortrijk)

On 26 March 2013, Aedifica gained control of "Terinvest", a public limited liability company, and owner of the " 't Hoge " rest home in Kortrijk, West Flanders.

In addition to the 62-bed rest home, the Company also acquired an adjacent plot of land owned by Terinvest. The rest home is operated by the Senior Living Group, on the basis of a triple net long lease of 27 years. The initial triple net yield amounts to approx. 6%. The contractual value of the rest home used in computing the acquisition price of the shares was €3.3 million.

The " 't Hoge " rest home is well located in a residential area, next to the AZ Groeninge hospital, the Kennedylaan and the KULAK university campus. The adjacent plot of land will allow for an expansion project that will raise the site's total capacity to 82 units (65 beds in the rest home and 17 assisted-living apartments). A development permit for this project has already been

obtained. The current building will also be renovated. An investment budget of approx. €5 million has been set aside for the projects.

The public limited liability company “Terinvest” merged with Aedifica SA at the extraordinary general meeting on 24 June 2013.

— 17 April 2013: Helianthus (Melle)

On 17 April 2013, Aedifica gained control of the “Helianthus” rest home site in Melle, East Flanders (partially by gaining control of the limited partnership “Kasteelhof-Futuro”, owner of the “Helianthus” rest home, and partially via the direct acquisition of an assisted-living building comprising 5 apartments).

“Helianthus” rest home is located in a private park (1 ha) in a residential area in front of the Paters Jozefieten College. The site comprises a former mansion, a 42-bed rest home and a building with 5 assisted-living apartments. These 47 units are operated by the Senior Living Group, via the not-for-profit organisation Helianthus, on the basis of triple net leases of 27 years. The initial triple net yield amounts to approx. 6 %. The contractual value of the rest home amounted to €4 million.

An expansion project of approx. 20 assisted-living apartments is currently under consideration in order to raise the total capacity of the site to approx. 67 units. The investment budget for the expansion is estimated at approx. €3 million.

The limited partnership “Kasteelhof-Futuro” merged with Aedifica SA at the extraordinary general meeting on 24 June 2013.

— 20 June 2013: “Seniorenzentrum AGO Herkenrath” (Bergisch Gladbach)

On 20 June 2013, Aedifica acquired the “Seniorenzentrum AGO Herkenrath” rest home in Germany.

Aedifica SA directly acquired the abovementioned building in Germany. The purchase agreement signed on 20 June 2013 in front of the notary in Frankfurt was subject to the usual outstanding conditions in Germany (mainly of administrative nature), which were lifted in July. The purchase price was paid at that moment, and the property and the full use of the buildings was automatically acquired on 1 August 2013.

The operation was financed by Aedifica’s credit facilities and with the take-over of an existing credit facility (with the Bank für Sozialwirtschaft) attached to the building. The impact on Aedifica’s statutory and consolidated debt-to-assets ratio was less than 1%.

The “Seniorenzentrum AGO Herkenrath” is a recent construction which benefits from an excellent location and offers comfortable living spaces. It is located 20 km from Cologne (4th largest city in Germany in terms of inhabitants) in the centre of the Herkenrath district of Bergisch Gladbach, a city in North Rhine-Westphalia. Built in 2010, it contains 80 beds in 80 single rooms.

This site is operated by a subsidiary of the AGO Betriebsgesellschaft für Sozialeinrichtungen mbH (“AGO group”). The contract in place with the operator is a long term irrevocable lease with double net structure, meaning repair and maintenance of the buildings’ roof, structure and facades remain the responsibility of the owner. The remaining lease maturity is 22 years. The contractual value of the investment amounts to €8 million, with an initial gross rental yield (double net) of approximately 7.25 %.

The AGO group is a quality operator in the healthcare industry and has an excellent reputation in the German market. It operates more than 10 establishments and has its headquarters in Cologne.

Aedifica looks forward to this new collaboration with a reputable German player in the care and housing sector.

2.1.2. Completed projects

— 18 January 2013: Completion of Koning Albert I (Dilbeek)

Phase I of the renovation and expansion of the Koning Albert I rest home in Dilbeek was completed on 18 January 2013, a few months earlier than originally planned. A new wing became operational on that date.

Recall that the site, comprising a castle and additions as well as a park measuring 3 ha, was acquired in 2011 for an initial investment of approx. €5 million, and that a total budget of €11 million was allocated for its renovation and expansion. The remaining Phase II budget amounts to approx. €7 million.

— 25 April 2013: Completion of expansion and renovation phase of Seniorerie La Pairelle (Wépion)

On 25 April 2013, Aedifica completed the expansion and renovation of the “Seniorerie La Pairelle” rest home in Wépion, in the Province of Namur.

Recall that Aedifica acquired the rest home (along with two parcels of adjacent land) in 2008 for €3 million. The rest home, which dates back to the 90’s and is ideally situated near Namur, on the banks of the Meuse River, comprised 51 beds at the time of acquisition. The initial triple net yield amounted to 6.3 %. Moreover, in the framework of the long lease with rest home’s operator (the Armonea group, a major player in the Belgian senior care market), Aedifica committed to finance the site expansion and renovation in order to allow the operator to double the capacity of the site.

The expansion and renovation of the rest home was carried out in two phases:

- Phase I: construction of a new building on the two parcels of land adjacent to the existing rest home,
- Phase II: expansion and renovation of the original building acquired in 2008.

€151 M
development project
pipeline

Phase I of the project was completed on 26 January 2012. The investment amounted to €6.4 million (including land). Total capacity remained unchanged at 51 beds, with all residents transferred from the original into the new building.

Phase II expansion and renovation of the original building was completed on 25 April 2013. The investment amounted to €2.2 million and increased the site capacity by 67 beds.

The site expansions and renovations were carried out in accordance with the latest techniques for thermal isolation and energy performance (K=27 for the new constructions; K=40 for the renovated parts), thus exceeding the current standards in place.

With completion of the two expansion and renovation projects, total capacity of the site more than doubled, increasing from 51 beds at the time of acquisition to now comprise 118 beds. The total investment after the expansion and renovation works, amounted to approx. €11.2 million. The annual rent after completion of the works will amount to approx. €0.7 million, i.e. a triple net rental yield of approx. 6.4 %.

— **28 May 2013:** completion of De Edelweis (Begijnendijk)

Phase I of the expansion of De Edelweis rest home in Begijnendijk was carried out at investment budget of less than €2 million and reached completion on 28 May 2013. The building became operational as of 1 June 2013.

Recall that the site was acquired in 2010, with a total budget of approx. €3 million allocated to an expansion project. The budget remaining for phase II amounts to approx. €1 million.

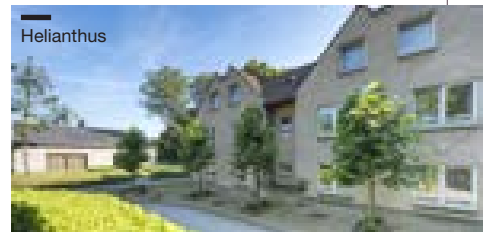
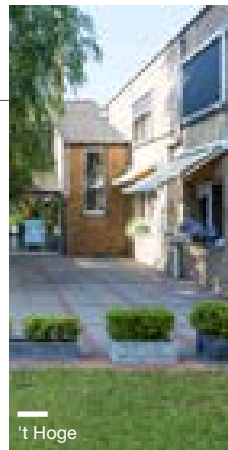
2.1.3. Development projects in progress

The property report included in this annual financial report includes a table describing all projects in progress as of 30 June 2013.

The following development projects are in progress:

- De Edelweis (expansion phase II of a rest home in Begijnendijk);
- Rue Haute (renovation of an apartment building in Brussels);
- Koning Albert I (phase II and III, renovation and expansion of a rest home in Dilbeek);
- Eyckenborch (renovation and expansion of a rest home in Gooik);
- Wemmel (construction of a new rest home in Wemmel);
- Larenshof (phase III, expansion of a rest home in Laarne).

Over the course of the financial year, expansion and renovation projects have been initiated for “ ‘t Hoge” rest home in Kortrijk.

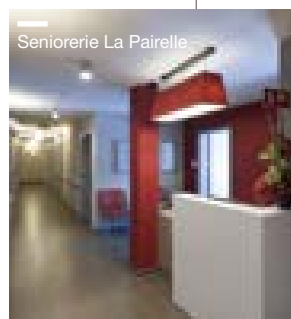
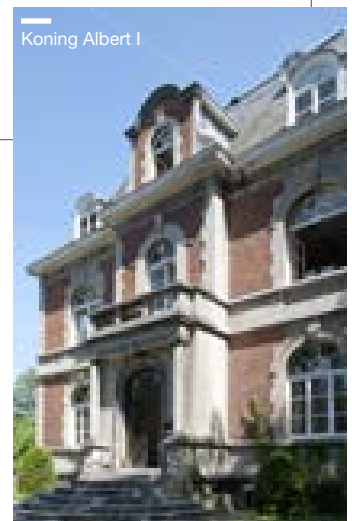
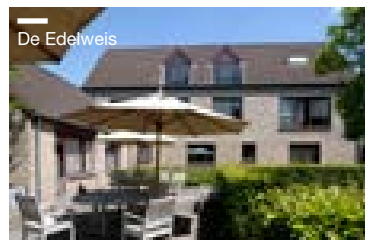


Main acquisitions during the 2012/2013 financial year

- **18 December 2012:** 1 construction project of a rest home in Beringen: “Residentie Sporenpark”
- **20 December 2012:** 1 rest home in Sart-lez-Spa: “Résidence Les Cheveux d'Argent”
- **26 mars 2013:** 1 rest home in Kortrijk: “ ‘t Hoge”
- **17 April 2013:** 1 rest home in Melle: “Helianthus”
- **20 June 2013:** 1 rest home in Bergisch Gladbach: “Seniorenzentrum AGO Herkenrath”

Completed projects during the 2012/2013 financial year

- **18 January 2013:** “Koning Albert I” in Dilbeek
- **25 April 2013:** “Seniorerie La Pairelle” in Wépion
- **28 May 2013:** “De Edelweis” in Begijnendijk



2.1.4 Other events

— 10 September 2012: new operator in Wanlin

The Armonea group has transferred the beds and residents from the “Logis de Famenne” rest home in Wanlin into the new rest home “Pont d’Amour” in Dinant (completed in April 2012). Since the transfer, the Armonea group continued to assume its lease obligations in respect of the “Logis de Famenne” rest home.

After examining various possible reallocation options together with Aedifica, a new operator was found for the Wanlin site. This new operator has taken over the lease obligations on 10 September 2012.

The site’s new operator is the “Le Carrosse” group, a set of institutions that offer a permanent collective housing to Belgians with mental health illnesses. The group currently hosts more than 250 residents spread across 10 sites in Belgium. The group renamed the “Logis de Famenne” site to “La Boule de Cristal”.

— 25 October 2012: disposal of an apartment in Broqueville 8 (Brussels)

On 25 October 2012, Aedifica disposed of 1 apartment in the building “Broqueville 8”, a co-owned building located in Brussels. This sale generated a net gain on disposal of approximately 25 % as compared to its most recent fair value (30 September 2012). Aedifica now still holds 6 apartments in this building.

— 26 October 2012: financial communication in English

On 26 October 2012, Aedifica financial communication added a new dimension with the translation of its press releases (since 26 October 2012) and annual financial report into English. These documents are available on the Aedifica website.

— 15 February 2013: new website

Aedifica’s new website went live on 15 February 2013 (accessible at www.aedifica.be). In accordance with its objective to maintain transparency in its financial communication, the Company aims to provide information in a clear and easily accessible way. The structure of the new website is consistent with the previous version, but adopts a refreshed and modern style, adapted to new computer technologies for a more ergonomic consultation on tablets and smartphones.

— 18 March 2013: Aedifica included in EPRA indices

Since 18 March 2013, Aedifica shares are included in EPRA indices. Aedifica passed all eligibility criteria at

the EPRA quarterly review in March 2013. For more information on EPRA, we refer the reader to the chapter dedicated to EPRA in page 44.

— 27 June 2013: additional investments for four rest homes (Dinant, Mont-Saint-Guibert, Chênée and Veerle-Laakdal)

On 27 June 2013, Aedifica announced a series of new expansion projects in the senior housing segment. The four concerned rest homes are already included in its portfolio, namely:

- Pont d’Amour (in Dinant): The current rest home, completed in 2012, comprises 74 beds. The plot of land (3.9 ha) on which the rest home is built, offers the possibility to carry out an expansion project (phase II) which will enable the operator, Armonea, to increase the capacity of the site, and bring the total number of beds to 150 beds. The development permit for the expansion was obtained in June 2013. Completion of phase II is expected in mid-2015. The investment budget for this expansion is estimated at €8 million. The lease will be extended to 27 years as from the date of completion of phase II. The triple net yield after the extension amounts to approx. 6 %.

- Au Bon Vieux Temps (in Mont-Saint-Guibert): The Mont-Saint-Guibert site currently includes the 43-bed “Au Bon Vieux Temps” rest home and the “Corbais 18” villa on an adjacent plot of land. Following demolition of the villa, the available plot of land will allow for construction of a new rest home; an investment budget of €7 million had already been approved for the project. Since then, the project has reviewed and further extended. Upon completion, the site will consist of a new building comprising 69 nursing care beds and 29 serviced apartments, plus the existing rest home building which will be reassigned or subject to redevelopment. The project will thus enable the operator, Senior Living Group, to increase the site’s total capacity to 98 beds. The total investment budget for construction of the new rest home is now estimated at €10 million. The lease will be extended to 27 years as from the date of completion (of the new rest home project). The initial triple net yield after construction of the new rest home amounts to approx. 6 %. Application for the required development permit has been submitted and approval is expected shortly.

€27 M
additional
investment for
4 rest homes as
announced on
27 June 2013

- Résidence l'Air du Temps (in Chênée): Acquired in 2008, the "Résidence l'Air du Temps" rest home currently comprises 88 beds. On 27 June 2013, Aedifica acquired a plot of land next to the rest home in order to realise an expansion project (14 rooms and 33 serviced apartments) as and simultaneous renovations of the existing rest home. This expansion and renovation project will enable the site's operator, Senior Living Group, to increase the site's total capacity to 121 units. The total investment budget (acquisition of the plot of land next to the rest home and expansion and renovation project) is estimated at €6 million. The lease will be extended to 27 years as from the date of completion of the expansion. The triple net yield of the site after completion amounts to approx. 6 %. An application to obtain the development permit will be submitted shortly.

- Op Haanven (à Veerle-Laakdal): Acquired in 2008, the "Op Haanven" rest home site currently consists of an 87-bed rest home and 3 serviced apartments. The proposed construction and renovation project consists of the renovation of the old part of the existing rest home and the addition of a new wing. This project will enable the site's operator, Senior Living Group, to improve both the quality and capacity of the site. The investment budget for this project is estimated at €3 million. The lease will be extended to 27 years as from the date of completion. The triple net yield after completion of the projects amounts to approx. 6 %. An application to obtain the required development permit will be submitted shortly.

The abovementioned operations will be financed by Aedifica's credit facilities.

2.1.5. Financing

In January and May 2013, following the capital increase (in cash) of 7 December 2012, Aedifica voluntarily surrendered two unused parts (€95 million combined total) of its €150 million club deal which was not due to reach maturity until July 2013.

Four new credit facilities have been established to refinance to refinance part of the abovementioned club deal, which reached maturity in July 2013:

- the ING portion of the club deal was refinanced through a new bilateral credit facility of €50 million, issued on 4 April 2013 with a 2-year maturity;
- the Degroof Bank portion of the club deal was refinanced through a new bilateral credit facility of €30 million, concluded on 7 May 2013 and applicable as from 23 July 2013 with a 5-year maturity;
- the Banque LB Lux portion of the club deal was refinanced through a new bilateral credit facility of €25 million, concluded on 26 June 2013 and applicable

Ensemble Souveraine



as from 23 July 2013 with a 3-year maturity;

- the BNP Paribas Fortis portion of the club deal was refinanced through a new bilateral credit facility of €32 million, concluded on 27 June 2013 and applicable as from 23 July 2013 with a 5-year maturity;

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

Refer to section 2.2 "Operations after the 30 June 2013 closure" of this consolidated Board of Directors' report for full details of the Company's credit facilities at year end.

2.2. Operations after the 30 June 2013 closure

2.2.1. Growth of the portfolio

- 29 August 2013: acquisition of "Salve" (Brasschaat) and "Plantijn" (Kapellen)

Aedifica acquired (together with its subsidiary, Aedifica Invest SA) of all shares of the limited liability company Patrius Invest on 29 August 2013. Patrius is the owner of two rest homes in the province of Antwerp: "Salve" in Brasschaat and "Plantijn" in Kapellen.

The "Salve" rest home is located at the heart of a residential district in Brasschaat. This 117-bed rest home is operated by the Armonia group (a major player in the senior care market) under a 27-year triple net long lease (that began in June 2013). The contractual value amounts to approximately €8 million and generates an initial triple net yield of 6%. In addition, a 2-phase development project is in progress at the site, consisting of the demolition and reconstruction of the old section of the rest home (dating back to the beginning of the 20th century) and the complete renovation of the newer sections (two buildings dated 1979 and 1997). The delivery of phase I is expected in spring 2014.

The "Plantijn" rest home is located in a residential district close to the centre of Kapellen. The rest home comprises 110 beds and is operated by the Armonia group under a 27-year triple net long lease (that began in June 2013). The contractual value amounts to approximately €8 million and generates an initial triple net yield of 6%. In addition, a development project is planned for the site. This project includes the renovation of existing buildings (namely a building dating back to the beginning of the 20th century and more modern expansion added in 1972 and 1986) and the expansion of the site with construction of a new building on a plot of land next to the rest home. The development permit has already been obtained for this project. Exact plans, including the expected completion date, have not yet been finalised.

The total investment budget (fixed in the contracts) for the completion of renovation and expansion works at these two sites amounts to approximately €16 million. These additional investments will, upon completion of the works, generate a triple net yield of approx. 6%.

— 29 August 2013: completion of new rest home “Hestia” (Wemmel)

On 29 August 2013, the construction of the new rest home “Hestia” was completed. It is located in Wemmel (in the province of Flemish Brabant), in close proximity to Brussels.

The rest home is located in a residential area in Wemmel. It has a total capacity of 222 beds and is the largest rest home in Aedifica’s portfolio. The site is operated by the Soprim@ group under a 27-year triple net long lease. The contractual value amounts to approximately €20 million (including the land acquisition and construction of the building) and will generate an initial triple net yield of 6%.

The project was carried out on behalf of Aedifica in the context of an agreement in principle signed with the Soprim@ group on 21 February 2011.

— Portfolio as of 31 August 2013

With completion of the abovementioned acquisitions and development projects, the fair value of Aedifica’s portfolio of marketable investment properties will amount to approx. €658 million.

Aedifica will then have 131 marketable investment properties, with a total surface area of 334,000 m², consisting mainly of:

- 838 apartments, of which:
 - 543 unfurnished apartments;
 - 295 furnished apartments;
- 41 rest homes comprising 4,028 beds, 2 assisted-living buildings comprising 61 serviced apartments and 1 building offering permanent housing for persons with a mental disability;
- 6 hotels comprising 521 rooms.

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

- 59% senior housing;
- 30% apartment building, of which:
 - 20 % unfurnished;
 - and 10 % furnished;
- 11 % hotels and other building types.

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

- 99 % in Belgium, of which:
 - 43 % in Brussels;
 - 40 % in Flanders;
 - et 16 % in Wallonia.
- 1 % in Germany.

2.2.2. Financing

On 1 August 2013, Aedifica took over of an existing credit facility of €6 million (with the Bank für Sozialwirtschaft) attached to the building “Seniorenzentrum AGO Herkenrath”, maturing in 2021 (see section 2.1.1. above).

On 5 August 2013, a new bilateral credit facility of €30 million was established with BNP Paribas Fortis and is applicable as from 6 August 2013 with a 4-year maturity;

Taking into account these two elements – the maturity of the club deal in July 2013 and establishment a bilateral credit facility on 6 August 2013 – the timetable showing the maturity of Aedifica’s current credit facilities is as follows (in € million):

— June 2014 :	30
— August 2014 :	15
— April 2015 :	50
— October 2015 :	30
— June 2016 :	55
— July 2016 :	30
— August 2016 :	15
— January 2017 :	30
— August 2017 :	30
— June 2018 :	32
— July 2018 :	30
— 2021 :	8
	<hr/> 355

€17.0M
profit excl. IAS 39
and IAS 40 as of
30 June 2013

3. Analysis of the 30 June 2013 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 2013

During the 2012/2013 financial year (1 July 2012 – 30 June 2013), Aedifica increased its portfolio of investment properties by €50 million, from a fair value of €593 million to €643 million (i.e. +8%). In addition to the investments in development projects (€19 million including positive change in fair value of €3 million), this growth came from acquisitions during the financial year (see section 2.1.1 above), completion of development projects during the financial year (see section 2.1.2), and changes in the fair value of marketable investment properties recognised in income during the period (+€6 million, or +1.05%). The appreciation in the fair value of marketable investment properties, as assessed by independent experts, is broken down as follows:

- unfurnished apartment buildings: -€0.9 million, i.e. -0.7%;
- furnished apartment buildings: +€0.9 million, i.e. +1.4%;
- senior housing: +€7.3 million, i.e. +2.2%;
- hotels and other: -€1.0 million, i.e. -1.4%.

Excluding the effects of rent adjustments mentioned in section 3.2 below, the overall increase in the fair value of marketable investment properties would be +€9.4 million, i.e. +1.57%.

As of 30 June 2013, Aedifica has 127 marketable investment properties, with a total surface area of 305,000m², consisting mainly of:

- 838 apartments of which:
 - 543 unfurnished apartments;
 - 295 furnished apartments;
- 37 rest homes comprising 3,499 beds, 2 assisted-living buildings comprising 61 serviced apartments and 1 building affected to permanent housing for persons with a mental disability;
- 6 hotels comprising 521 rooms.

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

- 56 % senior housing;
- 32 % apartment buildings of which:
 - 22 % unfurnished;
 - 10 % furnished;
- 12 % hotels and other building types.

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

- 46 % in Brussels;
- 37 % in Flanders;
- 17 % in Wallonia.

As of 30 June 2013, the overall occupancy rate (see glossary) for the unfurnished portion of the portfolio (total less furnished apartments) amounts to 97.4%; a very high level, even if slightly under the record level reached in the previous financial year (30 June 2012: 97.8%).

During the 2012/2013 financial year, the occupancy rate of the furnished portion of the Company's real estate portfolio reached 82.6%, an increase over the 82.3% rate attained in 2011/2012. Recall that the "furnished apartment buildings" segment experiences an amplified seasonality (arising from the economic climate) and Aedifica is currently taking advantage of the economic slowdown to renovate some of its furnished apartments. Since the beginning of the current financial year, 36 out of the 295 apartments (i.e. 12% of the units) have been unavailable for rental due to renovation.

The total occupancy rate of the portfolio attains 98% as of 30 June 2013.

The average remaining lease maturity for buildings in the Company's portfolio is 18 years, unchanged as compared to 30 June 2012. According to the "Belgian REIT 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 (18 years) 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 financial statements are provided as part of this annual financial report. The following sections of this consolidated 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 2012 to 30 June 2013. 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.

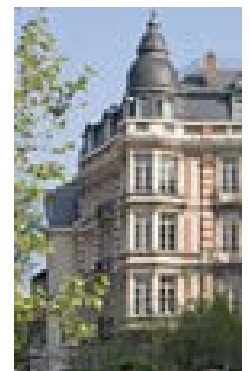
The consolidated turnover (**consolidated rental income**) for the year amounts to €36.2 million, an increase of 6% compare to prior year. This is in line with the forecast amount, showing a marginal variance of only of €0.1 million (recall that the forecast, published in the Securities note of the capital increase of 7 December 2012, included a projected turnover of €36.3 million based on hypothetical investment of €40 million from funds collected via the capital increase).

The changes in rental income by segment (+€1.9 million, i.e. +6%, or -2% on a like-for-like basis) are presented below:

- Unfurnished apartment buildings: - €0.3 million, i.e. -4% (or -4% on a like-for-like basis);
- Furnished apartment buildings: - €0.2 million, i.e. -4% (or -7% on a like-for-like basis);
- Senior housing: +€2.0 million, i.e. +11% (or +3% on a like-for-like basis);
- Hotels and other: + €0.4 million, i.e. +9% (or -7% on a like-for-like basis).

The changes by segment presented above on a like-for-like basis are broadly consistent with the trends already reflected in the interim statement report published on 14 May 2013 and in the half year financial report published on 19 February 2013. Rental fees for three sites in the 'hotels and other' and 'unfurnished apartment buildings' segments were reduced (as anticipated in the forecast) mainly for limited periods in order to preserve the rent to EBITDAR ratio of the establishments concerned, and therefore the cash flows and asset values. The evolution of rental income in the

Tervuren 13A/B



Antares



senior housing segment on a like-for-like basis (+3 %), demonstrates the importance of Aedifica's investment strategy in this segment, which already generates already more than 50 % of the Company's turnover and more than 70 % of its operating result before result on portfolio.

After deducting **rental-related charges**, the **net rental income** for the year ended 30 June 2013 amounts to €36.1 million (+5% as compared to 30 June 2012).

The **property result** is €34.6 million (30 June 2012: €32.6 million). This result, less other direct costs, provides a **property operating result** of €31.2 million (30 June 2012: €29.5 million), which represents an operating margin (see glossary) of 87% (30 June 2012: 86%).

After deducting **overheads** of €3.9 million (30 June 2012: €3.4 million) and taking into account other operating income and charges, the **operating result before result on portfolio** has increased by 5%, to reach €27.5 million (30 June 2012: €26.2 million). This result represents an EBIT margin (see glossary) of 76% (30 June 2012: 76%) and is ahead of forecast (75%).

After taking account of the cash flows generated by hedging instruments (described below), **net interest charges** amount to €10.0 million (30 June 2012: €10.7 million). The average effective interest rate (4.2% before capitalising interest on development projects) remains unchanged as compared that reported in 2011/2012 (4.2%) and the average effective interest rate included in

the budgeted figures (4.2%). Taking into account other income and charges of a financial nature, 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 €10.5 million (30 June 2012: €10.8 million), this is lower than expectations (€10.8 million).

In conformity with the Company's particular regime, the **corporate tax** (€70 thousand; 30 June 2012: €54 thousand) consists primarily of taxes on Aedifica's non-deductible expenditures.

The **profit excluding IAS 39 and IAS 40** reached €17.0 million (30 June 2012: €15.3 million), or €1.95 per share (30 June 2012: €2.14 per share). The decrease in profit excluding IAS 39 and IAS 40 per share comes from the dilution arising as a result of the capital increase of 7 December 2012. This result (in absolute terms and per share) is strongly ahead of expectations (€16.3 million, or €1.86 per share).

The income statement includes, among others, two elements with no monetary impact (that is to say, non-cash) which vary as a function of market parameters and may show significant volatility from one year to another. These consist of (1) changes in the fair value of investment properties (accounted for in accordance with IAS 40) and (2) changes in the fair value of financial instruments (accounted for in accordance with IAS 39):

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

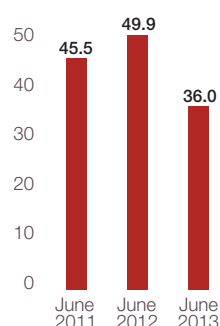
	30 June 2013	30 June 2012
Rental income	36,230	34,340
Rental-related charges	-147	-51
Net rental income	36,083	34,289
Operating charges ¹	-8,549	-8 119
Operating result before result on portfolio	27,534	26,170
EBIT margin ² %	76%	76%
Financial result excl. IAS 39	-10,460	-10,796
Corporate tax	-70	-54
Profit excl. IAS 39 and IAS 40	17,004	15,320
Number of dividend rights ³	8,715,339	7,153,096
Earnings per share excl. IAS 39 and IAS 40 (€/share)	1.95	2.14
Profit excl. IAS 39 and IAS 40	17,004	15,320
IAS 40 impact ⁴	9,013	9,423
Impact IAS 40: gains on disposals of investment properties	54	54
IAS 39 impact ⁵	1,600	-9,459
Profit (owners of the parent)	27,671	15,338
Weighted average number of shares outstanding (IAS 33)	8,715,370	7,152,918
Earnings per share (owners of the parent - IAS 33 - €/share)	3.17	2.14

1. Items IV to XV of the income statement. 2. Operating result before result on portfolio divided by the net rental income. 3. Calculated on the basis of the prorata temporis rights to the dividend for the shares issued during the year. 4. Changes in fair value of investment properties. 5. Changes in fair value of hedging instruments.

— 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 2012 or the time of entry of new buildings in the portfolio, and the fair value estimated by experts as of 30 June 2013) taken into income was +1.05%, or +€6.2 million (30 June 2012: +1.58% or +€9.1 million), which shows a continuation of the positive trend observed since 1 January 2010. A change in fair value of +€2.8 million was recorded on development projects (compared to +€0.4 million in the prior year). The combined change in fair value for marketable investment properties and development projects represents an increase of €9.0 million (compared to +€9.4 million in the prior year). **Gains on disposals of investment properties** are derived from the transaction described in point 2.1.4 of this consolidated Board of Directors' report.

— In order to limit the interest rate risk stemming from the financing of its investments, 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. Long term hedges permit a notable reduction in the interest rate risk on investment financing that generates revenues over the long term, such as long leases; note once again that the average duration of Aedifica's leases is 18 years. Hedging instruments are either derivatives (interest rate swaps or "IRS" recognised as a liability on the balance sheet at a fair value of €16.8 million) which fulfil strict conditions imposed under IAS 39 for application of hedge accounting, or derivatives (primarily multi-callable interest rate swaps or "multi-callable IRS", caps, and collars recognised on the balance sheet at fair value of €525 thousand in assets and of €15.6 million in liabilities) which do not fulfil these conditions but which contribute nonetheless to the economic coverage of interest rate risks. The sum of the fair value of these hedging instruments is - €31,847 thousand, recorded as liabilities in the amount of €32,373 thousand on

Debt-to-assets ratio (%)



line I.C of the consolidated balance sheet, and as assets amounting to €526 thousand on line I.E of the consolidated balance sheet. Taking into account the carrying amount of the upfront premiums paid for the caps and collars (€656 thousand), the IAS 39 impact on equity amounts to €32,503 thousand. Depending on the type of instrument, the **impact of IAS 39** (changes in fair value) between 30 June 2012 and 30 June 2013 is either taken on the income statement (+€1.6 million) or taken directly into equity (+€1.3 million as shown in the consolidated statement of changes in equity). These changes constitute a purely accounting impact (under IAS 39); they relate only to the fluctuation of market indicators as measured at a single point in time (as of 30 June 2013), and have a non-monetary (that is to say, non-cash) impact.

Given the non-monetary elements described above, the **profit (attributable to owners of the parent)** amounts to €27.7 million (30 June 2012: €15.3 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 €3.17 (30 June 2012: €2.14).

The **adjusted statutory result** as defined in the annex to the Royal Decree of 7 December 2010 regarding Belgian REITs, is €17.9 million (30 June 2012: €15.9 million), as calculated in note 50. Taking into account the prorata temporis dividends accruing for shares issued over the course of the financial year, this represents an amount of €2.04 per share (30 June 2012: €2.22 per share). The decrease of the adjusted statutory result per share comes from the dilution resulting from the capital increase of 7 December 2012.

3.3 Consolidated balance sheet

As of 30 June 2013, **investment properties** represent 99% (30 June 2012: 97%) of the assets recognised on Aedifica's balance sheet, valued in accordance with

Consolidated balance sheet (x €1,000)

	30 June 2013	30 June 2012
Investment properties (fair value)	642,844	592,717
Other assets included in debt-to-assets ratio	8,827	16,337
Other assets	526	38
Total assets	652,197	609,092
Equity		
Excl. IAS 39 impact	414,662	303,023
IAS 39 impact ¹	-32,503	-35,447
Equity	382,159	267,576
Liabilities included in debt-to-assets ratio	234,821	303,921
Other liabilities	35,217	37,595
Total equity and liabilities	652,197	609,092
Debt-to-assets ratio (%)	36.0%	49.9%

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

Rietdijk



IAS 40 (that is to say, accounted for at their fair value as determined by independent real estate experts) at a value of €643 million (30 June 2012: €593 million).

This heading includes:

- Marketable investment properties (30 June 2013: €614 million; 30 June 2012: €583 million), which marked an increase of €31 million. The net growth in the fair value of marketable investment properties in operation is attributed to €16 million from investment operations (see point 2.1.1 below), €9 million for the completion of development projects (see point 2.1.2 below), and €6 million for the change in fair value of marketable investment properties.
- Development projects (30 June 2013: €29 million; 30 June 2012: €9 million), consisting primarily of investment properties under construction or renovation (see point 2.1.3 below). These projects are undertaken in the context of the multi-annual investment budget described in section 2.2.2 of the Property report.

“Other assets included in the debt-to-assets ratio” represent 1% of the total balance sheet (30 June 2012: 3%).

Since the formation of Aedifica, its capital has evolved steadily along with its real estate activities (contributions, mergers, etc.) and thanks to the capital increases in October 2010 and December 2012. It has increased to €254 million as of 30 June 2013 (30 June 2012: €184 million). The share premium amounts to €65 million as of 30 June 2013 (30 June 2012: €34 million). Recall that IFRS requires that the costs incurred to raise capital are recognised as a decrease in the capital reserves. Equity (also called net assets), which represents the intrinsic net value of Aedifica, taking into account the fair value of its investment portfolio, amounts to:

- €415 million excluding the IAS 39 impact (30 June 2012: €303 million);
- Or €382 million including the IAS 39 impact (30 June 2012: €268 million).

As of 30 June 2013, **liabilities included in the debt-to-assets ratio** (as defined in the Royal Decree of 7 December 2010 on Belgian REITs) reached €235 million (30 June 2012: €304 million), of which €227 million (30 June 2012: €296 million) represent amounts drawn on the Company's credit facilities, detailed in Note

40. The **debt-to-assets ratio** amounts to 36.0% on a consolidated level (30 June 2012: 49.9%) and 36.0% on a statutory level (30 June 2012: 49.9%). The maximum ratio permitted for Belgian REITs is set at 65% of total assets, thus, Aedifica maintains an additional consolidated debt capacity of €188 million in constant assets (that is, excluding growth in the real estate portfolio) or €539 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 up to a 45% in the fair values of its investment properties before reaching the maximum debt-to-assets ratio. Given Aedifica's existing commitments with its banks, which further limit the maximum debt-to-assets ratio of 60%, the headroom available amounts to €156 million in constant assets, €390 million in variable assets, and -40% in the fair value of investment properties.

Other liabilities of €35 million (30 June 2012: €38 million) represent mainly the fair value of hedging instruments (30 June 2013: €32 million; 30 June 2012: €35 million).

The table below presents the evolution of the **net asset value per share**.

Recall that IFRS requires the presentation of the annual accounts before appropriation. Net assets in the amount of €37.29 per share as of 30 June 2012 thus include the dividend distributed in November 2012, and should be adjusted by €1.85 per share in order to compare the value as of 30 June 2013. This amount corresponds to the amount of the total dividend (€13.3 million) divided by the total number of shares outstanding as of 30 June 2012 (7,175,730) and is less than the coupon No. 8 amount which total €1.86 per share (certain shares held only rights to a prorata temporis dividend).

Excluding the non-monetary impact (that is to say, non-cash) of IAS 39 and after accounting for the payment of the 2011/2012 dividend in November 2012, the net assets per share based on the fair value of investment properties is €41.87 as of 30 June 2013, as compared to €40.38 share on 30 June 2012.

In order to compare the net asset value per share with the stock price, one should also take into account the impact of coupon No. 10 which was detached on 16 November 2012 in the context of the capital increase of 7 December 2012. Taken into account this last ele-

Net asset value per share (in €)

	30 June 2013	30 June 2012
Based on fair value of investment properties		
Net asset value after deduction of dividend 2011/2012, excl. IAS 39	41.87	40.38
IAS 39 impact	-3.28	-4.94
Net asset value after deduction of dividend 2011/2012	38.59	35.44
Number of share outstanding (excl. treasury shares)	9,902,998	7,175,730

ment, the net asset value per share can be estimated at €38.03 including IAS 39 impact, or €41.31 excluding the IAS 39 impact.

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 -€1.3 million (30 June 2012: +€1.1 million), which is made up of net cash from operating activities of +€31.0 million (30 June 2012: +€24.4 million), net cash from investing activities of -€32.7 million (30 June 2012: -€33.6 million), and net cash from financing activities of +€0.3 million (30 June 2012: +€10.3 million).

3.5 Segment information

3.5.1. Unfurnished apartment buildings

Rental income in this segment amounts to €7.0 million (30 June 2012: €7.2 million), or 19% of Aedifica's total rental income. After deducting direct costs related to this activity, the property operating result for unfurnished apartment buildings amounts to €5.2 million (30 June 2012: €5.5 million). The fair value of investment properties attributed to this segment under IFRS 8 has been established at €135 million (30 June 2012: €135 million), or 22% of the fair value of Aedifica's total marketable investment properties.

3.5.2. Furnished apartment buildings

Rental income in this segment amounts to €5.3 million (30 June 2012: €5.5 million), or 15% of Aedifica's total rental income. After deducting direct costs related to this activity the property operating result for furnished apartment buildings amounts to €2.2 million (30 June 2012: €2.4 million). The fair value of investment properties attributed to this segment under IFRS 8 has been established at €63 million (30 June 2012: €61 million), or 10% of the fair value of Aedifica's total marketable investment properties.

3.5.3. Senior housing

Rental income in this segment amounts to €19.5 million (30 June 2012: €17.5 million), or 54% of Aedifica's total rental income. These buildings are operated under triple-net long leases (see glossary) and, as such, the property operating result for this segment is equal to the rental income. The fair value of investment properties attributed to this segment under IFRS 8 has been established at €344 million (30 June 2012: €315 million), or 56% of the fair value of Aedifica's total marketable investment properties.

3.5.4. Hotels and other

Rental income in this segment amounts to €4.6 million (30 June 2012: €4.2 million), or 13% of Aedifica's total rental income. After deducting direct costs related to this activity the property operating result for these buildings amounts to €4.5 million (30 June 2012: €4.2

million). The fair value of investment properties attributed to this segment under IFRS 8 has been established at €73 million (30 June 2012: €73 million), or 12% of the fair value of Aedifica's total marketable investment properties.

4. Appropriation of the results

The Board of Directors proposes to the annual general meeting of 25 October 2013 to approve the Aedifica SA annual accounts of 30 June 2013 (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 €1.86 per share (split as follows: coupon No. 10: €0.81; coupon No. 11: €1.05). This proposed dividend represents a payout ratio of 91% and a yield of 4.39% compared to the TERP (theoretical ex-rights price and ex-2012/2013 pro rata temporis dividend, i.e. €42.40, as calculated in the Securities note related to the capital increase of 7 December 2012), well ahead of the yield of 4.20% estimated during the capital increase of 7 December 2012.

Effective 1 January 2013, the withholding tax 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.

The Board of Directors proposes to cancel the dividend rights related to 2012/2013 for the shares held by Aedifica SA.

Based on the number of issued shares as of 30 June 2013, taking account of the rights attached thereto, and at the exclusion of 692 shares held by Aedifica SA, the statutory result of the financial year 2012/2013 will be submitted as presented in the table on the following page.

€1.86
/share

**gross dividend
proposed for
2012/2013**

Klein Veldeken



The proposed dividend respects the requirements laid down in article 27 of the Royal Decree of 7 December 2010 regarding Belgian REITs 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 4 November 2013 ("payment date"), after submission of the coupons No. 10 and No. 11 related to 2012/2013 financial year for the bearer shares. For registered or dematerialised shares, the dividend will be paid by bank transfer as from the same date. The "ex-date" of coupon No. 10 (already detached) was the 16 November 2012, and the "ex-date" of coupon No. 11 will be the 30 October 2013.

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

Aedifica conducts its activities in a constantly evolving environment, which introduces certain risks. The materialisation of these risks could have an unfavourable effect on the Company, its activities, prospects, and financial position and performance. These risks must therefore be taken into consideration as part of any investment decision.

Aedifica aims to manage these risks to the greatest extent possible in order to generate stable and 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

Proposed appropriation (x 1,000 €)

	30 June 2013	30 June 2012
A. Profit (loss)	27,538	15,390
B. Transfer to/from the reserves	10,667	18
1. Transfert to/from the reserve of the (positive or negative) balance of changes in fair value of investment properties (-/+)		
- fiscal year	9,013	9,423
- previous fiscal years	0	0
- disposals of investment properties	54	54
2. Transfer to/from the reserve of the estimated transaction costs resulting from hypothetical disposal of investment properties (-/+)	0	0
3. Transfert to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting (-)		
- fiscal year	-137	-75
- previous years	0	0
4. Transfert 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. Transfert 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	1,737	-9,385
- previous years	0	0
6. Transfert 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. Transfert to/from the reserve of the balance of currency translation differences on monetary assets and liabilities (-/+)	0	0
8. Transfert to the reserve of the fiscal latencies related to investment properties abroad (-/+)	0	0
9. Transfert 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 27, § 1, para. 1	0	12,692
D. Remuneration of the capital - other than C	16,211	613
E. Result to be carried forward	661	2,067

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, risk related to the real estate market, inflation risk, concentrating 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, acquisitions and de-mergers), 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 (which was the focus on the section "financial risks" in the section "risk factors" 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 subject 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 18 of the Royal Decree of 7 December 2010 (with the exception of cases explicitly covered by Article 19 of the same Royal Decree). Over the course of the 2012/2013 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 2013, Aedifica SA holds two stable subsidiaries, established in 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 targets. 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.

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 7 December 2010, treasury shares held by Aedifica are presented as a reduction to total equity. As of 30 June 2013, the number of treasury shares held by the Aedifica Group amounts to 692, or 0.01% of equity.

In addition, as of 30 June 2013, Aedifica SA benefits from pledges on shares of the Company, constituted in connection with acquisitions of buildings. These guarantees are detailed in Note 45.3.2 of the consolidated financial statements.

11. Outlook for 2013/2014

The projections presented below have been developed by the Board of Directors with a view to establish the budget for the 2013/2014 fiscal year on a comparable basis with the company's historical financial information.

11.1 Assumptions

11.1.1 External factors

- a) The rate of indexation of rent and charges: 1.25% on average for the financial year, in line with the monthly projections released by the Belgian Planning Bureau on 2 July 2013;
- b) Investment properties: evaluated at their fair value, based on a growth rate of zero;
- c) Average interest rate before capitalised interest: 4.2% based on the Euribor rate curve of 31 July 2013, bank margins, and hedges currently in place.

11.1.2 Internal factors

- a) Rent: rent projections are based on current contractual rates and take indexation into account. Vacancy rates, charges on unoccupied properties and

€107 M
planned investment
for the next financial
year

€355 M
credit facilities

agency fees (commissions) from the time of relocation are taken also into consideration in the projections. Forecasts are updated and projections revised as necessary in light of the latest operational trends to take into account changes the economic context:

- The projected rental income from unfurnished apartments (including assumed future portfolio additions) and hotels take into account assumptions regarding the terms to be renegotiation of certain contracts;
 - The projected rental income from furnished apartments is based on estimated rents and occupancy levels for the different furnished apartment buildings, which reflect the current market conditions;
 - The projected rental income from senior housing is consistent with the current rents derived from buildings already in the portfolio, and includes assumptions regarding future portfolio additions (completion of buildings currently under development and possible acquisitions for which the timing can not be determined with certainty).
- b) Real estate charges: The assumptions concerning real estate charges relate to: internal and external real estate management costs (management fees, concierge, etc.); repair and maintenance costs; general taxes and property tax; and insurance.
- c) Overheads: these projections include employee benefits, administrative fees, and fees directly associated with listing the shares of the Company.
- d) Investment budget: it is assumed that projected investments for the next financial year, (i.e. €107 million), will be paid in cash. These consist primarily of (i) cash outflows related to the renovations and development projects in progress (as described in section 2.2.2 of the property report included in this annual financial report) and (ii) additional investments in the amount of €54 million, paid in cash and generating rents in line with the current market rates.
- e) Financial assumptions:
- Average cash balance of €1 million.
 - The model permits controlling the debt-to-assets ratio to a maximum of 65%.
 - Changes in the fair value of hedging instruments for financial debts (IAS 39) are not modelled as they have no impact on the profit excluding IAS 39 and IAS 40, and are not estimable. Thus, these changes have no impact on the projections presented below.

11.2 Financial projections

The Board of Directors continues to pay close attention to the evolution of the economic and financial context and the associated effects on the Company's activities.

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

- Its diversified investment strategy and focus on two strategic pillars (apartment buildings in Belgium's main cities, senior housing in Western Europe) create the ability to adapt to market opportunities and to the evolution of the economic situation. However, note that the furnished apartment buildings and the hotels are segments that are more sensible to the economic fluctuations.
- 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 (18 years) provides a very good view toward its future income streams over the long term.
- Its investments in apartment buildings (both furnished and unfurnished) offer significant potential for capital gains, irrespective of the fact that revenues from furnished apartments are more sensitive to economic fluctuations than revenue from unfurnished buildings.
- External financing of the real estate portfolio (including commitments for development projects) is assured with credit facilities of €355 million currently in place, of which none reaches maturity in the 2013/2014 financial year. To date, the drawings on these credit facilities are fully covered by hedging instruments (interest rate swaps, caps, or collars).
- Aedifica is in a good solvency position, with a debt-to-assets ratio of 36.0% as of 30 June 2013 (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 it deliver on the development projects it has committed (totalling approximately €151 million as of 30 June 2013, of which €23 million will in principle be financed by issuing new Aedifica shares) and to realise new significant investments.

Considering the Company's strengths and the assumptions listed above (see section 11.1), rental income of €40.3 million and profit excluding IAS 39 and IAS 40 of €18.7 million. €1.89 per share is forecast by the Board of Directors for the 2013/2014 financial year. A dividend of €1.86 per share is forecast for distribution to shareholders. These projections are based on the expected perimeter of the real estate portfolio, excluding unexpected events, and stand to generate a stable dividend as compared to that proposed by the Board of Directors for the 2012/2013 financial year. On this basis, the profit would reach €18.7 million. The dis-

tributable reserves (statutory) calculated in accordance with Article 617 of the Belgian Companies Code and the Royal Decree of 7 December 2010 would amount to €8.0 million.

11.3 Important remark concerning projected financial information

The projected financial information presented above consists of estimates for which the actual realisation will depend, most notably on the evolution of the real estate and financial markets. They do not constitute a commitment by the Company's management and have not been certified by an external auditor. However, the Company's auditors, Ernst & Young Réviseurs d'Entreprises Sc s.f.d.SCRRL, represented by Mr. Jean-François Hubin, has issued the following 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):

"As a statutory auditor of the company and applying the EC regulation n° 809/2004 of the European Commission of 29 April 2004, we have prepared the present report on the forecasts of the consolidated balance sheet and income statement of the company, included in chapter 11.2 of its annual report, as approved by the Board of Directors of the company on 2 September 2013. The assumptions included in paragraph 11.1 result in the following profit forecast (excluding IAS 39 and IAS 40 entries) for the year 2013-2014:

— Date: 30 June 2014

Result excluding IAS 39 and IAS 40 entries: 18.7 million €.

Board of Directors' responsibility

It is the Board of Director's responsibility to prepare the profit forecast, together with the material assumptions upon which it is based, in accordance with the requirements of EU Regulation n° 809/2004.

Auditor's responsibility

It is our responsibility to provide an opinion on the forecasts as required by Annex I, item 13.2 of the EU Regulation n° 809/2004. We are not required nor do we express an opinion on the possibility to achieve that result or on the assumptions underlying these forecasts.

We performed our work in accordance with the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsreviseurs*), including the related guidance of its research institute and the standard "International Standard on Assurance Engagements 3400" related to the examination of forecast information. Our work included an evaluation of the procedures undertaken by Board of Directors in compiling the forecasts and procedures aimed at verifying the consistency of the methods used

for the forecasts with the accounting policies normally adopted by Aedifica.

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

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

Opinion

In our opinion: (i) the forecasts have been properly compiled on the basis of assumptions stated above; and (ii) the basis of accounting used for these forecasts is consistent with the accounting policies applied by Aedifica sa for the consolidated financial statements of 2012-2013.

Brussels, 2 September 2013

Ernst & Young Réviseurs d'Entreprises scrl, Statutory auditor, represented by Jean-François Hubin, Partner"

12. Conflicts of interest

A single conflict of interest occurred over the course of the 2012/2013 financial year, as explained below.

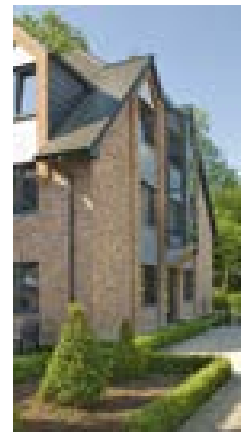
At the 3 September 2012 meeting of the Board of Directors: executive management remuneration

"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 for which they informed the Chairman and left the meeting

M. 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 2011/2012 fiscal year consists of an individual amount (gross) equivalent to a maximum of 30% 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 mentioned in the remuneration report of the annual financial report 2010/2011 and recorded in the amendments to management conventions signed on 2 Septem-

Boneput



ber 2011. Recall that the remuneration will only be awarded if the actual profit excluding IAS 39 and IAS 40 equals at least 80% of the budgeted amount (i.e. If it exceeds €1.88/share * 80% = €1.50/share). 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 (35%), growth of the real estate portfolio (25%), 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 fully attained the objectives that had been set and proposed to grant the maximum amount to the two executive managers (€94,717 for the CEO and €67,043 for the CFO).

- (ii) As regards the 2012/2013 financial year, the committee proposed that the variable remuneration be raised to 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 80% of the budgeted amount. The amount of variable remuneration will be determined based on quantitative 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 (35%), growth of the real estate portfolio (35%), operating margin (operating result before result on portfolio divided by the net rental income) (10%), occupancy rate (10%) and team management (10%).

- (iii) Regarding the 2013/2014 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.

Furthermore, Mr. Pierre Iserbyt informed the Board of Directors that the Nomination and Remuneration Committee is in favour of adjusting executive management's pension plan coverage, leading to a marginal increase in the pension plan rate of premiums (as compared to the fixed remuneration).

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."

Mixed genders at
Aedifica



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

In accordance with Art. 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).

By decision of the Board of Directors acting within the framework of the authorised capital, the capital was increased by €69,348,785.78 (from €184,930,164.13 to €254,278,949.91) on 7 December 2012 (refer to section 2 of the consolidated Board of Directors' report). 2,697,777 new shares without par value were issued in exchange for a cash contribution. The shares give with preferential rights and dividend rights as from 7 December 2012 and otherwise have the same rights as existing shares.

In the framework of the authorised capital, there were no capital increases in which the preferential rights of shareholders have been limited or removed.

To get a complete overview of share issuances during the financial year, please refer to the table provided in section 3 of the standing documents included in the 2012/2013 annual financial report. Shares issued outside the framework of the authorised capital are also listed.

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 or have done so in the past (e.g. fuel tanks, printing industries, etc.).

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 the buildings under development. Where the responsibility for environmental and urban development permits falls to its tenants, Aedifica uses every endeavour to encourage the tenants to obtain the permits on a timely basis.

For the buildings managed by Aedifica (directly or indirectly through external managers), 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 carried 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 subject 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 under Aedifica's responsibility with respect to maintains responsibility for property management (directly or indirectly through external managers), a programme to obtain these certification is in place. 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

The Aedifica Board of Directors is composed of 11 directors, comprising 4 women and 7 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. Its mixed gender ratio of 36% 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 the 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 equality opportunity in the workplace. As of 30 June 2013, the Aedifica team consists of 28.4 full time equivalent positions (FTEs), or 31 individuals. Total staff break down by gender is 19 women and 12 men, and by position type is 20 staff and 11 labourers. During the 2012/2013 financial year, Aedifica recorded an average of 8 hours of training per FTE (16 hours as of 30 June 2012). The average age of the Aedifica team is 41 years, an increase of one year compared to 2011/2012.

28.4
full time equivalent
positions

Eyckenborch



Aedifica functions in the framework of Joint Committees 100 (labourers) and 218 (staff). The remuneration proposed by Aedifica remains positioned with reference to market remuneration for similar functions. For the 2012/2013 financial year remuneration includes a plan for non-recurring benefits linked to the Company's profitability, as was the case in 2008/2009, 2009/2010, 2010/2011 and 2011/2012. 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.

Each member of the team benefits from at least one performance review per year with his/her manager, 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.

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. Further, Aedifica contributes to the perseveration 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 Louvain).

Aedifica presents a series of semi-annual roadshows in Belgium and abroad (Luxembourg, Amsterdam, London, Paris, Geneva), 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 Belgian listed companies (via the "Association Belge des Sociétés cotées" or ABSC). The Company is a member of the "Union Professionnelle du Secteur Immobilier" (UPSI) and sponsors the VFB and Investa federations and investment associations.

Both members of Aedifica's Executive Management team 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 Art. 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. At 30 June 2013, the share capital amounts to €254,292,531.52, represented by 9,903,690 shares, each one representing 1/9,903,690th 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 granted on a prorata temporis basis in certain cases, in particular when new shares are issued. In such cases, these new shares must remain nominative until the detachment of the coupon representing the aforementioned dividend. Please refer to the applicable law, being the Belgian Companies Code, the Belgian Act of 3 August 2012 related to the undertakings for collective investments, and the Royal Recree of 7 December 2010 related to Belgian REITs. Moreover, attention should be paid to the Articles of Association of the Company (see section 4 of the chapter "standing documents" in the annual financial report).

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, Art. 87 of the "Belgian Act of 3 August 2012 related to the Undertakings for Collective Investments" requires that the shares of Belgian REITs are listed on a regulated stock exchange.

Out of the 9,903,690 shares currently issued by Aedifica, 9,974,985 shares are listed on the continuous market of NYSE Euronext Brussels. 28,705 shares will be listed after the detachment of the coupon related to the 2012/2013 financial year. Among these 28,705 shares, 16,868 shares give dividend rights as from 12 July 2012 and 11,837 shares give dividend rights as from 24 June 2013. These 28,705 shares have the same rights and obligations than the others, except as regards their dividend rights, and the fact that they must remain nominative until their listing on the stock exchange. Detachment of the coupon related to the 2012/2013 financial year will take place on 30 October 2013.

Louis Hap 128



15.3 Specific control rights

There are no shareholder benefits from specific control rights.

15.4 Control mechanisms in favour of personnel

Aedifica did not set up any mechanism granting shareholder's features in favour of its personnel.

15.5 Legal or statutory limits to voting rights

As of 30 June 2013, Aedifica holds 692 treasury shares (representing a carrying amount of €84,000, acquired in 2006 by way of mergers), for which voting rights are suspended, in accordance with Art. 622 of the Belgian Companies Code. This amount is unchanged as of the publication date of the consolidated Board of Directors' report. There are no other limits to voting rights.

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

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

If not re-elected, the office of director ends just after the general meeting that decided 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 Belgian REITs. In particular, one should bear in mind that any contemplated change to the Articles of Association must be approved by the market authority (FSMA).

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

Pursuant to Art. 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 million, at the moment and subject to the conditions set by the Board of Directors (in accordance with Art. 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 €107,268,505.

Moreover, Aedifica may, in accordance with Art. 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 2013 are described in section 10 of this consolidated Board of Directors' report.

€107 M
remaining balance
of authorised capital

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

The credit facility (club deal) of 23 July 2010, and the credit facilities of 6 August 2010, 26 August 2011, 11 July 2012, 27 June 2013 and 5 August 2013 (bilateral credits issued by BNP Paribas Fortis), as well as the credit facilities of 24 October 2011, 25 June 2012 and 4 April 2013 (bilateral credits issued by ING Belgium) and the credit facility of 7 May 2013 (bilateral credit issued by ING), 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 rights in the hands of a single shareholder).

The credit facilities of 9 March 2010, 3 October 2011, 23 January 2012 and 14 August 2012 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 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 the majority of the Board of Directors.

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 4 non-executive directors; among these, 2 meet the independence criteria set out by Art. 526ter of the Belgian Companies Code. Namely, Mr. Jean-Louis Duplat and Mrs. Brigitte Gouder de Beauregard (acting as permanent representative of Re-Invest SA):

- 1° Have never acted as executive directors, as members of the direction 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 Art. 19,2° of the Law 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 Art. 19,2° of the law 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 direction committee, as person in charge of the daily management, or as management personnel (as defined by Art. 19,2° of the Law 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 92 to 105 of this annual financial report.

Brussels, 2 September 2013

Giono & Hugo



EPRA¹

Résidence de Gerlache



1. The data in this chapter are not compulsory according to the Belgian REIT regulation and are not subject to verification by the FSMA.



18 March 2013

Inclusion of Aedifica in
the EPRA indices

12 %

weighting in the Belgian
EPRA index

10,500 shares

average daily volume of Aedifica
shares during the 2012/2013
financial year

EPRA

Aedifica's shares were added to the "FTSE EPRA/NAREIT Developed Europe Index" on 18 March 2013. According to EPRA, Aedifica passed all eligibility criteria for inclusion in the 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 €250 billion in real estate assets. The European indices include 83 constituents, with a free-float market capitalisation of approximately €103 billion. The criteria for inclusion in the indices are publicly available on the EPRA website (www.epra.com).

Inclusion in the EPRA indices 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. This success is reflected in the average daily trading volume of Aedifica's shares, which has doubled in just a few months. The daily average volume now amounts to 10,500 shares (average between 2 July 2012 and 28 June 2013), compared to 5,000 shares on average during the previous financial year.

Aedifica is registered in the European Index with a weighting of approx. 0.4% and in the Belgian Index

with a weighting of approx. 12%.

Aedifica's stock price increased by 8% (from €42.00 to €45.50 per share) between 6 December 2012, after the final closing of markets before the commencement of trading for new shares issued in the context of the capital increase of December 2012, and 7 March 2013, the date of the publication announcing Aedifica's inclusion in the EPRA Indices. The stock price rose a further 4% between 7 March 2013 and 28 June 2013 (from €45.50 to €47.50 per share).

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 its 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.

"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 Gielen

Key performance indicators according to the EPRA principles

	30 June 2013
EPRA Earnings (in €/share)	1.95
EPRA NAV (in €/share)	41.87
EPRA NNNAV (in €/share)	38.59
EPRA Net Initial Yield (NIY) (in %)	5.2
EPRA Topped-up NIY (in %)	5.2
EPRA Vacancy Rate (in %)	2

Key performance indicators according to the EPRA principles

		30 June 2013
EPRA Earnings	x €1,000	17,004
Recurring earnings from core operational activities	€/share	1.95
EPRA NAV	x €1,000	414,662
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	41.87
EPRA NNNAV	x €1,000	382,159
EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes	€/share	38.59
EPRA Net Initial Yield (NIY)	%	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	%	5.2
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
Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio		

EPRA Earnings (x €1,000)

	30 June 2013
Earnings for IFRS (owners of the parent) income statement	27,671
Adjustments to calculate EPRA Earnings, exclude:	
(i) Changes in fair value of investment properties, development properties held for investment and other interests	-9,013
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-54
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0
(iv) Tax on profits or losses on disposals	0
(v) Negative goodwill / goodwill impairment	0
(vi) Changes in fair value of financial instruments and associated close-out costs	-1,600
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	0
(viii) Deferred taxes in respect of EPRA adjustments	0
(ix) Adjustments (i) to (viii) above in respect of joint ventures	0
(x) Minority interests in respect of the above	0
EPRA Earnings (owners of the parent)	17,004
Number of shares	8,715,370
EPRA Earnings per Share (EPRA EPS in €/share)	1.95

EPRA Net Asset Value (NAV) (x €1,000)

	30 June 2013
NAV per the financial statements (owners of the parent)	382,159
NAV per the financial statements (in €/share) (owners of the parent)	38.59
Effect of exercise of options, convertibles and other equity interests	0
Diluted NAV, after the exercise of options, convertibles and other equity interests	382,159
Include:	
(i) Revaluation to fair value of investment properties	0
(ii) Revaluation to fair value of tenant leases held as finance leases	0
(iii) Revaluation to fair value of trading properties	0
Exclude:	
(iv) Fair value of financial instruments	32,503
(v.a) Deferred tax	0
(v.b) Goodwill as a result of deferred tax	0
Include/exclude:	
Adjustments (i) to (v) in respect of joint venture interests	0
EPRA NAV (owners of the parent)	414,662
Number of shares	9,902,998
EPRA NAV (in €/share) (owners of the parent)	41.87

EPRA Triple Net Asset Value (NNNAV) (x €1,000)

	30 June 2013
EPRA NAV (owners of the parent)	414,662
Include:	
(i) Fair value of financial instruments	-32,503
(ii) Fair value of debt	0
(iii) Deferred tax	0
EPRA NNNAV (owners of the parent)	382,159
Number of shares	9,902,998
EPRA NNNAV (in €/share) (owners of the parent)	38.59

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

	30 June 2013						
	Unfurnished	Furnished	Senior housing	Hotels and other	Non-allocated	Intersegment items	Total
Investment properties in fair value	135,013	62,676	343,550	72,972	28,633	0	642,844
Trading properties (+)	0	0	0	0	0	0	0
Development projects (-)	0	0	0	0	-28,633	0	-28,633
Marketable investment properties in fair value	135,013	62,676	343,550	72,972	0	0	614,211
Allowance for estimated purchasers' costs (+)	3,862	1,715	8,767	2,181	0	0	16,525
Investment value of investment properties available for lease	138,875	64,391	352,317	75,153	0	0	630,736
Annualised cash passing rental income (+)	6,908	5,269	20,404	4,788	0	0	37,369
Property charges ¹ (-)	-1,397	-2,885	0	-17	-68	-100	-4,467
Annualised net rents	5,511	2,384	20,404	4,771	-68	-100	32,902
Notional rent expiration of rent free periods or other lease incentives (+)	0	0	0	0	0	0	0
Topped-up net annualised rent	5,511	2,384	20,404	4,771	-68	-100	32,902
EPRA NIY (in %)	4.0	3.7	5.8	6.3	0.0	-	5.2
EPRA “Topped-up” NIY (in %)	4.0	3.7	5.8	6.3	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 2013						
	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							
Unfurnished	6,893	5,177	71,693	6,908	866	8,040	11
Furnished	5,236	2,196	26,784	5,269	0	3,513 ⁴	0
Senior housing	19,517	19,517	166,969	20,404	0	23,527	0
Hotels and other	4,535	4,517	39,208	4,788	0	4,294	0
Non-allocated	0	-68					
Intersegment items	-101	-100					
Total marketable investment properties	36,080	31,239	304,653	37,369	866	39,374	2
Reconciliation to income statement							
Properties sold during the 2012/2013 financial year	3	3					
Properties held for sale	0	0					
Other Adjustments	0	0					
Total marketable investment properties	36,083¹	31,242²					

1. The total gross rental income¹ 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 2013.

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

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

	30 June 2013				
	Net rental income on a like-for-like basis	Acquisitions	Disposals	Transfers due to completion	Net rental income ¹
Segment					
Unfurnished	5,169	5	3	0	5,177
Furnished	1,975	221	0	0	2,196
Senior housing	16,168	1,994	0	1,355	19,517
Hotels and other	3,666	92	0	759	4,517
Non-allocated	-68	0	0	0	-68
Intersegment items	-100	0	0	0	-100
Total marketable investment properties	26,810	2,312	3	2,114	31,239
Reconciliation to income statement					
Properties sold during the 2012/2013 financial year					3
Properties held for sale					0
Other Adjustments					0
Total marketable investment properties					31,242

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 2013			
	Fair value	Changes in fair value	EPRA NIY (in %)	Reversion rate (in %)
Segment				
Unfurnished	135,013	-948	4.0	3
Furnished	62,676	866	3.7	-50 ¹
Senior housing	343,550	7,347	5.8	13
Hotels and other	72,972	-1,017	6.3	-12
Total marketable investment properties	614,211	6,248	5.2	3
Reconciliation to the consolidated IFRS balance sheet				
Development projects	28,633	2,765		
Total marketable investment properties	642,844	9,013		

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

Investment properties - Lease data

	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 five years	Later than five years
Segment				
Unfurnished	4	3,811	2,540	557
Furnished	0	5,269	0	0
Senior housing	25	0	0	20,404
Hotels and other	30	145	153	4,490
Total marketable investment properties	18	9,225	2,693	25,451

1. Termination at following possible break.

Properties being constructed or developed (in € millions)

	30 June 2013							
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (in m ²)	% Pre-let	ERV on completion
Total	24.5	147.0	4.4	175.9	2015/2016	±87,000	96	10.5

The breakdown for these projects is provided in section 2.2.2. of the property report.



Property report

Kasteelhof



€643 M

fair value of investment
properties

18 years

average remaining lease
maturity of current contracts

6.1 %

average gross yield
in fair value

1. The real estate market

All data presented in sections 1.1 and 1.3 of this chapter is based on information publicly available through the Belgian Ministry of Economy as of 31 March 2013.

1.1 The Belgian residential market¹

Prices in Belgium increased by 2.2% on average for single family dwellings and 1.9% for building lands. These increases reflect a stagnation in the market when compared to the higher growth rates recorded in the second half of 2011. A more significant message can be seen in the reduced number of transactions: -6.5% for single family dwellings and -10.3% for building lands.

Private individuals are more interested in mid-range apartments than in more costly single family dwellings. The market for apartments is also attracting renewed interest from investors in this segment. The number of transactions increased by 1.5% in 2012 and the average price increased by 4.7%, while costs remained stagnant (+0.6%). In Brussels, apartment prices rose by 7%.

Starting in 1996 and owing to a combination of elements, the residential market in Belgium experienced a profound shift in favour of purchases for private occupation. Low levels of inflation reduced the difference between mortgage and rental costs, which incentivised many renters to buy. Banks progressively lowered the down payment required to finance in the property purchases and increased the term of mortgages to keep the annual borrowing cost at a manageable level. In addition, registration fees were reduced in Flanders and, on the national level, the ability to deduct a portion of the borrowing costs from taxable income was introduced.

As a result, the portion of private individuals in the rental market fell by almost one third over the last 10 years to only approx. 21%. The personal contribution required for prospective buyers was substantially reduced, furthering increasing demand. The average age of first-time home buyers decreased in this period from the 30-35 year age category to 27-32 year olds.

Suddenly, personal contributions amounts and mortgage terms shifted in the opposite direction, as banks adjusted their requirements in accordance with Basel II and Basel III regulations. Moreover, it remains to be seen which direction the regions will take in future regarding possible tax deductions.

In the current context, all evidence suggests that first time home buyers must dispose much higher levels of own financial resources, in direct proportion to the purchase price.

Current levels of fees and registration duties is approximately 25 to 30% of the net purchase price of a property. Given an average price (at the national level) of €200,000 for a single family dwelling, this implies that prospective buyers must dispose €50,000 to €60,000 in own capital resources to purchase a home. Buyers must normally expect a supplementary budget for renovation works and moving costs as well. Thus, the personal contribution required can easily reach €70,000 to €80,000 – too much for many young people. Further, intergenerational financial transfers, often coming from grandparents, have been delayed given increasing life expectancies, as seniors increasingly rely on their own capital resources to pay for their health care needs.

As a result, we expect that the timeframe for young people to purchase their first family home will be pushed back by 10 to 12 years, to the age of 40-45 years. In the meantime, some young people will opt to buy smaller dwellings, but the majority will turn toward the rental market, wherein the supply of medium-sized properties is already reduced. It is clear that the demand for these types of medium-sized housing options will significantly exceed supply in the coming years. Investors will find a young population disposing reasonable incomes who wish to rent for a period of several years.

Thus, this type of investment (i.e. mid-range apartments) benefits from a new momentum, on the condition that one accepts reasonable rental returns and maintains a strategic focus on quality over the long term.

For professional real estate investors, the sustainability of rentals remains paramount; the investment approach will continue to be determined by the investor's aversion to risk.

The trend toward decreasing interest rates observed between mid-2012 and mid-2013 has only partially translated into a decrease in rental returns for investors. The interest rate for Belgian Government bonds with duration of 15 to 20 was 3.77% on 30 June 2012. It decreased to 2.74% by the end of the year and to

+4.7 %

increase in mid-range apartment prices in Belgium

+1.5 %

number of transactions for mid-range apartments in Belgium

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a record low of 2.60% by the beginning of May 2013. This rate has stabilised at approximately 3.25% since 20 June 2013. Such low interest rates again channel investors toward the real estate market, assuming the availability of sufficient financial resources and an interest generating indexed cash flows (more so than in creating value through capital appreciation).

1.2 The market of furnished apartments in Belgium

The presence of European institutions, NATO and the headquarters of international corporations in Brussels has paved the way for the market for furnished apartments targeted at expatriates. Demand continues to grow with the entry of new Member States in the European Union.

In this highly competitive sector, numerous small operators and private investors have entered the market over the last few years. The leading actors have dramatically become more professional in order to provide their customers (such as businesspeople) with better services and build customer loyalty. Professionalisation of the sector is also evident in other major cities, like Antwerp. A new industry association was recently established, grouping together operators of “business flats” in Belgium (Vereniging van BusinessFlats uitbaters VZW, or VBF VZW – see www.businessflats.org).

The Belgian market for “business flats” is characterised by the dispersion of operators and 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 demand for “business flats” and their rental values soared up to 2008. The global financial crisis halted this trend by the spring of 2009. After reaching its lowest point in the summer of 2009, the market began to bounce back in the 1st half of 2010, both in terms of occupancy rates and prices. The sector has again come under pressure since the beginning of 2012 with increasing volatility in these measures.

The business of renting out furnished apartments must not be confused with the hotel industry. The main activity is indeed the renting out of apartments, which include all necessary furnishings. The additional services provided are rather limited, usually consisting of a weekly cleaning service only. In Flanders, this activity is subject to a specific regulation, the Decree of 10 July 2008 on Touristic Housing.

1.3 The senior housing market

1.3.1 Belgium²

The health sector in general and rest homes in particular, are attracting more and more attention.

The occupancy rate remains very high and various projections indicate that demand will continue to grow in the future. It should be noted, however, that returns in this sector are trending downward.

Overall, for entrepreneurs, architects and developers, the market conditions present a good sign for their order books. For their part, operators tend to professionalise, which leads to consolidation in the market and an increase in average site size.

At the same time, operators tend to professionalise in this market, which leads to consolidation of operators and an increase in the average site size.

Increasingly, contracts in the senior housing market are of the triple net variety, which provides a degree of comfort to both the investor and the professional operator. As in the hotel sector, the building is the essential unit of production for the operation; under triple net contracts, the operator is not dependant on the financial arrangements or on the goodwill of the landlord for building upkeep and the operational sustainability this implies.

We also see that more and more cities or communes oppose sales in co-ownership, as was the case for student residences in the past. Experience (for example in the case of hotel rooms sold individually) gives the tarnished image of situations which may occur over time with these types of shared properties.

The trend toward an interaction increasingly pushed toward groups of professional operators and institutional investors in the sector for health real estate is thus likely to continue.

“The care sector and, more particularly, the senior housing sector are becoming more and more attractive.”

1 M

population over 75 years in Belgium

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8 M
population
over 75 years
in Germany

1.3.2 Germany

Population ageing and increasing life expectancies affect both the German and Belgium markets, but based on populations of very different size. Germany has approx. 81 million inhabitants, of which approx. 16 million (20%) are over 65 and an estimated 8 million (10%) are over 75 years. The Belgian market is much smaller; its total population of approx. 11 million includes approx. 2 million (18%) over 65 and 1 million (9%) over 75. Population ageing will be further augmented by the generation of baby boomers reaching 60 years of age over the next decade. Consequently, the need for specific senior housing will increase over the next decades.

When looking at the population by age cohorts, we note that approx. 0.5% of people below 60 years of age require long-term care. This percentage increases to 10% for those between 60 and 80 years and reaches 20% thereafter. The total capacity in rest homes in Germany should be expanded, given the number of persons in need. It is expected that this number will rise from approx. 2 million today to approx. 3 million by 2030.

Currently, there are approx. 800,000 beds in more than 11,000 rest homes in Germany. These are operated by not-for-profit operators (approx. 55%), private operators (approx. 40%) or public operators (approx. 5%), in a very fragmented market. The market share of the five biggest operators is estimated at approx. 8%.

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 opportunities for consolidation in the collective senior housing sector in Germany.

1.4 The hotel market¹

The Belgian hotel market remained stable in 2012 across all hotel types. During the year, occupancy rates and RevPar (Revenue per available room) showed fluctuations of only +/- 1.5% over 2011 levels. The same trend was observed during the first five months of 2013. The expansion of hotel properties, primarily concentrated in the Brussels region, is taking place in a gradual manner, thereby giving the market time to absorb any excess capacity.

The trend in terms of night stays has shown differences at the regional and local levels. The number of nights diminished in Flanders and Wallonia but increased in Brussels. The drop in Flanders is due almost entirely to the situation on the coast. Art cities, on the other hand, have all shown a positive trend. In Bruges, growth is marginal at approx. 1%, while in Leuven it is at almost 30%. The highest average gross occupancy rate of any hotel in these two cities is approx. 80%. In the medium term, an expansion in hotel capacity is expected in Leuven, including the Het Tafelrond in the Grote Markt (4 star, 44 rooms) and a 26-room hotel in the old cigar factory Vander Elst, located on Nobelstraat. In Bruges, no new hotel development projects are expected at present.

In terms of investments, the company CTF Development took control of five Belgian hotels at the beginning of April 2013. These hotels, currently operated under the names Mercure and Alliance, will be renovated and integrated in the Pentahotels group. The Mercure hotel in Leuven is included in this transaction.

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2. Consolidated property portfolio as of 30 June 2013

2.1 Evolution of the portfolio

(x €1,000)

	30 June 2013	31 March 2013	31 Dec. 2012	30 Sept. 2012	30 June 2012
Investment properties in fair value					
Unfurnished apartment buildings	135,013	136,059	136,243	136,095	134,803
Furnished apartment buildings	62,676	62,268	61,892	61,795	60,737
Senior housing	343,550	335,293	325,496	320,933	314,708
Hotels and other	72,972	73,158	74,826	74,769	73,155
Total of marketable investment properties in fair value	614,211	606,778	598,457	593,592	583,403
Development projects	28,633	20,383	20,320	11,991	9,314
Total of investments properties in fair value	642,844	627,161	618,777	605,583	592,717
Contractual rents¹	37,369	37,028	36,552	36,290	36,568
Contractual rents + ERV on empty spaces	38,235	37,916	37,428	37,122	37,252
Estimated rental value (ERV)¹	39,374	38,386	37,921	37,610	37,565
Occupancy rate¹ of the investment properties (%)					
Total Portfolio (excl. furnished apartments)	97.4%	97.3%	97.3%	97.4%	97.8%
Furnished apartments	82.6%	82.7%	80.8%	78.6%	82.3%

1. See glossary.

2.2 Summary table as of 30 June 2013

2.2.1 Marketable investment properties

	Address	Totale surface (m ²) ¹	Residential surface (m ²)
Unfurnished apartment buildings			
1	Tervueren 13 A/B	4,628	621
2	Sablon	4,655	3,342
3	Complexe Laeken - Pont Neuf	5,720	4,637
4	Le Bon 24-28	1,666	1,666
5	Lombard 32	1,431	1,095
6	Complexe Louise 331-333	4,871	1,509
7	Place du Samedi 6-10	3,769	2,365
8	Broqueville 8	638	638
9	Bataves 71	552	312
10	Tervueren 103	881	410
11	Louis Hap 128	688	688
12	Rue Haute	2,630	1,380
13	Résidence Palace	6,388	6,189
14	Churchill 157	2,210	1,955
15	Auderghem 237-239-241-266-272	1,739	1,739
16	Edison	2,029	758
17	Verlaine/Rimbaud/Baudelaire	2,795	1,518
18	Ionesco	930	930
19	Musset	562	472
20	Giono & Hugo	1,412	1,412
21	Antares	439	439
22	Ring	11,381	7,227
23	Résidence Gauguin et Manet	2,885	2,885
24	Résidence de Gerlache	6,794	6,174
Total of the segment "Unfurnished apartment buildings"		71,693	50,361
Furnished apartment buildings			
25	Ensemble Souveraine	11,847	11,354
26	Louise 130	1,110	694
27	Louise 135 (+ 2 parkings Louise 137)	1,978	1,930
28	Louise 270	1,043	958
29	Vallée 48	623	623
30	Livourne 16-18 (+ 24 parkings Livourne 7-11)	1,567	1,567
31	Freesias	3,635	3,138
32	Héliotropes	1,493	1,223
33	Livourne 20-22	1,326	1,326
34	Livourne 14	324	324
35	Résidence Chamaris	1,838	1,702
Total of the segment "Furnished apartment buildings"		26,784	24,839

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.

	Number of residential units	% Occupancy rate ²	Contractual rents ³	Contractual rents + ERV on empty spaces ⁴	Estimated rental value (ERV) ⁵
	3	64.43%	380,261	590,223	630,703
	30	89.17%	863,301	968,204	920,898
	42	89.72%	583,640	650,477	648,000
	15	98.67%	177,912	180,312	189,263
	13	93.48%	198,408	212,248	175,604
	9	100.00%	646,800	646,800	666,100
	24	90.78%	296,369	326,469	303,695
	6	75.37%	48,528	64,385	70,308
	3	61.24%	36,021	58,821	57,900
	6	100.00%	124,127	124,127	116,740
	7	98.03%	89,708	91,508	75,648
	20	78.92%	196,566	249,069	308,070
	57	92.70%	580,200	625,900	693,100
	22	87.89%	234,389	266,684	268,170
	22	90.58%	176,907	195,312	183,228
	7	77.32%	96,451	124,743	139,725
	21	87.01%	235,569	270,752	280,910
	10	99.26%	96,071	96,791	100,740
	6	100.00%	51,091	51,091	50,200
	15	93.70%	121,347	129,507	139,300
	7	100.00%	40,737	40,737	39,323
	88	100.00%	675,700	675,700	860,100
	35	81.18%	261,040	321,572	306,825
	75	85.72%	697,166	813,297	815,465
	543	88.86%	6,908,309	7,774,729	8,040,015
	116	80.16%	2,272,804	2,272,804	1,405,503 ⁶
	9	83.14%	209,525	209,525	163,100 ⁶
	31	90.52%	586,014	586,014	343,000 ⁶
	14	78.24%	226,028	226,028	146,500 ⁶
	6	79.68%	115,015	115,015	88,100 ⁶
	16	84.16%	359,333	359,333	261,100 ⁶
	37	76.19%	396,786	396,786	357,600 ⁶
	25	86.67%	256,446	256,446	173,400 ⁶
	12	87.72%	316,039	316,039	185,700 ⁶
	6	87.58%	54,227	54,227	33,700 ⁶
	23	88.02%	477,158	477,158	355,290 ⁶
	295	82.58%	5,269,375	5,269,375	3,512,993⁶

	Address	Totale surface (m ²) ¹	Residential surface (m ²)
Senior housing			
36	Château Chenois 1410 Waterloo	6,354	6,354
37	New Philip 1190 Brussels	3,914	3,914
38	Jardins de Provence 1070 Brussels	2,280	2,280
39	Bel Air 1030 Brussels	5,350	5,350
40	Résidence Grange des Champs 1420 Braine-l'Alleud	3,396	3,396
41	Résidence Augustin 1190 Brussels	4,832	4,832
42	Ennea 9100 Sint Niklaas	1,848	1,848
43	Kasteelhof 9200 Dendermonde	3,500	3,500
44	Wielant 8570 Anzegem/Ingooigem	4,834	4,834
45	Résidence Parc Palace 1180 Brussels	6,719	6,719
46	Résidence Service 1180 Brussels	8,716	8,716
47	Résidence du Golf 1070 Brussels	6,424	6,424
48	Résidence Boneput 3960 Bree	2,993	2,993
49	Résidence Aux Deux Parcs 1090 Brussels	1,423	1,423
50	Résidence L'Air du Temps 4032 Chênee	2,763	2,763
51	Au Bon Vieux Temps 1435 Mont-Saint-Guibert	1,268	1,268
52	Op Haanven 2431 Veerle-Laakdal	4,675	4,675
53	Résidence Exclusiv 1140 Brussels	4,253	4,253
54	Séniorie Mélopée 1080 Brussels	2,967	2,967
55	La Boule de Cristal 5564 Wanlin	1,290	1,290
56	Les Charmes en Famenne 5560 Houyet (Mesnil-Saint-Blaise)	3,165	3,165
57	Seniories La Pairelle 5100 Wépion	5,971	5,971
58	Gaerveld (assisted-living apartments) 3500 Hasselt	1,504	1,504
59	Résidence du Plateau 1300 Wavre	8,069	8,069
60	Seniories de Maretak 3130 Begijnendijk	5,684	5,684
61	De Edelweis 1500 Halle	6,235	6,235
62	Bois de la Pierre 1300 Wavre	2,272	2,272
63	Buitenhof 2930 Brasschaat	4,386	4,386
64	Klein Veldeken 1730 Asse	3,363	3,363
65	Koning Albert I 1700 Dilbeek	4,853	4,853
66	Eyckenborch 1755 Gooik	5,457	5,457
67	Rietdijk 1800 Vilvoorde	2,155	2,155
68	Marie-Louise 1780 Wemmel	1,959	1,959
69	Gaerveld (retirement home) 3500 Hasselt	6,994	6,994
70	Larenschhof 9270 Laarne	5,464	5,464
71	Ter Venne 9830 Sint-Martens-Latem	6,634	6,634
72	Pont d'Amour 5500 Dinant	4,364	4,364
73	Résidence Les Cheveux d'Argent 4845 Sart-lez-Spa	4,177	4,177
74	Residentie 't Hoge 8500 Kortrijk	2,055	2,055
75	Helianthus 9090 Melle	2,409	2,409
Total of the segment "Senior housing"		166,969	166,969
Hotels and other			
76	Hotel Martin's Brugge 8000 Brugge	11,369	0
77	Royale 35 1000 Brussels	1,813	0
78	Martin's Klooster 3000 Leuven	6,935	0
79	Bara 124-126 1040 Brussels	1,539	0
80	Corbais 18 1435 Mont-Saint-Guibert	292	292
81	Carbon 3600 Genk	5,715	0
82	Eburon 3700 Tongeren	4,016	0
83	Ecu 3600 Genk	1,960	0
84	Eurotel 3620 Lanaken	4,779	0
85	Villa Bois de la Pierre 1300 Wavre	320	160
86	Duysburgh 1090 Brussels	470	470
87	Résidence du Lac 1050 Brussels	0	0
Total of the segment "Hotels and other"		39,208	922
TOTAL MARKETABLE INVESTMENT PROPERTIES		304,653	243,090

1-2-3-4-5-6. Notes - see previous page.

	Number of residential units	% Occupancy rate ²	Contractual rents ³	Contractual rents + ERV on empty spaces ⁴	Estimated rental value (ERV) ⁵
	115	100.00%	843,900	843,900	1,053,800
	111	100.00%	462,000	462,000	569,300
	72	100.00%	379,300	379,300	372,300
	161	100.00%	689,600	689,600	779,000
	75	100.00%	408,000	408,000	483,800
	94	100.00%	513,100	513,100	512,400
	34	100.00%	186,700	186,700	172,100
	81	100.00%	337,700	337,700	488,300
	102	100.00%	518,600	518,600	580,000
	162	100.00%	1,193,400	1,193,400	1,266,900
	175	100.00%	1,227,500	1,227,500	994,600
	194	100.00%	746,000	746,000	1,124,100
	78	100.00%	438,500	438,500	515,900
	53	100.00%	222,000	222,000	280,900
	88	100.00%	448,900	448,900	500,100
	43	100.00%	196,000	196,000	173,600
	90	100.00%	400,100	400,100	431,400
	104	100.00%	685,100	685,100	644,000
	70	100.00%	476,100	476,100	378,100
	41 units	100.00%	90,000	90,000	157,300
	96	100.00%	284,700	284,700	331,400
	140	100.00%	736,900	736,900	668,000
	20 units	100.00%	163,300	163,300	162,400
	143	100.00%	1,223,400	1,223,400	1,177,200
	122	100.00%	509,400	509,400	681,100
	96	100.00%	642,500	642,500	846,400
	65	100.00%	428,600	428,600	409,700
	80	100.00%	528,200	528,200	624,200
	41 units	100.00%	390,400	390,400	697,600
	67	100.00%	460,800	460,800	894,800
	89	100.00%	427,600	427,600	839,900
	59	100.00%	323,800	323,800	335,400
	59	100.00%	125,400	125,400	304,500
	135	100.00%	760,400	760,400	766,300
	88	100.00%	828,900	828,900	732,800
	95	100.00%	946,600	946,600	998,300
	74	100.00%	492,400	492,400	367,700
	80	100.00%	237,800	237,800	317,200
	62	100.00%	200,000	200,000	453,400
	47	100.00%	230,000	230,000	440,600
	3,499 beds and 102 units	100.00%	20,403,600	20,403,600	23,526,800
	0	100.00%	1,554,963	1,554,963	1,171,460
	0	100.00%	188,246	188,246	174,405
	0	100.00%	1,347,506	1,347,506	1,141,080
	0	100.00%	47,689	47,689	63,113
	1	100.00%	26,200	26,200	12,200
	0	100.00%	527,200	527,200	559,100
	0	100.00%	394,000	394,000	458,700
	0	100.00%	216,000	216,000	229,700
	0	100.00%	361,400	361,400	373,500
	4	100.00%	31,000	31,000	39,600
	5	100.00%	62,800	62,800	40,300
	0	100.00%	30,700	30,700	30,700
	10	100.00%	4,787,704	4,787,704	4,293,858
	950 units and 3,499 beds	n.a.	37,368,988	38,235,408	39,373,666⁶

2.2.2 Projects and renovations in progress (in € million)

Project or renovation		Esti- mated inv.	Inv. as at 30 June 2013	Futur inv.	Date of completion	Comments
I. In progress						
Pont d'Amour	Dinant	7.9	0.0	7.9	2015/2016	Extension of a retirement home
Larenschhof	Laarne	3.1	0.0	3.1	2013/2014	Extension of the retirement home
Residentie 't Hoge	Kortrijk	4.9	0.2	4.7	2014/2015	renovation and extension of a retirement home
Residentie Sporenpark	Beringen	17.4	2.0	15.4	2014/2015	Construction of a new retirement home
Résidence Palace - parkings	Brussels	0.2	0.1	0.1	2014/2015	Acquisition de 6 parking spaces to be built
De Edelweis II	Begijnendijk	1.3	0.0	1.3	2014/2015	Extension of the retirement home
Résidence Aux Deux Parcs	Jette	0.7	0.0	0.7	2014/2015	Extension of the retirement home
Rue Haute	Brussels	1.9	0.0	1.9	2014/2015	Renovation of a residential building with 20 apartments and 1 commercial groundfloor
Wemmel Zijp	Wemmel	19.8	15.0	4.8	2013/2014	Construction of a new retirement home
Koning Albert (II & III)	Dilbeek	6.8	1.3	5.5	2013/2014	Renovation and extension of a retirement home
Eyckenborch	Gooik	8.7	3.5	5.2	2013/2014	Extension of the retirement home
II. Subject to outstanding conditions						
Tervuren	Tervuren	24.0	0.0	24.0	2014/2015	Construction of a new retirement home
Résidence du Lac	Brussels	3.5	0.0	3.5	2015/2016	Construction of an apartment building
Au Bon Vieux Temps	Mont-Saint-Guibert	9.8	0.3	9.5	2015/2016	Construction of a retirement home
Klein Veldeken	Asse	6.1	0.0	6.1	2014/2015	Extension of a serviceflatbuilding
Marie-Louise	Wemmel	3.3	0.0	3.3	2015/2016	Renovation and reconversion of a retirement home
Résidence Les Cheveux d'Argent	Sart-lez-Spa	3.0	0.0	3.0	2014/2015	Extension of a retirement home
Helianthus	Melle	3.5	0.1	3.4	2014/2015	Extension of a retirement home
Air du Temps	Chênée	5.8	0.0	5.8	2016/2017	Extension and renovation of a retirement home
Op Haanven	Veerle-Laakdal	2.9	0.0	2.9	2016/2017	Extension and renovation of a retirement home
III. Land reserves						
Terrain Bois de la Pierre	Wavre	1.8	1.8	0.0	-	Land reserve
Platanes	Brussels	0.2	0.2	0.0	-	Land reserve
IV. Acquisitions subject to outstanding conditions						
Krentzen	Olen	18.0	0.0	18.0	2014/2015	New retirement home with 122 units
Overbeke	Wetteren	13.0	0.0	13.0	2014/2015	New retirement home with 113 units
Seniorenzentrum AGO Herkenrath	Germany	8.0	0.0	8.0	2013/2014	Rest home
Total		175.6	24.5	151.1		
Capitalised costs			1.0			
Changes in fair value		-	2.6	-		
Roundings		-	0.5	-		
On balance sheet			28.6			

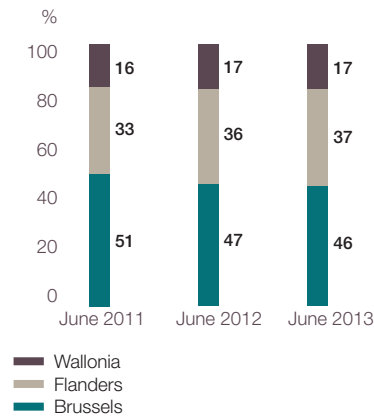
Of these projects, 96% are already pre-let. It is expected that the total investment budget of €151 million will be paid in cash, except for €23 million relating the Olen and Wetteren projects for which new shares will be issued by Aedifica (as mentioned in Note 45 of the consolidated financial statements – the remaining €8 million will be paid in cash).

3. Portfolio analysis as of 30 June 2013

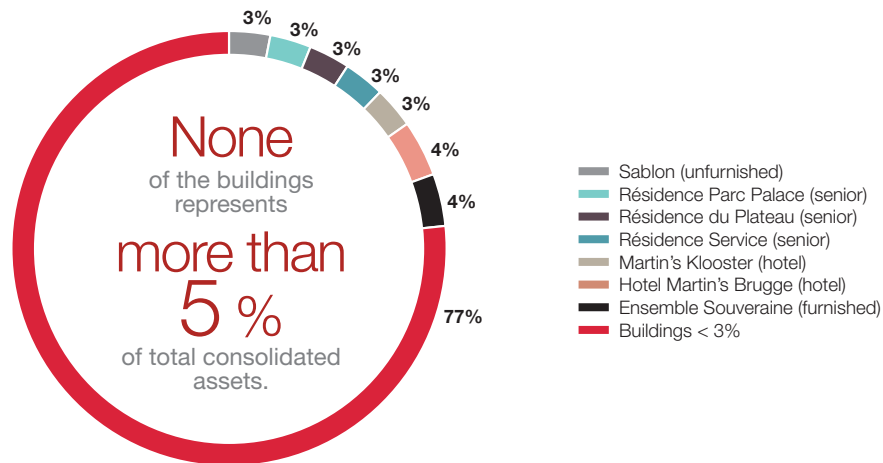
3.1. Breakdown by segment (in fair value)



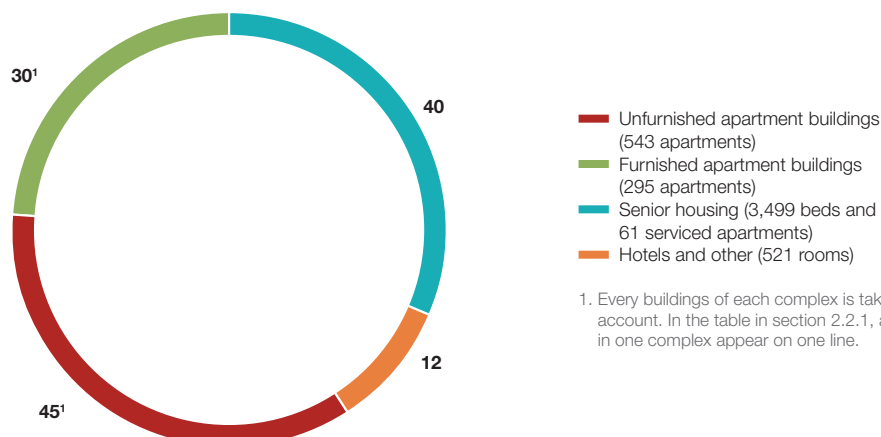
3.2. Geographical breakdown (in fair value)



3.3. Breakdown by building (in fair value)

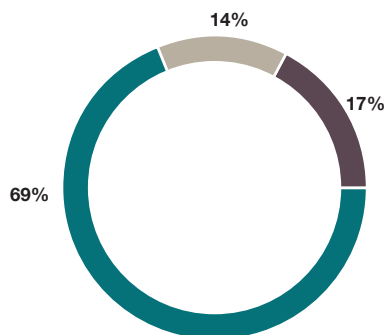


3.4. Number of buildings per segment



1. Every buildings of each complex is taken into account. In the table in section 2.2.1, all buildings in one complex appear on one line.

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



■ Triple net contracts
■ Other leases 0-10 years
■ Other leases > 10 years

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

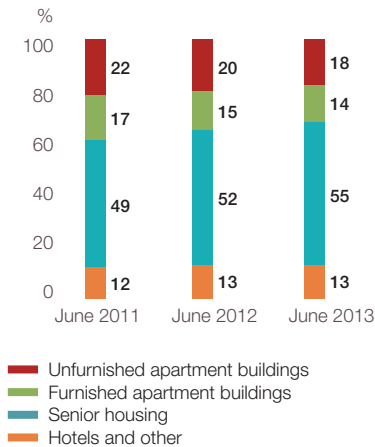


■ ≥ 27 years
■ 15 years
■ < 15 years

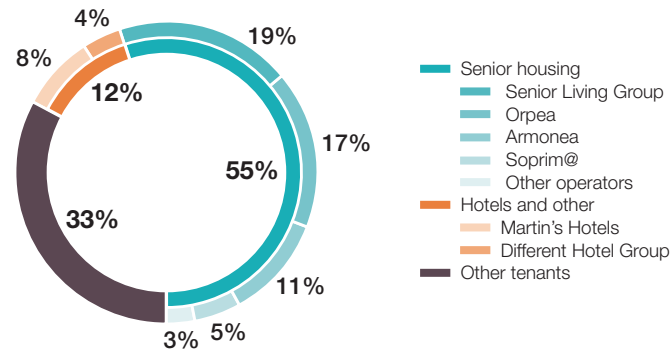
De Edelweis



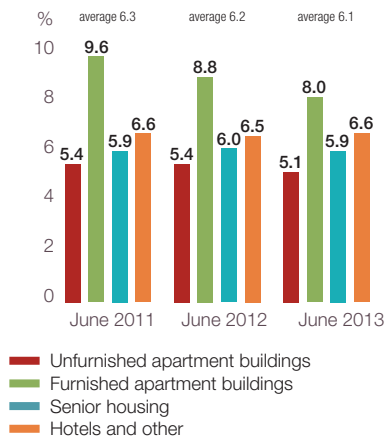
3.7. Breakdown by segment (in contractual rents)



3.8. Breakdown of senior housing contractual rents by group controlling legal entities in contractual relation with Aedifica (30 June 2013)



3.9. Gross yield by segment (based on fair value)¹



GROSS senior housing yield = NET

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

3.10. Occupancy rates¹



1. See glossary.

The total global occupancy rate as of 30 June 2013 is

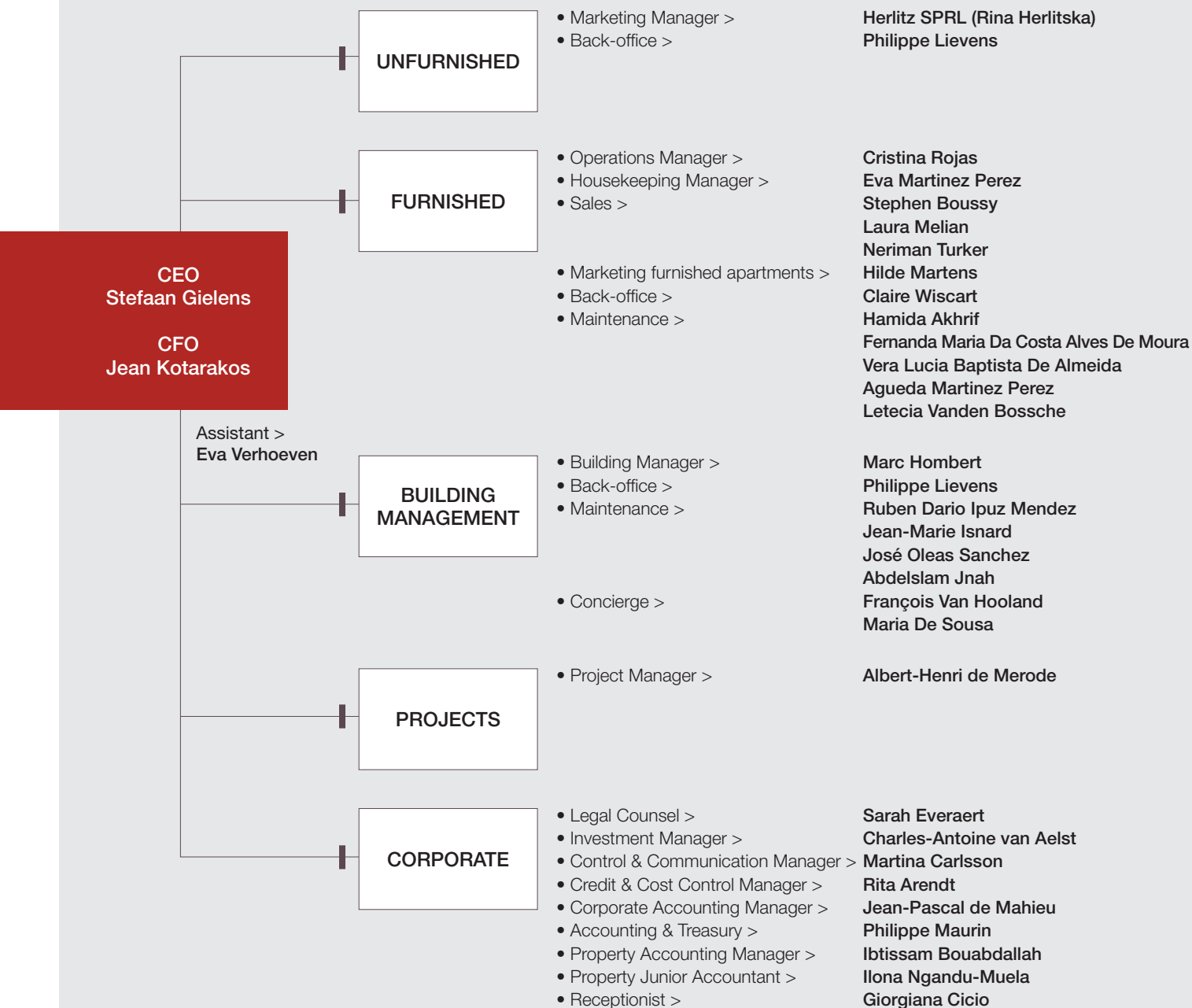
98 %

3.11 Property portfolio in value insured

Aedifica's investment properties are insured for a total value of €565 million (including furniture for the furnished apartments, and excluding lands), i.e. €129 million for the unfurnished apartment buildings, €61 million for the furnished apartment buildings, €300 million for senior housing and €75 million for hotels and other.

4. Management team

4.1 Aedifica's organisational chart



4.2 Building management

For the technical management of its unfurnished apartment buildings (as well as the Royale 35 and Bara 124-126 buildings), Aedifica employs external service providers to act as asset managers. These service providers are regularly monitored by Aedifica's Building Manager to ensure that their duties are performed and quality standards maintained. Moreover, the building manager supervises a team of 4 workers, who interfere in repair and daily renovation of the buildings.

For some of these unfurnished apartment buildings, Aedifica employs the same external service providers to perform administrative and accounting management functions. Administrative and accounting was internalised for the furnished buildings management (as well as the Royale 35, Bara 124-126 and Villa Bois de la Pierre buildings) in the 2011/2012 financial year. Related tasks are now performed by Aedifica's Property Accounting Manager, with assistance from a staff accountant.

External managers are selected based on a competitive bidding process and on their reputation in the Belgian market. Contracts cover a period of 1 to 3 years and include the possibility of annual renewal.

In terms of managing risks, responsibilities are shared between Aedifica and its external property managers, who are selected based on their specific areas of expertise (retail, offices, residential, etc.).

Intermediaries are assigned responsibility for either (i) the full management of the buildings at the administrative level (including the call for the rents and indexations, provisions for charges, quarterly closing of expenses of the buildings' common area, tax recoveries, the budget for common area expenses, and for the tracking of the payments by tenants); and/or (ii) at the technical level (including the management acting in good faith of buildings' common area management, the follow-up and the implementation of maintenance and technical control contracts, management of claims under insurance, the assistance to when the tenants enter or leave the apartment), or (iii) technical management only in cases where Aedifica has internalised administrative and accounting management. 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 amounted to €0.1 million during 2012/2013 financial year, or 2% of the net rental income for the concerned buildings.

The current external building managers appointed by Aedifica are the following:

BNP PARIBAS REAL ESTATE PROPERTY MANAGEMENT BELGIUM SA

Boulevard Louis Schmidt 2 bte 3 - 1040 Brussels
For Complexe Louise 331-333.

O.P. MANAGEMENT SA

Avenue Emile De Mot 19 - 1000 Brussels
For Complexe Laeken - Pont Neuf 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 and rue Haute.

SOGESMAINT-CBRE SA

Boulevard Louis Schmidt 29 - 1040 Brussels
For the buildings Sablon and Résidence de Gerlache.

LEGRAND PRM SA

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

PIANISSIMMO

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

4.3 Commercial management

4.3.1 Unfurnished apartment buildings

Aedifica employs a Sales and Marketing Manager who is responsible for portfolio rentals and maintains direct contact with tenants and real estate agents.

4.3.2 Furnished apartment buildings

For the furnished apartments, Aedifica' team includes an Operations Manager who is assisted by a team of four persons: one assigned to marketing, one house-keeping manager, and five staff who deal with all aspects related to the rental, management and maintenance of the buildings.

Aedifica ensures with its staff the building management operated in furnished apartments for the following reasons:

- the risks are higher for furnished apartments than for unfurnished apartments due to the relatively short length of stay, thus effective and proactive supervision is required in order to minimise unoccupancies. In addition, having a direct relationship with its customer allows the Company to build customer loyalty among existing customers and to attract new prospects.
- flawless communication and a team spirit are required to improve coordination and the best possible client service.

Aedifica rents its apartments through three web sites that operate under commercial trademarks.

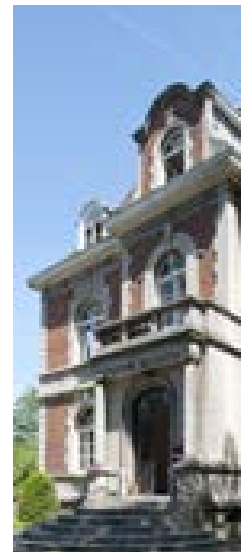
4.4 Senior housing and hotel management

Aedifica has invested in these segments under long-term contracts (mainly in the form of long leases) with specialised professional operators who assume responsibility for building maintenance. Aedifica is not responsible for the management of these buildings, however it monitors overall quality via ad hoc visits and through periodic portfolio evaluations.

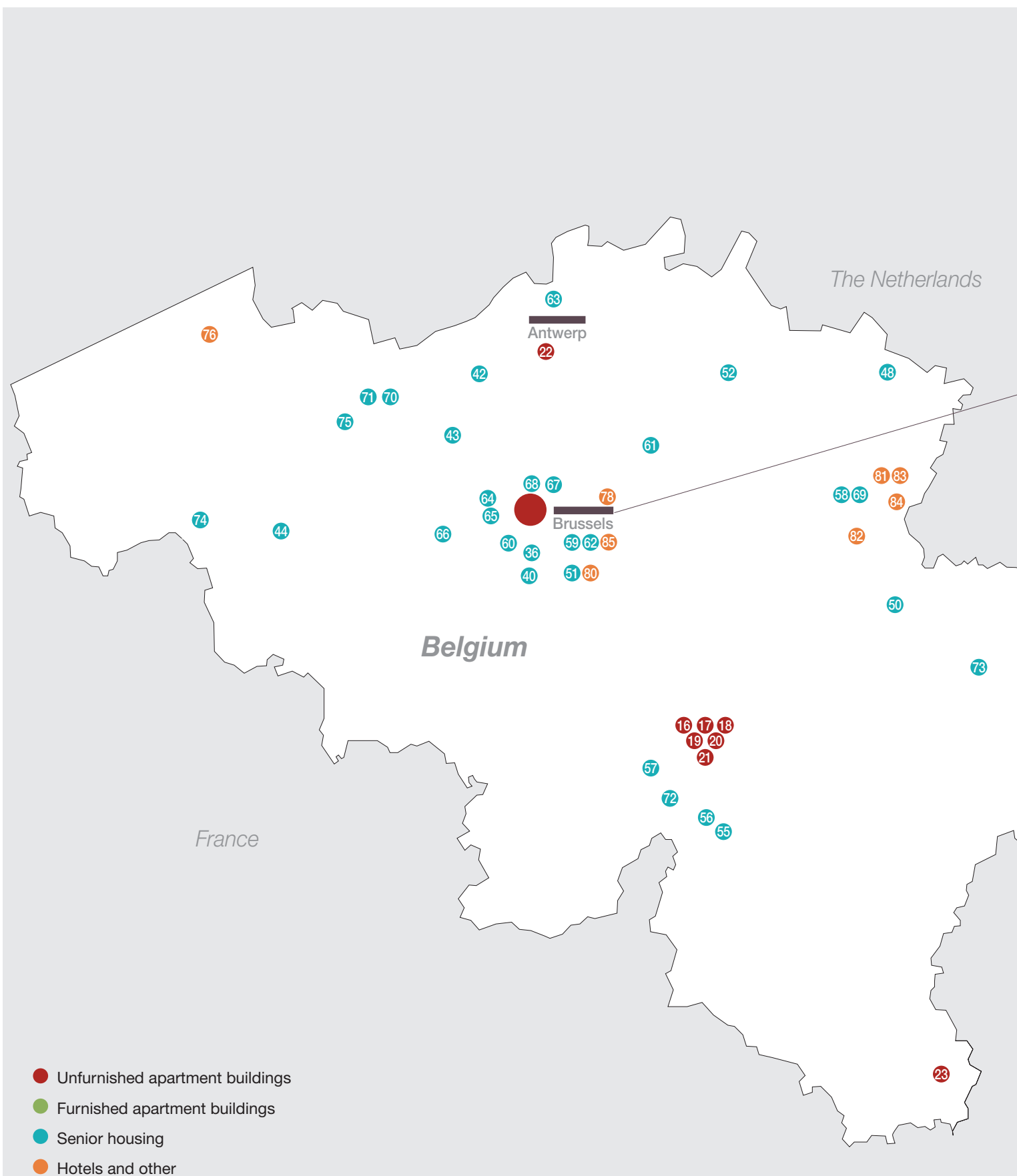
4.5 Project management

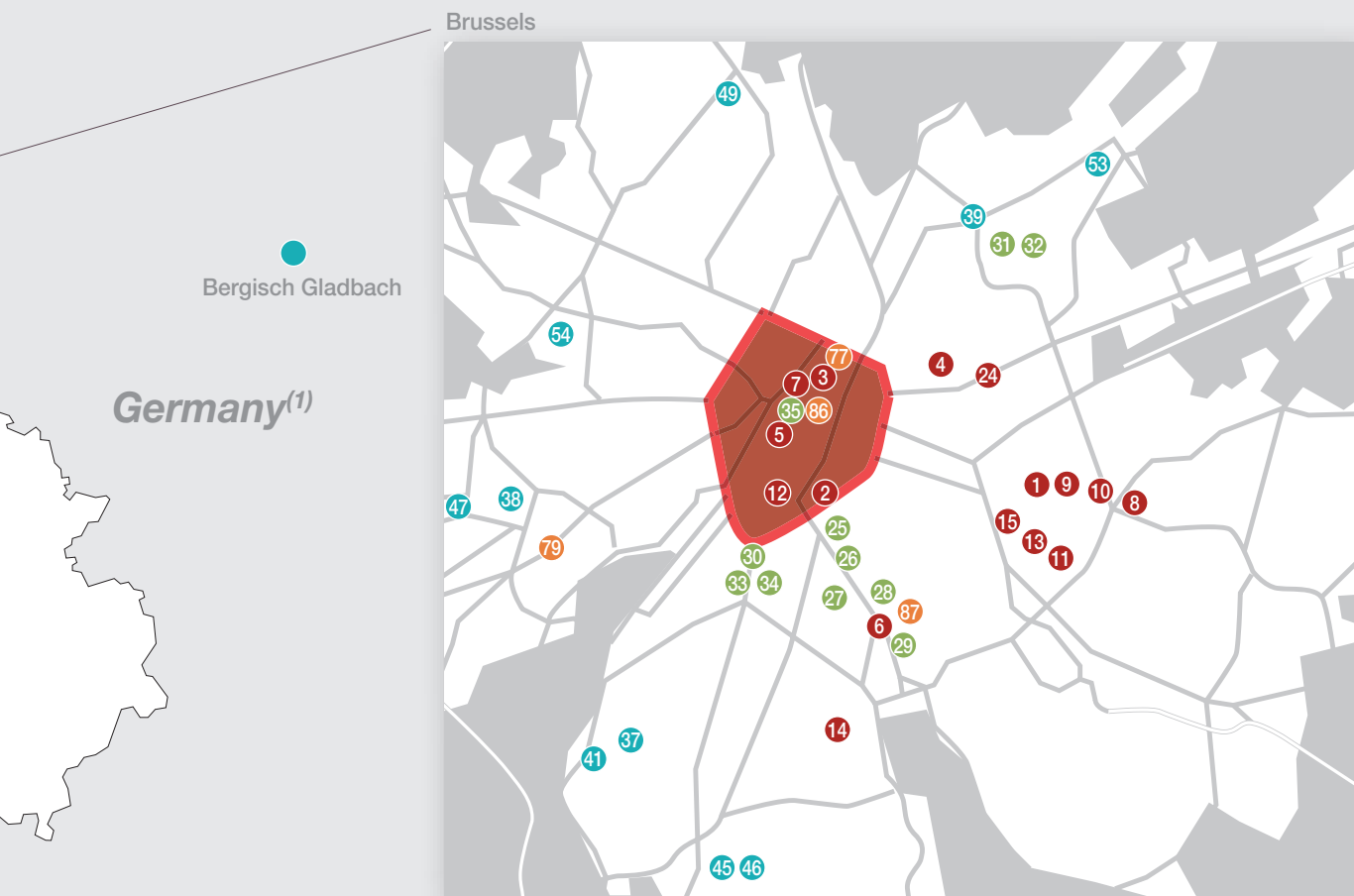
Aedifica employs an Architect-Engineer who is responsible for managing construction and renovation projects and ensuring satisfactory completion of the projects entrusted to specialised companies. In addition, the Project Manager organises technical due diligence for investments under consideration.

Koning Albert I



5. Investment property fact sheets





1. Since 1 August 2013, Aedifica's portfolio comprises a rest home in Bergisch Gladbach in North Rhine-Westphalia (Germany), near Cologne (see consolidated Board of Directors' report, section 2.1).

Luxembourg

Unfurnished apartment buildings

1 - Tervueren 13 A/B



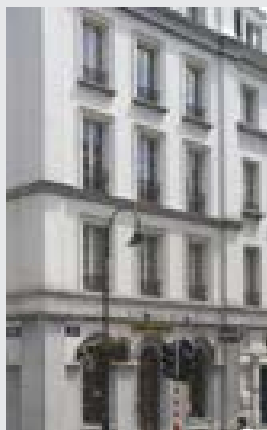
- Avenue de Tervueren 13 A/B
Avenue des Celtes 4-10
1040 Brussels
- Year of construction / renovation:
1990 - 1995
- Location: Building located close to the European district of Brussels, at the corner of avenue de Tervueren and avenue des Celtes.
- Description: The building comprises 3 apartments and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

2 - Sablon



- Rue Bodenbroeck 22-25 -
Rue de Ruysbroeck 63-67
1000 Brussels
- Year of construction / renovation:
2003 - 2004
- Location: Building ideally situated at the corner of the Grand Sablon area, a hype, central and shopping district in the centre of Brussels.
- Description: The building comprises 30 apartments spread over five levels and a commercial level.

3 - Complexe Laeken-Pont Neuf



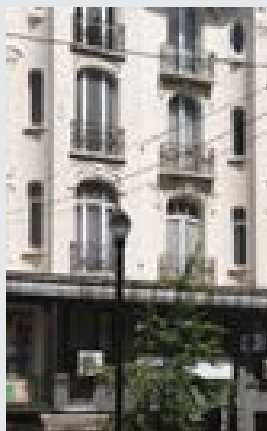
- Rue de Laeken 89-117-119-123-125 -
Rue du Cirque 25-29 - Rue du Pont
Neuf 3-3A - 1000 Brussels
- Year of construction / renovation: 1993
- Location: Benefitting from an impressive view of the Pont-Neuf gardens, the complex is situated in Brussels city-centre, close to the "place de Brouckère", the Flemish Royal Theatre, Grand-Place of Brussels, and the business centres located on boulevard Albert II.
- Description: The complex consists of several buildings and residential houses, designed by various European architects, and totaling 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 the Brussels "Grand-Place", on the corner of rue du Lombard et 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



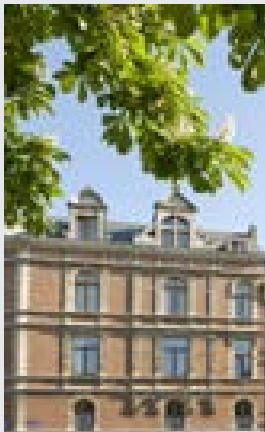
- Avenue Louise 331-333 -
Rue Jordaens 10 -
1050 Brussels
- Year of construction / renovation: 2000
- Location: Complex located between avenue Louise and rue Jordaens.
- Description: Mixed complex, which includes a building fronting on avenue Louise and comprising 5 apartments and office space spread over 9 levels, a central bloc (former stables) comprising 3 apartments, a multi-purpose space and offices, as well as a single-family home situated 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” of Brussels 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 the 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 the “place Saint-Pierre” and the 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 - 1995 (renovation) – 2012 (renovation in progress)
- Location: Building located along the upper part of rue Haute, near to the Sablon.
- Description: The building comprises 20 apartments spread over 5 levels, and a commercial ground floor.

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 Schuman train station.
- Description: This prestige building comprises 57 apartments spread over 7 floors, and a commercial ground floor.

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 park Montjoie and direct access 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 "Cinquantenaire" esplanade.
- Description: Houses divided in apartments, in 19th century Brussels' style in which Aedifica holds the numbers 237: 4 apartments and a concierge spread over 5 levels; 239/241: co-ownership in which Aedifica holds 9 apartments spread over 4 and 5 levels; 266: co-ownership in which Aedifica holds 3 apartments spread over 3 levels; and 272: 5 apartments spread over 4 levels.

16 - Edison



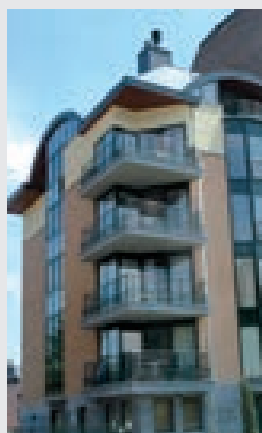
- Avenue Sergent Vriethoff 123-129 - 5000 Namur
- Year of construction / renovation: 1972 - 2004
- Location: Building located in the commune of Salzinnes, near to the centre of Namur.
- Description: Mixed building, which comprises 7 apartments and an office space, spread over 4 levels.

17 - Verlaine/Rimbaud/Baudelaire

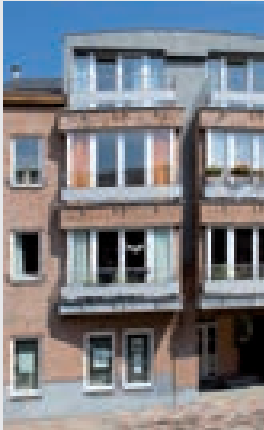


- Avenue Sergent Vriethoff 131-143 - 5000 Namur
- Year of construction / renovation: 1998
- Location: Building located in the commune of Salzinnes, near to the centre of Namur.
- Description: Mixed building, which comprises 21 apartments and an office space, spread over 5 levels.

18 - Ionesco



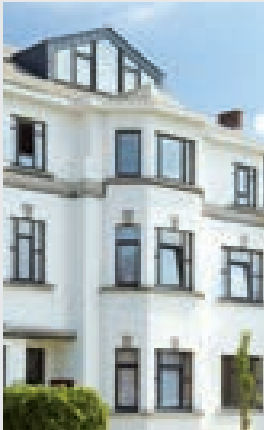
- Boulevard de la Meuse 81 - 5100 Jambes
- Year of construction / renovation: 2004
- Location: Building located in the commune of Salzinnes, near to the centre of Namur, a residential area near to the major axes.
- Description: The building comprises 10 apartments spread over 7 levels.

19 - Musset

- Rue Henri Bles 140 - 5000 Namur
- Year of construction / renovation: 2002
- Location: Building located in the commune 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

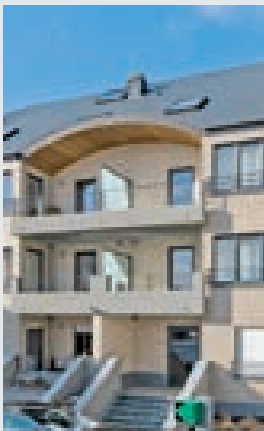
- Rue Capitaine Jomouton 30-32 - 5100 Jambes
- Year of construction / renovation: 2004 - 2005
- Location: Complex located in the commune of Jambes, South of Namur in a residential district near to the major axes.
- Description: 2 adjacent residential buildings of almost same configuration and finish,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

21 - Antares

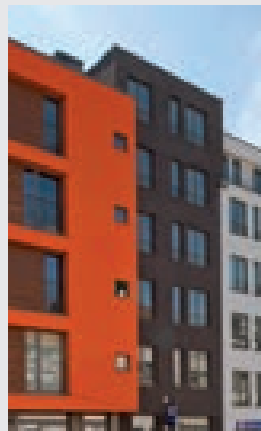
- Rue Champêtre 46 - 5100 Jambes
- Year of construction / renovation: 1956 - 1994
- Location: Building located in the commune of Jambes, South of Namur in a residential district near to the major axes.
- Description: Houses divided in apartments, comprising 7 apartments spread over 4 levels.

22 - Ring

- Plantin en Moretuslei 107-115 - 2018 Antwerpen
- Year of construction / renovation: 1993 - 1994 (renovation)
- 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 of Antwerp and the offices of Kevitplein.
- Description: Complex in 2 parts, where the 1st part comprises commercial spaces and a hotel, and the 2nd part is in co-ownership in which Aedifica holds 87 apartments.

23 - Résidence Gauguin et Manet

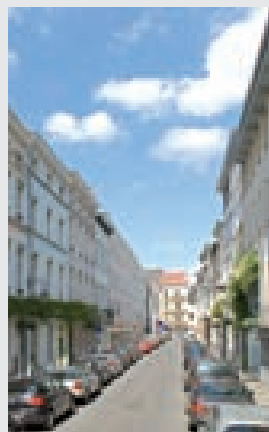
- Rue du Wäschbour 22-24 - 6700 Arlon
- Year of construction / renovation: 2007
- Location: Building located in a new subdivision, less than a kilometer from the centre of Arlon.
- Description: The building comprises 35 residential apartments spread over 2 blocs, holding each 4 levels above ground.

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.

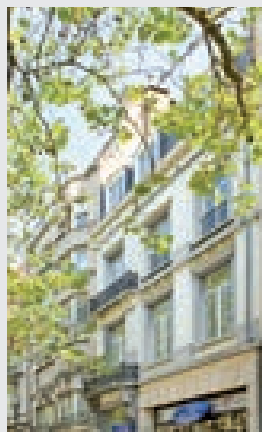
Furnished apartment buildings

25 - Ensemble Souveraine



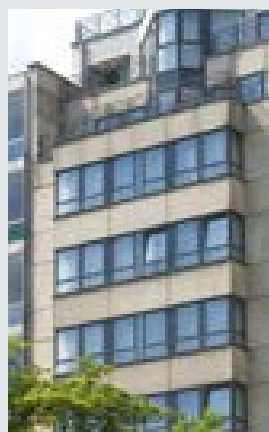
- Rue Souveraine 5, 21-35, 39-45 - 1050 Brussels
- Year of construction / renovation: 1985 to 1995 – 2011/2012 (partially renovated)
- Location: Lot of building located in a quiet street, perpendicular to the chaussée d'Ixelles and the avenue Louise.
- Description: Houses divided in apartments, the building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

26 - Louise 130



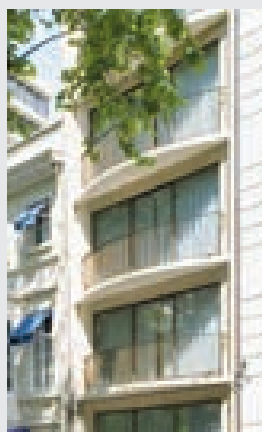
- Avenue Louise 130 - 1050 Brussels
- Year of construction / renovation: End of 19th century - 1996
- Location: Building located in a hype district, between the shops of the avenue Louise and the restaurants of the Châtelain district.
- Description: The building comprises 9 furnished apartments spread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

27 - Louise 135



- Avenue Louise 135 - 1050 Brussels
- Year of construction / renovation: 1996
- Location: Building located in a hype district, between the shops of the 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.

28 - Louise 270



- Avenue Louise 270 - 1050 Brussels
- Year of construction / renovation: 1996 – renovation of 10 apartments in 2012
- Location: Building located in a hype district, between the shops of the avenue Louise and the restaurants of the Châtelain district.
- Description: The building comprises 14 furnished apartments and a small ground-floor commercial.

29 - Vallée 48

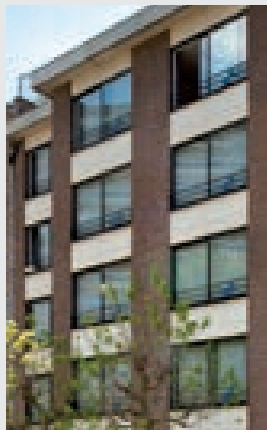


- Rue de la Vallée 48 - 1000 Brussels
- Year of construction / renovation: 1993
- Location: Building located in a nice and green area near to the avenue Louise, the Abbaye de la Cambre and the Place Flagey.
- Description: The building comprises 6 furnished apartments.

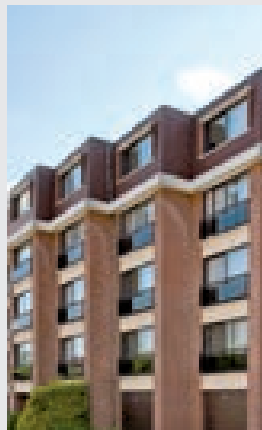
30 - Livourne 16-18



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

31 - Freesias

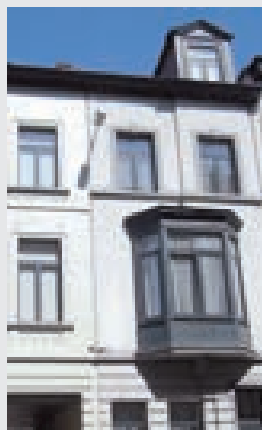
- Allée des Freesias 18 - 1030 Brussels
- Year of construction / renovation: 1990
- Location: Building located in the Flowers district in Schaerbeek, near to the NATO, the industrial zones of Diegem and the Zaventem Airport.
- Description: The building comprises 37 furnished apartments.

32 - Héliotropes

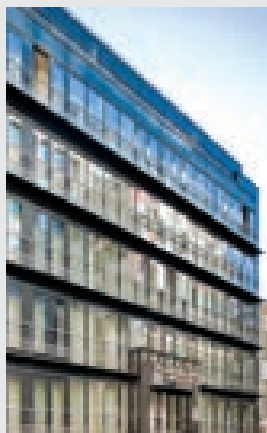
- Avenue des Héliotropes 35 - 1030 Brussels
- Year of construction / renovation: 1979
- Location: Building located in the Flowers district in Schaerbeek, near to the NATO, the industrial zones of Diegem and the Zaventem Airport.
- Description: The building comprises 25 furnished apartments.

33 - Livourne 20-24

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

34 - Livourne 14

- Rue de Livourne 14 - 1050 Brussels
- Year of construction / renovation: 2010
- Location: Building located between the Chaussée de Charleroi and the 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 situated at the heart of the Leopold Quarter, the premier business district in Brussels and next to the main European Union institutions.
- Description: The building comprises 23 furnished apartments and 1 ground-floor commercial space.

Senior housing

36 - 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.
- Description: Rest home spread over 5 levels operated by a private operator (a company of the group Orpea) managing the rest home (long lease of 30 years).

37 - New Philip



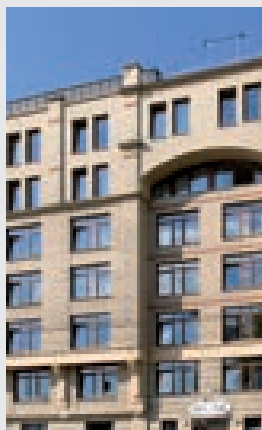
- Avenue Monte-Carlo 178 - 1190 Brussels
- Year of construction / renovation: 1999
- Location: "New Philip" is located between the avenue de Monte-Carlo, the roundabout Monaco and the Chaussée de Bruxelles.
- Description: Rest home spread over 5 levels operated by a private operator (a company of the group Orpea) managing the rest home (long lease of 30 years).

38 - Jardins de Provence



- Boulevard Sylvain Dupuis 94-96 - 1070 Brussels
- Year of construction / renovation: fin des années '90 - extension en 2007
- Location: "Jardins de Provence" is located in front of the boulevard Sylvain Dupuis, between rue A. Demunter and rue J. Morjeau, behind Anderlecht's stadium.
- Description: Rest home spread over 5 levels operated by a private operator (a company of the group Orpea) managing the rest home (long lease of 30 years).

39 - Bel Air



- Boulevard Lambermont 227 - 1030 Brussels
- Year of construction / renovation: 1997
- Location: "Bel Air" is located at the angle of boulevard Lambermont and Chaussée de Haecht with a lateral view over the park Josaphat, and in front of the Aropolis site.
- Description: Rest home spread over 10 levels operated by a private operator (a company of the group Orpea) managing the rest home (long lease of 30 years).

40 - 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'Alsemberg and near to the Chaussée Bara.
- Description: Rest home spread over 3 levels operated by a private operator (a company of the group Orpea) managing the rest home (long lease of 30 years).

41 - Résidence Augustin



- Chaussée d'Alsemberg 305 - 1190 Brussels
- Year of construction / renovation: 2006
- Location: "Résidence Augustin" is located at the angle of Chaussée d'Alsemberg and avenue Saint-Augustin, a few steps from the Altitude 100.
- Description: Rest home spread over 6 levels operated by a private operator (a company of the group Orpea) managing the rest home (finance lease of 15 years).

42 - Ennea

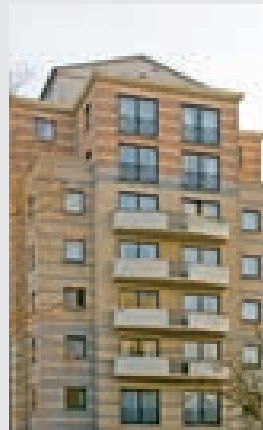
- Lepelhoekstraat 19 - 9100 Sint-Niklaas
- Year of construction / renovation: 1997
- Location: "Ennea" is located in the city of "Sint-Niklaas", along the "Lepelhoekstraat", in a residential area.
- Description: Rest home spread over 4 levels operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years).

43 - Kasteelhof

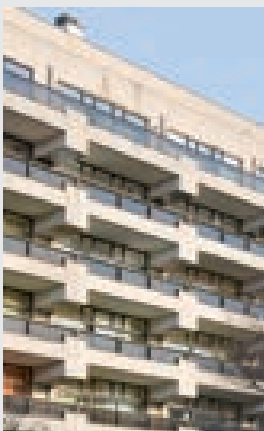
- Steenweg van Aalst 110 - 9200 Dendermonde
- Year of construction / renovation: 1994
- Location: "Kasteelhof" is located in the city of Dendermonde, along the Steenweg van Aalst, between the Kerkhofweg and the Denderstraat.
- Description: Rest home spread over 3 levels operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years).

44 - Wielant

- Schellebellestraat 8 - 8570 Anzegem/Ingooigem
- Year of construction / renovation: 1997 - 2001
- Location: "Wielant" is located in a green area in the commune of Ingooigem (Anzegem).
- Description: Rest home spread over 3 levels operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years).

45 - 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 commune of Uccle.
- Description: Rest home spread over 9 levels a private operator (a company of the group Orpea) managing the rest home (long lease of 36 years).

46 - 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 commune of Uccle.
- Description: Rest home spread over 9 levels a private operator (a company of the group Orpea) managing the rest home (long lease of 36 years).

47 - Résidence du Golf

- Rue du Sillon 119-121 - 1070 Brussels
- Year of construction / renovation: 1997 - 2001
- Location: "Résidence du Golf" is located in the commune of Anderlecht.
- Description: Rest home spread over 7 levels operated by a private operator (a company of the group Orpea) managing the rest home (long lease of 27 years).

48 - Résidence Boneput



- Boneputstraat 5 - 3960 Bree
- Year of construction / renovation: 1994 - 1999
- Location: "Résidence Boneput" is located in a green area in the commune of Bree and not far from the centre.
- Description: Rest home spread over 4 levels operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years).

49 - 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 the Parc de la Jeunesse and the Square Léopold, at about 300 metres from the hospital Brugmann.
- Description: Rest home spread over 6 levels operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years). An extension project is in progress.

50 - Résidence l'Air du Temps



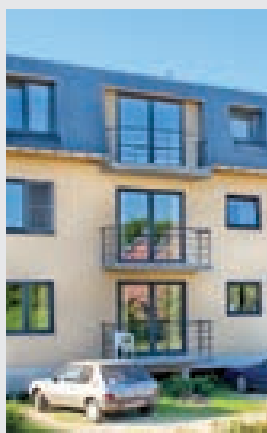
- Rue des Haisses 60 - 4032 Chênée
- Year of construction / renovation: 1997 - 2008
- Location: This residence is perched on a hill, in the middle of nature, and that despite its proximity to the city of Liège.
- Description: Rest home spread over 3 levels operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years). An extension project is being studied.

51 - Au Bon Vieux Temps



- Rue de Corbais 14 - 1435 Mont-Saint-Guibert
- Year of construction / renovation: 1988 - 2006
- Location: This residence is located 100 metres from the train station and 500 metres from the centre of the village.
- Description: Rest home spread over 4 levels operated by private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years). An extension project is being studied.

52 - Op Haanven



- Oude Geelsebaan 33 - 2431 Veerle-Laakdal
- Year of construction / renovation: 1988 - 2005
- Location: "Op Haanven" is located in the centre of the commune of Veerle-Laakdal.
- Description: Rest home spread over 3 levels operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years). An extension and renovation project is being studied.

53 - Résidence Exclusiv



- Rue Jean-Baptiste Desmeth 50 - 1140 Brussels
- Year of construction / renovation: 1993 - extension in 2012
- Location: This residence is located near the Square s. Hashemi in Evere.
- Description: Rest home spread over 5 levels operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years).

54 - Séniorie Mélopée

- Rue de la Mélopée 50 - 1080 Brussels
- Year of construction / renovation: 1993 – 1994 – extension in 2010
- Location: This residence is located in the centre of the commune of Molenbeek-Saint-Jean.
- Description: Rest home spread over 5 levels operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years).

55 - 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.
- Description: Building spread over 2 levels assigned to permanent housing for persons with a mental disability and operated by a private operator (Le Carrosse) managing the rest home (long lease of 27 years).

56 - Les Charmes en Famenne

- Rue du Tchaurnia 32 - 5560 Houyet (Mesnil-Saint-Blaise)
- Year of construction / renovation: 1982
- Location: Located in a green and rural area.
- Description: The entire rest home has been transferred to a private operator (a company of the group Armonea) managing the rest home (long lease of 27 years).

57 - Seniorerie La Pairelle

- Chaussée de Dinant 708-710 - 5100 Wépion
- Year of construction / renovation: 2012
- Location: The “Seniorerie La Pairelle” is located in Wépion, on the banks of the Meuse River, less than a kilometer from the city centre.
- Description: Rest home spread over 4 levels operated by a private operator (a company of the group Armonea) managing the rest home (long lease of 27 years). A renovation and extension project is in progress. Phase I of the project was completed on 26 January 2012.

58 - Résidence Gaerveld

- Kramerslaan - 3500 Hasselt
- Year of construction / renovation: 2008 – 2009
- Location: The “Résidence Gaerveld” is a new building located near the city centre of Hasselt.
- Description: Assisted-living apartment spread over 3 levels operated by a private operator (a company of the group Armonea) managing the assisted-living apartment (long lease of 27 years).

59 - Résidence du Plateau

- Chaussée d'Ottembourg 221 - 1300 Wavre
- Year of construction / renovation: 1994 – 2001 - 2007
- Location: This residence is located in Wavre.
- Description: The entire rest home has been transferred to a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years).

60 - Seniorie de Maretak



- Ziekenhuis 10 - 1500 Halle
- Year of construction / renovation: 2007
- Location: This rest home is located in Halle, next to the regional hospital St-Maria.
- Description: The entire rest home has been transferred to a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years).

61 - De Edelweis



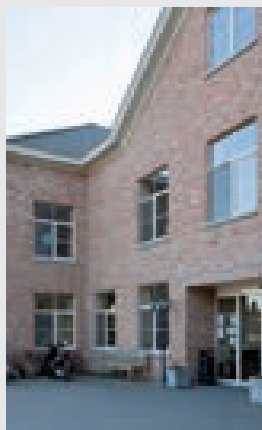
- Liersesteenweg 165-171 - 3130 Begijnendijk
- Year of construction / renovation: 1993 - 2003
- Location: This rest home is located in Begijnendijk (Flemish Brabant).
- Description: The entire rest home has been transferred to a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years). An extension project is in progress.

62 - Bois de la Pierre



- Venelle du Bois de la Pierre 20 - 1300 Wavre
- Year of construction / renovation: 1955 - 1987 - extension in 2012
- Location: This residence is located in Wavre.
- Description: The entire rest home has been transferred to a private operator (Pierre Invest SA) managing the rest home (long lease of 27 years).

63 - Buitenhof



- Papestraat 24 - 2930 Brasschaat
- Year of construction / renovation: 2005 - 2008
- Location: This rest home is located in a green zone around Brasschaat in Antwerp.
- Description: The entire rest home has been transferred to a private operator (Buitenhof ASBL) managing the rest home (long lease of 27 years).

64 - Klein Veldeken

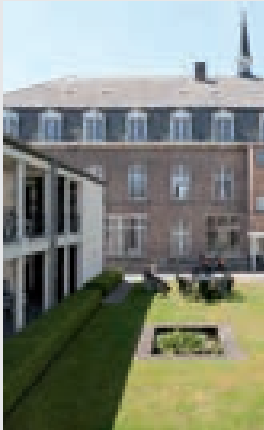


- Klein Veldeken 12A - 1730 Asse
- Year of construction / renovation: 1996
- Location: This residence is located in a green zone around Asse in the Flemish Brabant.
- Description: The entire assisted-living apartment has been transferred to a private operator (a company of the group Soprim@) managing the assisted-living apartment (long lease of 27 years). An extension project is in progress.

65 - Koning Albert I



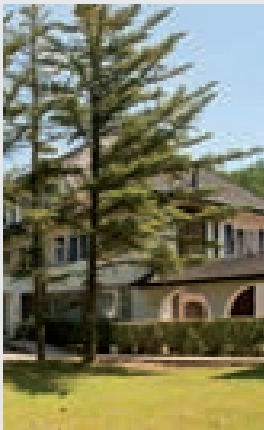
- Keperenberg 36 - 1700 Dilbeek
- Year of construction / renovation: 1972
- Location: This residence is located in a park of 3 hectares in Dilbeek (Flemish Brabant).
- Description: The entire rest home has been transferred to a private operator (a company of the group Soprim@) managing the rest home (long lease of 27 years). A renovation and extension project is in progress.

66 - Eyckenborch

- Bronnenweg 2 - 1755 Gooik
- Year of construction / renovation: 1993/1994 - 2003/2004
- Location: This residence is located in the centre of Gooik (Flemish Brabant).
- Description: The entire rest home has been transferred to a private operator (a company of the group Soprim@) managing the rest home (long lease of 27 years). A renovation and extension project is in progress.

67 - Rietdijk

- Bolwerkstraat 7 - 1800 Vilvoorde
- Year of construction / renovation: 1996
- Location: This residence is located in the centre of Vilvoorde (Flemish Brabant).
- Description: The entire rest home has been transferred to a private operator (a company of the group Soprim@) managing the rest home (long lease of 27 years).

68 - Marie-Louise

- Zijp 157 - 1780 Wemmel
- Year of construction / renovation: 1960 -1970
- Location: This residence is located in a residential area in Wemmel (Flemish Brabant).
- Description: The entire rest home has been transferred to a private operator (a company of the group Soprim@) managing the rest home (long lease of 27 years). An extension and renovation project is being studied.

69 - 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.
- Description: The entire rest home has been transferred to a private operator (a company of the group Armonea) managing the rest home (long lease of 27 years).

70 - Larenschhof

- Schoolstraat 11-13-15 en Achterstraat 27, 35-37 - 9270 Laarne
- Year of construction / renovation: 2011 - 2012
- Location: "Larenschhof" is located in a residential area in Laarne.
- Description: The rest home is a set of several buildings (including one in co-ownership) comprising housing units spread over 2 levels. The part of the site owned by Aedifica has been transferred to a private operator (a company of the group Armonea) managing the housing units (long lease of 30 years). An extension project is in progress.

71 - 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.
- Description: The entire rest home has been transferred to a private operator (a company of the group Armonea) managing the rest home (long lease of 30 years).

72 - Pont d'Amour



- Rue Pont d'Amour 58 - 5500 Dinant
- Year of construction / renovation: 2012
- Location: "Pont d'Amour" is situated close to the citadel and historical centre of Dinant.
- Description: The entire rest home has been transferred to a private operator (a company of the group Armonea) managing the rest home (long lease of 27 years). An extension project is being studied.

73 - 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.
- Description: Rest home is operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years). An extension project is being studied.

74 - 't Hoge



- 't Hoge 55-57 - 8500 Kortrijk
- Year of construction / renovation: 1983 - 1994
- Location: "'t Hoge" is situated in a residential area, nearby the AZ Groeninge hospital, Kennedylaan and the university campus KULAK.
- Description: Rest home is operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years). An extension project is in progress.

75 - Helianthus



- Brusselsesteenweg 322 - 9090 Melle
- Year of construction / renovation: 1998 - 2007
- Location: "Helianthus" is situated in a private park of 1 ha, in a residential area in front of the Paters Jozefieten College.
- Description: Rest home is operated by a private operator (a company of the group Senior Living Group) managing the rest home (long lease of 27 years). An extension project is being studied with the operator of the rest home.

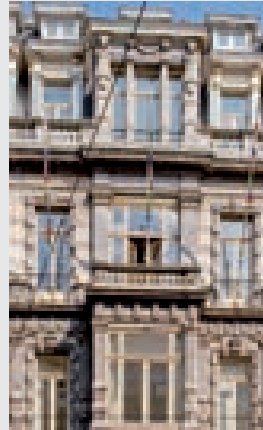
Hotels and other

76 - Hotel Martin's Brugge



- Oude Burg 5 - 8000 Bruges
- Year of construction / renovation: 2005 - 2009
- Location: 3 star hotel located in the heart of the Vieux Brugge, near to the Beffroi and the historical city.
- Description: The hotel comprises 178 rooms (after integration of De Tassche Hotel, acquired in July 2008) and 8 seminar rooms, consisting of a central body and 3 annexed buildings equipped for the hotel industry. The entire complex has been transferred to the operator "Martin's Hotels Group" managing the hotel (long lease of 27 years, with an extension option, in respect of both to the lessor as to the lessee).

77 - Royale 35



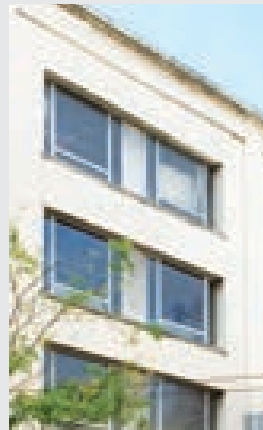
- Rue Royale 35 - 1000 Brussels
- Year of construction / renovation: 1985
- Location: Building located near to the boulevard du Botanique, which form the belt of Brussels.
- Description: The office building is spread over 6 levels with a ground-floor commercial and a rear annex building.

78 - Martin's Klooster



- Onze-Lieve-Vrouwstraat 18 - 3000 Louvain
- Year of construction / renovation: 2003 - 2012
- Location: 4 star hotel located at the heart of the historic centre of Louvain ("Île de la Dyle").
- Description: The hotel comprises 103 rooms and suites. The hotel also includes a new conference centre, a lounge bar, a new reception lobby, an orangery for events. The entire complex has been transferred to the operator "Martin's Hotels Group" managing the hotel (long lease of 36 years).

79 - Bara 124-126



- Rue Bara 124-126 - 1070 Brussels
- Year of construction / renovation : 1963
- Location: Building located in the triangle district in Anderlecht, between the Chaussée de Mons and the Midi train station.
- Description: The semi-industrial building used as office, exhibition and storage room purpose, spread over 5 levels.

80 - Corbais 18



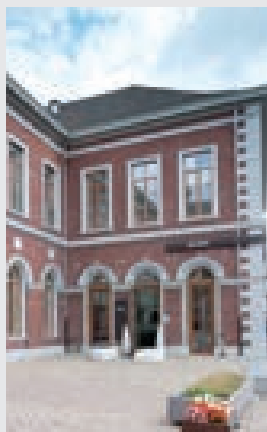
- Rue de Corbais 18 - 1435 Mont-Saint-Guibert
- Year of construction / renovation: -
- Location: Adjacent villa to the rest home Au Bon Vieux Temps.
- Description: Corbais 18 is a villa located on a vacant land of 26.5 ares, adjacent to the rest home Au Bon Vieux Temps. The site is intended to be integrated into the rest home Au Bon Vieux Temps.

81 - Carbon



- Europalaan 38 - 3600 Genk
- Year of construction / renovation: 2008
- Location: Design 4 star hotel located in the heart of Genk.
- Description: The hotel comprises 60 rooms and suites, a restaurant and one of the most beautiful Spa of Belgium. The entire complex has been transferred to the operator "Different Hotel Group" managing the hotel (long lease of 27 years).

82 - Eburon



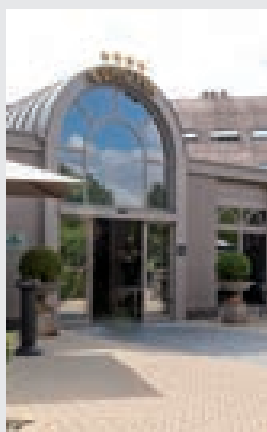
- De Schiervelstraat 10 - 3700 Tongeren
- Year of construction / renovation: 2008
- Location: Design 4 star hotel located at the heart of the historical city of Tongres.
- Description: The hotel comprises 52 rooms and suites. The entire complex has been transferred to the operator "Different Hotel Group" managing the hotel (long lease of 27 years).

83 - 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" managing the hotel (long lease of 27 years).

84 - Eurotel



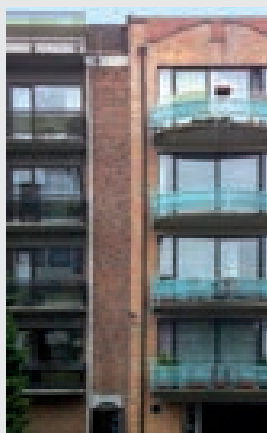
- Koning Albertlaan 269 - 3620 Lanaken
- Year of construction / renovation: 1987 - 2007 - 2010
- Location: 4 star hotel located in Lanaken, near to the centre of Maastricht.
- Description: The hotel comprises 79 rooms, all recently renovated, a restaurant, spa and sport centre. The entire complex has been transferred to the operator "Different Hotel Group" managing the hotel (long lease of 27 years).

85 - 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 rest home Villa Bois de la Pierre.
- Description: The Villa Bois de la Pierre is located next to the rest home Bois de la Pierre. The villa counts 4 apartments and office spaces.

86 - Duysburgh



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

87 - Résidence du Lac



- Between avenue Louise, rue Vilain XIII and rue du Lac - 1050 Brussels
- Year of construction / renovation: -
- Location: plot of land located between avenue Louise, rue Vilain XIII and rue du Lac.
- Description: The plot of land is situated in a district side, near avenue Louise, Etangs d'Ixelles and Abbaye de la Cambre. A residential project is being studied on the plot of land, currently rented.

6. Experts' report¹

Gentlemen,

We are pleased to send you our estimate of the value of the investment properties of Aedifica as at 30 June 2013.

Aedifica assigned to the experts the task of determining the investment value and the fair value of its portfolio of investment properties. Assessments are established taking into account the remarks and definitions contained in the reports and the guidelines of the International Valuation Standards issued by the "IVSC".

We have acted as independent experts. The experts have a relevant and recognised qualification and have an ongoing experience for the location and the type of buildings assessed.

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 to a specific transaction, such as brokerage fees or advertising. Assessments are based on the inspection of real estate properties, information provided by the applicants, i.e. rental status and surface area, sketches or plans, rental charges and property taxes related to the property, compliance and pollution matters. The information provided was considered as accurate and complete. Assessments are made under the assumption that no not-communited piece of information is likely to affect the value of the property.

The fair value of the portfolio amounted to €642,843,783 as of 30 June 2013, including €614,210,800 for marketable investment properties. Contractual rents amounted to €37,368,988 which corresponds to an initial rental yield of 6.08%² 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 €38,235,408, i.e. an initial rental yield of 6.23%³ compared to the fair value of marketable investment properties.

In the context of a reporting compliant with the International Financial Reporting Standards, our evaluations reflect the fair value:

- The fair value defined by IAS 40 is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The "IVSC" considers that these conditions are met if the definition of the market value is respected. The market value must also reflect the current lease contracts, the current cash flow and reasonable assumptions about potential income rentals and costs.
- In this context the transfer costs require adaptation to the market costs. Based on the analysis of a large number of transactions, the experts acting at the request of publicly traded real estate companies, reunited in a working group, came to the following conclusion: the "fiscal engineering" which is largely used in various forms (also totally legal), implies that the impact of transfer costs on major investment properties, whose value exceed €2.5 million, is limited to 2.5%. The investment value corresponds therefore to the fair value plus 2.5% of transfer costs. The fair value is then calculated by dividing the investment value by 1.025. Elements below the threshold of €2.5 million remain subject to usual transfer taxes. Their fair value corresponds thus to the value excluding transfer taxes which takes into account the current leases. In this specific case, for residential units, the fair value reflects the potential capital gain if sold per apartment.

Patrizia Tortolani, MRICS, de Crombrughe & Partners SA, 28 August 2013

Céline Janssens, MRE, MRICS and Katrien Van Grieken, MRE, Stadim CVBA, 29 August 2013

€643 M
fair value
of the portfolio

1. The expert report was reproduced with the agreement of Crombrughe & Partners SA and Stadim CVBA.
2. 6.05% compared to the fair value of marketable investment properties increased by the goodwill on furnished apartments and furnishings.
3. 6.19% compared to the fair value of marketable investment properties increased by the goodwill on furnished apartments and furnishings.

Aedifica in the stock market

—
Martin's Klooster





€47.50

share price at the end
of the financial year

88 %

free float

9,874,985

total number of shares listed

€470 M

market capitalisation at the
end of the financial year

MARTIN'S KLOOSTER

18

€37.00

subscription
price during the
capital increase of
7 December 2012

€47.50

share price on
28 June 2013

As a Belgian REIT (real estate investment company), Aedifica provides the investor an alternative to direct investment in residential real estate.

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 stable and recurrent dividends.

According to the "Belgian REIT Overview", published each month by Bank Degroof, Aedifica is currently the 5th Belgian REIT in terms of the fair value of its investment property portfolio (5th in 30 June 2012). With an average daily volume of €570 thousand over the last 12 months, Aedifica also holds 4th place in terms of the average volume traded on the stock market (30 June 2012: 4th place with an average daily volume of €230 thousand).

1. Stock price and volume

Aedifica's stock price (AED) has been quoted on the NYSE Euronext Brussels continuous market since 23 October 2006. On 7 December 2012, Aedifica successfully completed its second capital increase, in cash and with preferential right, to raise a gross amount of €99.8 million. In this context, Aedifica issued 2,697,777 new shares at an issue price of €37.00 per share.

Recall that on 15 October 2010, Aedifica successfully completed its first capital increase, in cash and with preferential right, to raise a gross amount of €67 million. In this offering, Aedifica had issued 2,013,334 new shares at a subscription price of €33.45 per share.

On 28 June 2013, Aedifica was registered in the Bel Real Inv. Trusts (formerly known as Bel Real Estate) index with a weighting of 7.54% and in the Bel Mid Index¹ with a weighting of 3.79%.

The stock price as of 28 June 2013 (€47.50), Aedifica shares show:

- a 13.4% premium as compared to the net asset value per share excluding IAS 39, based on the fair value of the property portfolio;
- a 23.1% premium as compared to the net asset value per share including IAS 39, based on the fair value of the property portfolio.

The abovementioned estimated premiums do not take into account the detachment of coupon No. 10 in November 2012, which will be paid in November 2013.

Aedifica's stock price increased by 27.8% between the date of the IPO (after deduction of the coupons attached to preferential rights issued as part of the 15 October 2010 and 7 December 2012 capital increases) and 28 June 2013. This increase shows a very favourable contrast as compared to the Bel Mid Index and EPRA Europe indices², which fell by 11.2% and 45.3%, respectively, over the same period.

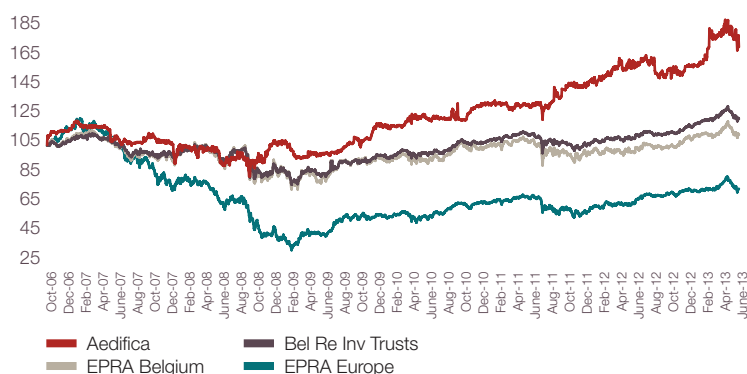
On 30 August 2013, Aedifica shares closed at a unit price of €48.25, which represents:

- a 15.2% premium as compared to the net asset value per share excluding IAS 39, based on the fair value of the property portfolio;
- a 25.0% premium as compared to the net asset value per share including IAS 39, based on the fair value of the property portfolio.

The abovementioned estimated premiums do not take into account the detachment of coupon No. 10 in November 2012, which will be paid in November 2013.

Between the date of the IPO (after deduction of the coupons which represented the preferential rights issued as part of the 15 October 2010 and 7 December 2012 capital increases) and 30 August 2013, Aedifica's stock price increased by 29.8%. This increase shows a very favourable contrast as compared to the Bel Mid Index and EPRA Europe indexes, which fell by 11.3% and 44.9%, respectively, over the same period.

Comparison – indices in total return
From 23 October 2006 (IPO) to 28 June 2013



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 EPRA indice, refer to EPRA's web site (www.EPRA.com).

2. Dividend policy

As a Belgian REIT, 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 dividend for 2012/2013 financial year amounts to €1.86 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) 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 2012/2013 financial year will be paid as from 4 November 2013.

As residential REIT, 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.

	30 June 2013	30 June 2012
Aedifica share		
Share price at closing (in €)	47.50	48.50
Net asset value per share (based on fair value) after deduction of the dividend 2011/2012 excl. IAS 39 (in €)	41.87	40.38
Premium (+)/(-) Discount (based on fair value) excl. impact IAS 39	13.4 %	20.1 %
Net asset value per share (based on fair value) before deduction of the dividend 2011/2012 incl. IAS 39 (in €)	38.59	35.44
Premium (+)/(-) Discount (based on fair value) incl. impact IAS 39	23.1 %	36.8 %
Market capitalisation	469,863,018	343,909,378
Free float ¹	88.17 %	88.17 %
Total number of shares listed	9,874,985	7,090,915
Denominator for the calculation of the net asset value per share	9,902,998	7,175,730
Average daily volume	10,508	5,248
Velocity ²	30.5 %	19.1 %
Dividend per share (in €) ³	1.86	1.86
Dividend gross yield ⁴	3.9 %	3.8 %

1. Percentage 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. 2012/2013: Proposed dividend at the Annual General Meeting.

4. Gross dividend per share divided by the closing share price.

Number of shares

	30 June 2013	30 June 2012
Number of shares outstanding ¹	9,902,998	7,175,730
Total number of shares ²	9,903,690	7,177,208
Total number of shares on the stock market	9,874,985	7,090,915
Weighted average number of shares outstanding (IAS 33)	8,715,370	7,152,918
Number of dividend rights ³	8,715,339	7,153,096

1. After deduction of the treasury shares.

2. 28,705 shares will be traded after coupon detachment which will occur in October 2013.

3. Based on the prorata temporis rights to the dividend for the shares issued during the year.

88 %
free float

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 2013, based on the number of shares held by the shareholders concerned as of 15 October 2010). Declarations of transparency are available on Aedifica's web site. As of the date of this report (10 September 2013), the Company has not received any additional declarations of transparency after those received on 15 October 2010.

Shareholders

	In % of the capital
Jubeal Fondation	6.37 %
Wulfsdonck Investment SA (via Finasucre SA)	5.46 %
Free Float	88.17 %

New Philip





Résidence Augustin

Résidence du Plateau



4. Shareholder's calendar¹

Annual General Meeting 2013	25 October 2013
Dividend payment date - coupon related to the 2012/2013 financial year	
— Ex-date	30 October 2013
— Record date	1 November 2013
— Payment date	As from 4 November 2013
Interim statement	12 November 2013
Semi-annual financial report 31.12.2013	18 February 2014
Interim statement	13 May 2014
Annual press release	2 September 2014
Annual financial report 2013/2014	12 September 2014
Annual General Meeting 2014	24 October 2014
Dividend payment date – coupon related to the 2013/2014 financial year (“ex-date”)	29 October 2014

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

1. These dates are subject to change.

Corporate governance statement

—
Seniorerie La Pairelle





11 members
of the Board of Directors

5 independents
among the 11 Directors

3 committees
of the Board of Directors

36 %
mixed gender ratio among
the Board of Directors

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, except as regards the following two items (application of the "comply or explain" principle):

- Principle 2.9 of the 2009 Code: In view of the Company's current characteristics, the Board of Directors decided not to appoint a General Secretary.
- Principle 5.2 of the 2009 Code: the composition of the Audit Committee does not fully comply with appendix C of the 2009 Code, as explained below (see section 4.4.1).

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 30 March 2012.

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

Aedifica's Board of Directors is responsible for the Company's risk assessment and for monitoring the effectiveness of internal controls.

Aedifica's Executive Management is responsible for setting up an effective internal control environment and putting in place effective risk management practices.

"Aedifica acts in accordance with the principles of the 2009 Code on corporate governance published on 12 March 2009, while taking into consideration the Company's characteristics."

Jean-Louis Duplat,
Chairman of the
Board of Directors

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.

This framework is enhanced by:

- The Belgian Act of 3 August 2012 on undertakings for collective investments; and
- The Belgian Corporate Governance Code 2009.

Aedifica has 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 operates. This system is based on the internal control model called "COSO" ("Committee of Sponsoring Organizations of the Threadway Commission"). COSO is a well-known international organisation that stems from the private sector and whose 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.

2.2 Internal control environment

The main features of the internal control environment include:

- definition of the Company's objectives: "Aedifica aims to position itself as the market leader among listed Belgian residential real estate companies. At Aedifica, our objective is to create a balanced portfolio of primarily residential buildings, which generate stable and recurring revenues and offer strong potential for capital gains. We take advantage of underlying demographic trends, in particular population growth in Belgium's main cities and population ageing in Western Europe".
- definition of the respective roles of the governing bodies:
 - "Aedifica has a Board of Directors, an Audit Committee, a Nomination and Remuneration Committee and an Investment Committee whose tasks are detailed below".
 - In accordance with Art. 39 of the Belgian Act of 3 August 2012 related to certain undertakings for collective investments, the CEO and the CFO (collectively acting as the executive management

team or "Executive Management") are in charge of the daily management of the Company and for the joint representation of the Company in these activities. They report to the Board of Directors. Executive Management is responsible for setting up an effective internal control environment and putting in place effective risk management practices.

- definition of risk appetite: Aedifica acts in a conservative way, with a view to generate stable and recurring revenues.
- definition of ethical and integrity standards:
 - As regards ethics, Aedifica has developed a Charter of Ethics which formalises the preceding unwritten codes of conducts. This charter includes matters such as conflicts of interests, confidentiality, dealing codes, misappropriation of corporate assets, business gifts, and respect for others.
 - As regards integrity, Aedifica complies with legal provisions regarding conflicts of interests (see below).
- definition of measures taken to ensure adequate qualifications of:
 - the directors: given their experience (see below), the Directors are sufficiently qualified for their positions, particularly in respect of accounting, finance and remuneration policy.
 - Executive Management and personnel: the qualification of each person is ensured by the Company's recruitment processes. For each position, there is a defined profile, training programme, and a remuneration and assessment policy that is based on achievable and measurable targets. The remuneration policy was thoroughly analysed in 2009 by specialised consultants, with a follow-up performed in 2010. A further study of executive management remuneration was carried out in 2011.

2.3 Risk analysis

The Company has a risk map. The main risks are monitored by the Board of Directors every 6 months and disclosed in the annual and semi-annual financial reports. 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.

2.4 Control activities

- In accordance with the aforementioned Belgian Act of 3 August 2012, 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 its adequacy with the Company's Articles of Association and with the applicable regulations;
- Executive Management carries out an analysis of the deviation of actual figures against 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 at each Board of Directors meeting for key tenants (lessees holding long leases);
- The 4-eye principle is applied:
 - Contract signature: jointly by the CEO and the CFO (or, if not possible, jointly by two directors), 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 the CEO (or CFO);
 - 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, but also caps and collars);
 - Counterparty risk: Aedifica has working relationships with several leading banks to diversify its funding sources.

2.5 Information and communication

The Company's management information system provides complete and relevant information in a timely manner.

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.

The storage of computerised data is ensured by a service provider, working with Aedifica on the basis of a service-level agreement ("SLA").

All rental agreements are registered and contracts and other important documents, including notarial deeds, are stored outside the Company's headquarters.

2.6 Surveillance and monitoring

To ensure the effectiveness of the above components of COSO, Aedifica has put in place (since 2010/2011) a form of internal audit to review the Company's main processes on a rolling basis over a 3-year period. These activities are carried out by specialised consultants.

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.

**Mixed gender ratio
among the Board of
Directors**



Female
36%

Male
64%

4. Board of Directors and Committees

4.1 Current composition of the Board of Directors

The Company's directors are elected for a term of up to 3 years at the Annual General Meeting. They are revocable, and can be re-elected.

At the annual general meeting of 26 October 2012, the following positions were renewed for a 3-year term ending after the Annual General Meeting of 2015:

- Mr. Stefaan Gielens, executive director;
- Re-Invest SA, represented by Mrs. Brigitte Gouder de Beauregard, non-executive independent director, in accordance with Art. 526ter of the Belgian Companies Code; and
- Serdiser SCA, represented by Mr. Pierre Iserbyt, non-executive independent director, in accordance with Art. 526ter of the Belgian Companies Code.

As of 30 June 2013, Aedifica was directed by a board of 10 members, which includes the 4 independent directors (required under Art. 526ter of the Belgian Companies Code and Appendix A of the 2009 Code) listed below. In accordance with the decision taken by the extraordinary general meeting on 24 June 2013 and effective 1 July 2013, the Board of Directors comprises 11 members, 5 of whom are independent.

Moreover, gender diversity (required the Belgian Act of 28 July 2011) has already been achieved. The Board includes 4 women and 7 men, a gender diversity ratio of 36%, which is higher than the minimum ratio of one third set by law for financial years beginning on or after 1 July 2017.

Mr. Jean-Louis Duplat
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 SA – Chairman of the Fondation d'intérêt public Child Focus – Director of the réseau hospitalier CHIREC ASBL - Member of "Proxy-voting committee" Dexia Asset Management – Director of la société de droit luxembourgeoise SA Portolani – 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 of Brussels – Director of the fondation d'utilité publique Fondation Hypocrate CHIREC.



Jean-Louis Duplat



Stefaan Gielens

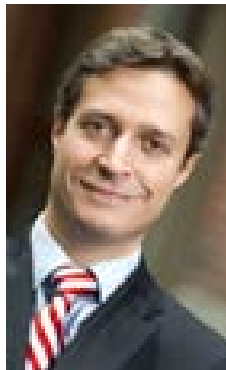
Mr. Stefaan Gielens, mrics
Managing Director - Chief Executive Officer - Executive Management

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 - Director of Aedifica Invest Brugge SA.
- 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 Almafina, whose offices as Managing Director of Almafina Real Estate SA and Director of Immolease-Trust SA – Member of the Brussels Bar.



Jean Kotarakos

Mr. Jean Kotarakos
Director – Chief Financial Officer
Executive Management

Belgian – 20.02.1973

331-333, avenue Louise

1050 Brussels

- Beginning of 1st office as Director: 3 June 2008
- Term of office: October 2013
- Other offices as director or current positions: CFO of Aedifica SA, Director of Aedifica Invest SA, Aedifica Invest Brugge SA.
- Offices as director in the past 5 years and professional career: Finance and Quality Manager SA D'leteren Lease NV – Head of Consolidation & Corporate Planning SA D'leteren NV - Auditor KPMG.

Mrs. Galila Barzilai Hollander
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: /



Galila Barzilai Hollander

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



Jacques Blanpain



Jean Franken



Brigitte Gouder de Beauregard

Mr. Jean Franken
Independent Director

Belgian - 2.10.1948
 30, avenue du Joli Mai
 1332 Genvai

- Beginning of 1st office as director: 1 July 2013
- Term of office: October 2016
- Other offices as director or current positions: Consultant in real estate investments.
- Offices as Director in the past 5 years and professional career: Director and member of the committee Direction of Cofinimmo, Managing Director of several investment and real estate developments companies of which Prifast SA and Igopex SA.

Re-Invest SA represented by Mrs. 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.
- Offices as director of the Company in the past 5 years: /
- Other offices as director or current positions as natural person: Director of l'ASBL Musée de l'Europe, Director of Orphee SA, Managing Director of REINVEST SA.

**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-Rénovation, Mons-Révitisation, Mons-Appui and of Charleroi Expo.
- 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: Chariman 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.



Pierre Iserbyt



Olivier Lippens



Sophie Maes



Adeline Simont

**Mr. Olivier Lippens
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 2013
- 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).

**Insumat SA represented by Mrs. Sophie Maes
Independent Director**

RPR 0437.119.216

9, Moutstraat
9000 Gand

- Beginning of 1st office as director: 18 May 2011 (cooption date of the Board of Directors, in replacement of Bevalex SA, represented by its permanent representative Mrs. Sophie Maes; the appointment of Insumat SA was approved by the Extraordinary General Meeting of 29 June 2011).
- Term of office: October 2014
- Other offices as director or current positions of the Company: Director of Alides Projects SA, Orelia SA, Building Hotel Maes SA, Investera SA and Investpool SA, ACS Technics SA, Alides SA, Espace Belliard SA, Fonsny SA, Gindac SA, Immo Spa SA, Krekelendries SA, R. Maes SA, Paestum SA.
- Offices as director of the Company in the past 5 years: /
- Other offices as director or current positions as natural person: CEO Group Maes, Ghent Industrial Investment SA, Aalterpaint SA, Advanced Computer Systems Technics SA, Investissement Leopold SA, Profin SPRL, Algemene Bouw Maes SA, MAPP SCI, Imco SCI, VOKA Vlaams Economisch Verbond VZW, BVS UPSI (Président Flandre), BNP Paribas Fortis (Comité de gestion), Insumat SA, Vlaams Overleg Voor Ruimtelijke ordening en huisvesting VZW, Building Hotel Maes SA.
- Other offices as director as natural person in the past 5 years and professional career: Director of Saturno SA, of Romano SA and of Bevalex SA, VOKA-Kamer van Koophandel Oost-Vlaanderen VZW, Messian SA, Espace Belliard SA, Alides SA, Fonsny SA, R. Maes SA, Alides Projects SA, Krekelendries SA, Immo Spa SA.

**Madame 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 2014
- 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, Bon Pasteur SA, Degroof Social Immo 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 - Several positions within Banque Degroof SA in the Corporate Finance & Investment Banking department and before in the department "Crédit".

4.2 Renewal of the offices proposed to the shareholders at the Ordinary General Meeting

The renewal of the offices of Mr. Jean Kotarakos and Mr. Olivier Lippens will be proposed to the shareholders at the upcoming annual general meeting of 25 October 2013. In case of election and after approval by the market authority (FSMA), they will continue to act as director for a new term ending in October 2016.

4.3 Activity report of the Board of Directors

During the 2012/2013 financial year, the Board of Directors met 11 times and covered the following items:

- Operating and financial reporting;
- Communication policy;
- Investment policy;
- Financing policy by debt and equity, namely in the framework of the 7 December 2012 capital increase;
- Analysis and approval of investment cases;
- Internal organisation of the Company;
- Organisation of the general meetings of shareholders;
- Reporting from the committees;
- Composition of the Board of Directors;
- Review and approval of the trading updates and of the annual and semi-annual financial reports;
- Review and approval of the yearly budget, the long-term financial plan and the short-term outlook;
- Approval of the special reports issued by the Board of Directors in relation to contributions in kind, mergers or de-mergers.

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. 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.

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.

The Board of Directors of Aedifica decided on 15 November 2010 to ask Mr. Olivier Lippens to join the Audit Committee. Since then, the Audit Committee consists of 4 directors, of which 2 are independent. The 2009 Code recommends that a majority of Audit Committee members be independent directors. The election of Mr. Olivier Lippens as a member of the Audit Committee is nonetheless considered as a positive event for the Committee and the Company, given his education and professional experience. Mr. Olivier Lippens has strong qualifications, namely in accounting, audit and finance matters. In addition, the Chairman of the Audit Committee is an independent director who will cast the deciding vote in the event of a tie. Thus, within the Audit Committee, the majority of the voting power is granted to the Committee's independent members. Audit Committee provides recommendations to the Board of Directors, but the decision power is located at the level of the Board of Directors.

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

The Audit Committee consists of 4 directors, including 2 independent Directors, namely:

- **Re-Invest SA, represented by Mrs. Brigitte Gouder de Beauregard**
Chairman of the Committee
Independent Director
- **Mr. Jean-Louis Duplat**
Independent Director
- **Mrs. Adeline Simont**
Director
- **Mr. Olivier Lippens**
Director representing the shareholders

During the 2012/2013 financial year, the audit committee met 4 times. The statutory auditor attended committee meetings on 2 occasions.

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 it carries out, meet the criteria set out in the law of 6 April 2010 inserting Art. 526quarter in the Belgian Companies Code. The Nomination and Remuneration Committee is made up of a majority of independent directors, as defined by Art. 526ter of the Belgian Companies Code, who are sufficiently qualified in respects of remuneration policy.

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 Mrs. Brigitte Gouder de Beauregard**
Independent Director
- **Mrs. Adeline Simont**
Director

During the 2012/2013 financial year, the Audit Committee met 2 times, to cover the following items:

- Composition of the Board of Directors;
- Assessment of the Executive Management and of the variable remuneration for the financial year ended 30 June 2012;

- Preparation of the remuneration report as of 30 June 2012;
- Review of Executive Management remuneration.

4.4.3 Investment Committee

The Investment Committee consists of Executive Management and of 5 other directors, including 3 independent directors and 2 directors representing the shareholders, namely:

- **Serdiser SCA represented by Mr. Pierre Iserbyt**
Chairman of the Committee
Independent Director
- **Re-Invest SA, represented by Mrs. Brigitte Gouder de Beauregard**
Independent Director
- **Insumat SA represented by Mrs. Sophie Maes**
Independent Director
- **Services et Promotion de Lasne SA represented by Mr. Jacques Blanpain**
Director representing the shareholders
- **Mr. Olivier Lippens (since the meeting of 6 May 2013)**
Director representing the shareholders
- **Mr. Stefaan Gielens**
CEO
- **Mr. Jean Kotarakos**
CFO

During the 2012/2013 financial year, the Investment Committee met 7 times to assess investment opportunities. In all, 48 cases were analysed. In addition, a number of communications were organised (by phone or by electronic means) when formal meetings were deemed unnecessary.

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

Name	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Investment Committee	Remuneration of the office (€)	Attendance fees (€)
Jean-Louis Duplat	9/11	4/4	-	-	13,600	10,850
Stefaan Gielens	11/11	-	-	7/7	-	-
Adeline Simont	10/11	3/4	2/2	-	11,330	12,500
Serdiser SCA represented by Pierre Iserbyt	9/11	-	2/2	7/7	11,330	14,850
Re-Invest represented by Brigitte Gouder de Beauregard	9/11	4/4	2/2	7/7	11,330	18,050
Services et Promotion de Lasne represented by Jacques Blanpain	5/11	-	-	5/7	11,330	8,250
Galila Barzilai Hollander	8/11	-	-	-	11,330	6,800
Jean Kotarakos	11/11	-	-	7/7	-	-
Insumat SA represented by Sophie Maes	10/11	-	-	7/7	11,330	14,100
Olivier Lippens	10/11	4/4	-	2/2	11,330	13,300
Total	-	-	-	-	92,910	98,700

4.6 Executive Management

4.6.1 Composition

The Board of Directors decided not to set up a Direction Committee as defined in the Belgian Companies Code. At 30 June 2013, Executive Management consists of Mr. Stefaan Gielens, CEO, and Mr. Jean Kotarakos, CFO.

In accordance with Art. 39 of the Belgian Act of 3 August 2012 on undertakings for collective investments, the CEO and the CFO are in charge of the daily management of the Company and for the joint representation of the Company in these activities. They report to the Board of Directors.

4.6.2 Remuneration

See Remuneration report in section 8 here 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 semi-annual financial reports.

The market authority need not be informed of the transactions listed in Art. 19 of the Royal Decree of 7 December 2010 on Belgian REITs. The Articles 523 and 524 of the Belgian Companies Code are always applicable, as is Art. 18 of the Royal Decree.

No conflict of interest on real estate transactions occurred during the course of the 2012/2013 financial year. The only occurrence of conflict of interest was the Executive Management remuneration, as detailed in section 12 of the consolidated Board of Directors' report included in this annual financial report.

5.2 Compliance Officer

In accordance with Appendix B of the 2009 Code, Mr. Jean Kotarakos, CFO, acts as the Company's Compliance Officer. In this regard, he 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 on the share of Aedifica

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 semi-annual 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 derivatives 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 contemplates any transaction on equity instruments or derivatives instruments linked to Aedifica 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 Executive Management. 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;
- 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 Executive Management. 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 Executive Management (as announced in the annual financial report 2008/2009 for the coming financial years) was approved at the 26 October 2012 Annual General Meeting of the Shareholders. Within this plan, the Executive Management has the right to definitively purchase Aedifica shares, thanks to a gross payment of €30,000 in favour of the CEO and CFO. The net payment of €13,939.71 (after deduction of personal withholding taxes) was used by them to acquire 393 shares each at a unit price of €35.47 (being the last known closing share price multiplied by a factor amounting to 100/120th, in accordance with comment 36/16 of the personal tax law). 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.

For the upcoming financial year, the Board of Directors will once again propose to the shareholders to approve a “long term incentive plan” under the same form previously used, with a gross value of €30,000 for each member of Executive Management, in accordance with principle 7.13 of the 2009 Code and with Art. 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 Law of 6 April 2010, applicable to Aedifica since the beginning of the 2010/2011 financial year.

8.1 Internal procedures

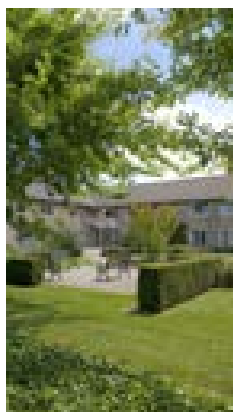
During the 2012/2013 financial year, the remuneration policy for non-executive directors and Executive Management were set out as follows:

- Non-executive directors: the continuity principle has been applied (as regards the composition of the remuneration);
- Executive Management: the Management agreements signed with the CEO and the CFO in 2006 and 2007, respectively, have been honoured. The foreseen contractual indexation were applicable. Additional agreements were signed on 3 September 2012 and 2 September 2013 with the CEO and CFO in order to clearly define criteria for the variable remuneration (see section 8.2 below), in accordance with Art. 13 of the law of 6 April 2010, which came into force for Aedifica on 1 July 2011.

During the same period, the actual remuneration of the non-executive directors and executive management was determined as follows:

- Non-executive directors: in accordance with the decisions taken by the shareholders 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 meeting of the committees. For the 2012/2013 financial year, the Board of Directors will collectively receive €191,610.
- Executive Management: the actual level of remuneration was determined based on the Management agreements signed in 2006 (CEO) and 2007 (CFO), on the additional agreements signed on 3 September 2012, on the criteria for the variable remuneration set out in section 12 of the consolidated Board of Directors' report. Recall that these remuneration packages were reviewed in 2009 and 2011 by specialised consultants.

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8.2 Executive Management Remuneration

The remuneration package of the Executive Managers consists of: fixed remuneration (arising from the Management agreements and the long term incentive plan), 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). The amounts are shown in the table below.

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:

Total remuneration for the year 2012/2013 (in €)

	Stefaan Gielens - CEO	Jean Kotarakos - CFO	Total
Fixed remuneration (management agreements)	324,214	228,412	552,626
Fixed remuneration ("long term incentive plan")	30,000	30,000	60,000
Variable remuneration	137,000	99,000	236,000
Pension scheme	46,445	29,644	76,089
Insurance premiums	5,285	4,532	9,817
Benefits in kind	6,053	6,030	12,083
Total	548,997	397,618	946,615

— The variable remuneration for the financial year 2012/2013 is a (gross) amount representing maximum 50% of the annual remuneration excluding sundry benefits and post-retirement benefits. The effective amount was determined by the Board of Directors, based on quantitative and qualitative criteria listed in the annual financial report of 2011/2012 as well as in the aforementioned additional agreements signed on 3 September 2012. Recall that the variable remuneration can only be paid if the actual profit excl. IAS 39 and IAS 40 per share is at least 80% of the budgeted amount. The criteria (and their weight) were as follows: profit excl. IAS 39 and IAS 40 per share (35%), growth of the property portfolio (35%), operating margin (10%), occupancy rates (10%), and team management (10%). The Board of Directors concluded on 2 September 2013 that the executive managers met the objectives and decided to grant as variable remuneration €137,000 for the CEO and €99,000 for the CFO.

— In respect of the financial year 2013/2014, the maximum variable remuneration will be raised to 50% of the annual remuneration excluding sundry benefits and post-retirement benefits. 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 budget. The effective amount will be determined by the Board of Directors based on quantitative and qualitative criteria: profit excl. IAS 39 and IAS 40 per share (25%), growth of the property portfolio (25%), rents (10 %), operating margin (10%), occupancy rates (10%), and team management (20%).

— In respect of the financial year 2014/2015, 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.

Recall that the Nomination and Remuneration Committee has established a “long term incentive plan” for the Executive Management (see section 7 above).

For information purposes, note that the ratio between the total remuneration of the CEO for 2012/2013 and the average remuneration of personnel amounts to 9 times.

Each Executive Manager benefits from a company car, from the time of entering the Company. The cost to the Company (rental charge and petrol) was €19,000 excluding VAT for the CEO and €14,000 excluding VAT for the CEO. The Company reimburses the Executive Managers' actual professional expenses, and grants a fixed allowance for representation expenses of €300 per month (as from 1 July 2008). Each Executive Manager also uses a Company PC and a mobile phone.

In 2013/2014, Executive Management remunerations will be indexed, as specified in the Management agreements, and will also be increased to an annual gross amount of €20,156.50 for each member of the Executive Management.

The Management agreements signed with the CEO and the CFO may be terminated in the following circumstances:

- If Aedifica gives a 12-month notice;
- Immediately in case of serious misconduct;
- 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 Art. 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

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1. The annual financial reports, the Board of Directors' reports and the statutory auditor's reports related to financial years 2009/2010, 2010/2011 and 2011/2012, 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	2013	2012
I.	Rental income	4	36,230	34,340
II.	Writeback of lease payments sold and discounted		0	0
III.	Rental-related charges	5	-147	-51
Net rental income			36,083	34,289
IV.	Recovery of property charges	6	40	23
V.	Recovery of rental charges and taxes normally paid by tenants on let properties	7	1,151	839
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	-1,151	-839
VIII.	Other rental-related income and charges	10	-1,565	-1,677
Property result			34,558	32,635
IX.	Technical costs	11	-942	-831
X.	Commercial costs	12	-486	-548
XI.	Charges and taxes on unlet properties	13	-126	-112
XII.	Property management costs	14	-684	-602
XIII.	Other property charges	15	-1,078	-1,047
Property charges			-3,316	-3,140
Property operating result			31,242	29,495
XIV.	Overheads	16	-3,855	-3,415
XV.	Other operating income and charges	17	147	90
Operating result before result on portfolio			27,534	26,170
XVI.	Gains and losses on disposals of investment properties	18	54	54
XVII.	Gains and losses on disposals of other non-financial assets	19	0	0
XVIII.	Changes in fair value of investment properties	20	9,013	9,423
Operating result			36,601	35,647
XX.	Financial income	21	326	555
XXI.	Net interest charges	22	-9,953	-10,737
XXII.	Other financial charges	23	-833	-614
XXIII.	Changes in fair value of financial assets and liabilities	47	1,600	-9,459
Net finance costs			-8,860	-20,255
XXIV.	Share in the profit or loss of associates and joint ventures accounted for using the equity method		0	0
Profit before tax (loss)			27,741	15,392
XXV.	Corporate tax	24	-70	-54
XXVI.	Exit tax	25	0	0
Tax expense			-70	-54
Profit (loss)			27,671	15,338
Attributable to :				
Non-controlling interests			0	0
Owners of the parent			27,671	15,338
Basic earnings per share (€)		26	3.17	2.14
Diluted earnings per share (€)		26	3.17	2.14

1.2 Consolidated statement of comprehensive income

Year ending on 30 June (x €1,000)	2013	2012
I. Profit (loss)	27,671	15,338
II. Other comprehensive income		
A. Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-418	-938
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	1,344	-13,060
H. Other comprehensive income*, net of taxes	1,593	651
Comprehensive income	30,190	1,991
Attributable to :		
Non-controlling interests	0	0
Owners of the parent	30,190	1,991

* Difference between the investment value determined by the independent expert and the contractual value agreed between parties, after deduction of ancillary costs related to acquisitions.

1.3 Consolidated balance sheet

ASSETS	Notes	2013	2012
Year ending on 30 June (x €1,000)			
I. Non-current assets			
A. Goodwill	27	1,856	1,856
B. Intangible assets	28	21	20
C. Investment properties	29	642,844	592,717
D. Other tangible assets	31	1,849	2,078
E. Non-current financial assets	32	968	525
F. Finance lease receivables		0	0
G. Trade receivables and other non-current assets		0	0
H. Deferred tax assets		0	0
I. Equity-accounted investments		0	0
Total non-current assets		647,538	597,196
II. Current assets			
A. Assets classified as held for sale		0	0
B. Current financial assets		0	0
C. Finance lease receivables		0	0
D. Trade receivables and other non-current assets	34	2,514	2,890
E. Tax receivables and other current assets	35	893	6,423
F. Cash and cash equivalents	36	725	2,041
G. Deferred charges and accrued income	37	527	542
Total current assets		4,659	11,896
TOTAL ASSETS		652,197	609,092

EQUITY AND LIABILITIES		Notes	2013	2012
Year ending on 30 June (x €1,000)				
EQUITY		38		
I. Issued capital and reserves attributable to owners of the parent				
A. Capital			248,072	180,873
B. Share premium account			64,730	34,261
C. Reserves			41,686	37,104
a. Legal reserve			0	0
b. Reserve for the balance of changes in fair value of investment properties			82,798	71,727
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties			-13,848	-13,430
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS			-16,637	-17,906
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS			-17,467	-8,082
h. Reserve for treasury shares			-84	-114
m. Other reserves			0	0
n. Result brought forward from previous years			6,924	4,909
D. Profit (loss) of the year			27,671	15,338
Equity attributable to owners of the parent			382,159	267,576
II. Non-controlling interests			0	0
TOTAL EQUITY			382,159	267,576
LIABILITIES				
I. Non-current liabilities				
A. Provisions		39	0	0
B. Non-current financial debts				
a. Borrowings		40	171,484	235,834
C. Other non-current financial liabilities		32	32,373	35,038
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			203,857	270,872
II. Current liabilities				
A. Provisions		39	0	0
B. Current financial debts				
a. Borrowings		40	55,721	60,209
C. Other current financial liabilities			0	0
D. Trade debts and other current debts				
a. Exit tax		41	137	130
b. Other		41	7,479	7,748
E. Other current liabilities			0	0
F. Accrued charges and deferred income		42	2,844	2,557
Total current liabilities			66,181	70,644
TOTAL LIABILITIES			270,038	341,516
TOTAL EQUITY AND LIABILITIES			652,197	609,092

1.4 Consolidated cash flow statement

Year ending on 30 June (x €1,000)	Notes	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss)		27,671	15,338
Non-controlling interests		0	0
Tax expense	24	70	54
Amortisation and depreciation		553	484
Write-downs	5	126	35
Change in fair value of investment properties (+/-)	20	-9,013	-9,423
Gains and losses on disposals of investment properties	18	-54	-54
Net finance costs		8,860	20,255
Changes in trade receivables (+/-)		250	-1,133
Changes in tax receivables and other current assets (+/-)		2,665	-2,568
Changes in deferred charges and accrued income (+/-)		15	-19
Changes in trade payables and other current debts (excl. exit tax) (+/-)		-285	1,444
Changes in accrued charges and deferred income (+/-)		288	47
Cash generated from operations		31,146	24,460
Taxes paid		-54	-80
Net cash from operating activities		31,092	24,380
CASH FLOW RESULTING FROM INVESTING ACTIVITIES			
Purchase of intangible assets		-11	-14
Purchase of real estate companies and marketable investment properties		-7,322	-7,751
Purchase of tangible assets		-313	-335
Purchase of development projects		-25,392	-25,993
Disposals of investment properties		248	499
Net changes in non-current receivables		44	9
Net investments in other assets		0	0
Net cash from investing activities		-32,746	-33,585
CASH FLOW FROM FINANCING ACTIVITIES			
Capital increase, net of costs *		96,855	0
Disposals of treasury shares		30	9
Dividend for previous fiscal year		-13,305	-11,776
Net changes in borrowings		-68,839	64,112
Net changes in other loans		0	0
Net finance costs paid		-10,669	-11,245
Repayment of financial debts of acquired or merged companies		-1,956	-6,042
Repayment of working capital of acquired or merged companies		-1,778	-24,797
Net cash from financing activities		338	10,261
TOTAL CASH FLOW FOR THE PERIOD			
Total cash flow for the period		-1,316	1,056
RECONCILIATION WITH BALANCE SHEET			
Cash and cash equivalents at beginning of period		2,041	985
Total cash flow for the period		-1,316	1,056
Cash and cash equivalents at end of period	36	725	2,041

* The capital increase of 2011/2012 (contribution in kind) did not result in any cash flow.

1.5 Consolidated statement of changes in equity

Year ending on 30 June (x €1,000)	2011	Capital increase in cash	Capital increase in kind	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropriation of the result	Roundings	2012
Capital	177,490	0	3,383	0	0	0	0	180,873
Share premium account	34,261	0	0	0	0	0	0	34,261
Reserves	36,897	0	0	9	-13,347	13,545	0	37,104
<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>	62,251	0	0	0	651	8,825	0	71,727
<i>c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties</i>	-12,492	0	0	0	-938	0	0	-13,430
<i>d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS</i>	-5,050	0	0	0	-13,060	204	0	-17,906
<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>	-12,285	0	0	0	0	4,203	0	-8,082
<i>h. Reserve for treasury shares</i>	-123	0	0	9	0	0	0	-114
<i>m. Other reserves</i>	4,596	0	0	0	0	-4,596	0	0
<i>n. Result brought forward from previous years</i>	0	0	0	0	0	4,909	0	4,909
Profit (loss)	25,321	0	0	0	15,338	-25,321	0	15,338
Equity attributable to owners of the parent	273,969	0	3,383	9	1,991	-11,776	0	267,576
Non-controlling interests	0	0	0	0	0	0	0	0
TOTAL EQUITY	273,969	0	3,383	9	1,991	-11,776	0	267,576

Year ending on 30 June (x €1,000)	2012	Capital increase in cash	Capital increase in kind	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropriation of the result	Roundings	2013
Capital	180,873	66,386	814	0	0	0	-1	248,072
Share premium account	34,261	30,469	0	0	0	0	0	64,730
Reserves	37,104	0	0	30	2,519	2,033	0	41,686
<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>	71,727	0	0	0	1,593	9,478	0	82,798
<i>c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties</i>	-13,430	0	0	0	-418	0	0	-13,848
<i>d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS</i>	-17,906	0	0	0	1,344	-75	0	-16,637
<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>	-8,082	0	0	0	0	-9,385	0	-17,467
<i>h. Reserve for treasury shares</i>	-114	0	0	30	0	0	0	-84
<i>m. Other reserves</i>	0	0	0	0	0	0	0	0
<i>n. Result brought forward from previous years</i>	4,909	0	0	0	0	2,015	0	6,924
Profit (loss)	15,338	0	0	0	27,671	-15,338	0	27,671
Equity attributable to owners of the parent	267,576	96,855	814	30	30,190	-13,305	-1	382,159
Non-controlling interests	0	0	0	0	0	0	0	0
TOTAL EQUITY	267,576	96,855	814	30	30,190	-13,305	-1	382,159

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 real estate investment company with fixed capital (REIT) 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 is positioned as a leading Belgian listed company investing in residential real estate. Its strategy is aimed at creating a balanced portfolio of residential buildings that generates recurring stable revenues and offers significant potential for capital gains. Aedifica's investment strategy is built on two underlying demographic trends, namely population growth in Belgium's main cities and population ageing in Western Europe.

To attain its objectives, Aedifica has identified two strategic pillars in which it will concentrate investment activities: apartment buildings in Belgium's main cities and senior housing in Western Europe. The diversification sought by Aedifica centres on these two strategic pillars, which provide for easy adaptation of the Company's investment policy in response to shifting market opportunities and economic conditions. The two strategic poles are concentrated in three main segments: unfurnished apartment buildings, furnished apartment buildings, and senior housing). Hotels and other types of buildings constitutes a residual, non-strategic segment. The weight of each segment may vary from one year to another according to changing circumstances.

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 2013. The Company's shareholders have the power to amend the consolidated financial statements after issue at the Annual General Meeting to be held on 25 October 2013.

Note 2: Accounting policies

Note 2.1: Basis of preparation

The consolidated financial statements cover the 12 month period ending 30 June 2013. 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 2013 and approved by the European Union (“EU”).

These correspond to the standards and interpretations published by the “International Accounting Standards Board” (“IASB” applicable as of 30 June 2013) as 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 7 December 2010 on Belgian REITs.

The consolidated financial statements are prepared in Euros, and presented in millions 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).

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 2012 and have no impact on the consolidated financial statements presented here for the 2012/2013 financial year:

- IAS 1 (amended) – Presentation of Items of Other Comprehensive Income (effective 1 July 2012);
- IAS 12 (amended) – Deferred Tax: Recovery of Underlying Assets (effective 1 July 2012);

Several new standards and 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 2013. These changes, which the Aedifica group has not yet adopted, include the following (as of 30 June 2013):

- Amendment to IFRS 1 – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (effective 1 July 2013);
- IAS 19 (amended) – Employee Benefits (effective 1 July 2013);
- IFRS 9 (new) – Financial Instruments (effective 1 July 2015, pending EU approval);
- IFRS 12 (new) – Disclosure of Interests in Other Entities (effective 1 July 2014);
- IFRS 11 (new) – Joint Arrangements (effective 1 July 2014);
- IFRS 10 (new) – Consolidated Financial Statements (effective 1 July 2014);
- IAS 27 (amended) – Separate Financial Statements (effective 1 July 2014);
- IAS 28 (amended) – Investments in Associates and Joint Ventures (effective 1 July 2014);
- IFRS 13 (new) – Fair Value Measurement (effective 1 July 2013);
- IFRIC 20 (new) – Stripping Costs in the Production Phase of a Surface Mine (effective 1 July 2013);
- IFRS 7 (amended) – Disclosures – Offsetting Financial Assets and Financial Liabilities (effective 1 July 2013);
- IAS 32 (amended) – Presentation – Offsetting Financial Assets and Financial Liabilities (effective 1 July 2014);
- IFRS 1 (amended) – Government Loans (effective 1 July 2013);
- Improvement to IFRS 5 (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34) issued in May 2012 (Applicable for Aedifica as of 1 July 2013);
- IFRS 10, IFRS 11 and IFRS 12 (amended) – Transition Guidance (effective 1 July 2014).
- IFRS 10, IFRS 12 and IAS 27 (amended) – Investment Entities (effective 1 July 2014, pending EU approval);
- IAS 36 (amended) – Recoverable Amount Disclosures for Non-Financial Assets (effective 1 July 2014, pending EU approval);
- IAS 39 (amended) – Novation of Derivatives and Continuation of Hedge Accounting (effective 1 July 2014, pending EU approval);
- IFRIC 21 (new) – Levies (effective 1 July 2014, 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 of the balance sheet and the 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 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 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, 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 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%.

1.3. Treatment of differences at the time of acquisition

If, for acquisitions such as those described above, the investment value determined by the independent expert is different than the acquisition value defined in 1.1 above, the difference (after subtracting the exit tax) is recognized directly in equity: the negative difference between fair value and the investment value is included in the consolidated statement of equity under line "I.C.c – Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties". The balance is recorded in equity under line "I.C.b. – Reserve for the balance of changes in fair value of investment properties".

2. Accounting for works projects (subsequent expenditures)

Costs incurred by Aedifica for works 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: 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 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. 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 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 share 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 the 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 regarding the establishment of the accounts. 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 owner-occupied investment property 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.

1.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 of 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 soon 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 possible, 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.

II.A. Assets held for sale

Properties that are considered non-strategic and which will 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 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 present value of expected cash flows using a market interest rate. They are reflected as a liability on the balance sheet.

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 four operating segments have been identified with application of IFRS 8:

- Unfurnished apartment buildings: these consist of residential buildings located in 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.
- Furnished apartment buildings: these consist of buildings with furnished apartments, let to international customers under shorter term rental contracts. This segment also includes rental income from commercial ground floors and/or office space located in these buildings.
- Senior housing: these consist of rest homes and assisted-living complexes, rented to operators under "triple net" long leases (which explains why no operating expenses are accounted for in the segment income statement).
- Hotels and other: these consist of mainly hotels rented to operators under "triple net" long leases.

These four 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) and all non-current assets are located in the Company's country of residence.

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 18% of the Company's total 2012/2013 rental income (18% in prior financial year);
- the 16 buildings (in the senior housing segment) operated by legal entities controlled by the Senior Living Group group, for which rents represent 18% of the Company's total 2012/2013 rental income (17% in prior financial year);
- the 7 buildings (in the senior housing segment) operated by legal entities controlled by the Armonia group, for which rents represent 11% of the Company's total 2012/2013 rental income (9% in 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)		2013						TOTAL
		Un-furnished	Fur-nished	Senior housing	Hotels and other	Non-allocated	Inter-segment items*	
SEGMENT RESULT								
I.	Rental income	6,966	5,269	19,517	4,579	0	-101	36,230
II.	Writeback of lease payments sold and discounted	0	0	0	0	0	0	0
III.	Rental-related charges	-70	-33	0	-44	0	0	-147
Net rental income		6,896	5,236	19,517	4,535	0	-101	36,083
IV.	Recovery of property charges	40	0	0	0	0	0	40
V.	Recovery of rental charges and taxes normally paid by tenants on let properties	836	19	146	149	0	1	1,151
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	0
VII.	Rental charges and taxes normally paid by tenants on let properties	-836	-19	-146	-149	0	-1	-1,151
VIII.	Other rental-related income and charges	-16	-1,550	0	1	0	0	-1,565
Property result		6,920	3,686	19,517	4,536	0	-101	34,558
IX.	Technical costs	-506	-361	0	-12	-63	0	-942
X.	Commercial costs	-319	-165	0	-2	0	0	-486
XI.	Charges and taxes on unlet properties	-124	0	0	-4	0	0	-128
XII.	Property management costs	-297	-388	0	0	0	1	-684
XIII.	Other property charges	-494	-576	0	-1	-5	0	-1,076
Property charges		-1,740	-1,490	0	-19	-68	1	-3,316
Property operating result		5,180	2,196	19,517	4,517	-68	-100	31,242
XIV.	Overheads	-31	-13	0	-1	-3,911	101	-3,855
XV.	Other operating income and charges	74	10	0	-5	68	0	147
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		5,223	2,193	19,517	4,511	-3,911	1	27,534
SEGMENT ASSETS								
Marketable investment properties		135,013	62,676	343,550	72,972	-	-	614,211
Development projects		-	-	-	-	28,633	-	28,633
Investment properties								642,844
Other assets		-	-	-	-	9,353	-	9,353
Total assets								652,197
SEGMENT DEPRECIATION		-17	-460	0	0	-76	0	-553
SEGMENT INVESTMENTS								
Marketable investment properties		104	0	12,850	958	-	-	13,912
Development projects		-	-	-	-	1,297	-	1,297
Investment properties		104	0	12,850	958	1,297	0	15,209
INVESTMENT PROPERTIES IN ACQUISITION VALUE		129,769	59,319	311,334	71,306	-	-	571,728
CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES		-948	866	7,347	-1,017	2,765	-	9,013

* Mainly elimination of the internal rent for the administrative offices of the REIT.

Year ending on 30 June (x €1,000)		2012						TOTAL
		Un-furnished	Fur-nished	Senior housing	Hotels and other	Non-allocated	Inter-segment items*	
SEGMENT RESULT								
I.	Rental income	7,223	5,506	17,510	4,200	0	-99	34,340
II.	Writeback of lease payments sold and discounted	0	0	0	0	0	0	0
III.	Rental-related charges	-35	-13	0	-3	0	0	-5
Net rental income		7,188	5,493	17,510	4,197	0	-99	34,289
IV.	Recovery of property charges	23	0	0	0	0	0	23
V.	Recovery of rental charges and taxes normally paid by tenants on let properties	636	22	84	97	0	0	839
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	0
VII.	Rental charges and taxes normally paid by tenants on let properties	-636	-22	-84	-97	0	0	-839
VIII.	Other rental-related income and charges	-12	-1,668	0	2	0	1	-1,677
Property result		7,199	3,825	17,510	4,199	0	-98	32,635
IX.	Technical costs	-469	-282	0	-17	-63	0	-831
X.	Commercial costs	-356	-189	0	-3	0	0	-548
XI.	Charges and taxes on unlet properties	-108	0	0	-5	0	1	-112
XII.	Property management costs	-238	-364	0	-1	0	1	-602
XIII.	Other property charges	-495	-547	0	-5	0	0	-1,047
Property charges		-1,666	-1,382	0	-31	-63	2	-3,140
Property operating result		5,533	2,443	17,510	4,168	-63	-96	29,495
XIV	Overheads	-38	-14	0	-2	-3,460	99	-3,415
XV.	Other operating income and charges	13	40	0	-8	45	0	90
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		5,508	2,469	17,510	4,158	-3,478	3	26,170
SEGMENT ASSETS								
Marketable investment properties		134,803	60,737	314,708	73,155	-	-	583,403
Development projects		-	-	-	-	9,314	-	9,314
Investment properties								592,717
Other assets		-	-	-	-	16,375	-	16,375
Total assets								609,092
SEGMENT DEPRECIATION		-13	-421	0	0	-50	0	-484
SEGMENT INVESTMENTS								
Marketable investment properties		101	7,272	29,644	1,132	-	-	38,149
Development projects		-	-	-	-	0	-	0
Investment properties		101	7,272	29,644	1,132	0	0	38,149
INVESTMENT PROPERTIES IN ACQUISITION VALUE		129,617	59,319	292,040	70,506	-	-	551,482
CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES		787	2,245	5,991	45	355	-	9,423

* Mainly elimination of the internal rent for the administrative offices of the REIT.

Note 4: Rental income

(x €1,000)	2013	2012
Rents earned	36,187	34,174
Guaranteed income	0	163
Cost of rent free periods	-19	-19
Indemnities for early termination of rental contracts	62	22
TOTAL	36,230	34,340

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 (furnished): no rental income since 1 July 2013.
- Residential leases (unfurnished): termination of all leases on 1 July 2013, with in average one and a half month of indemnity payment.
- Commercial and office leases: termination of leases average after one and a half year 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)	2013	2012
Not later than one year	28,254	27,051
Later than one year and not later than five years	103,104	97,873
Later than five years	533,193	517,503
TOTAL	664,551	642,427

Rental income does not include any contingent rents.

Note 5: Rental-related charges

(x €1,000)	2013	2012
Rents payable as lessee	-21	-16
Write-downs on trade receivables	-126	-35
TOTAL	-147	-51

Note 6: Recovery of property charges

(x €1,000)	2013	2012
Indemnities on rental damage	40	23
TOTAL	40	23

Note 7: Recovery of rental charges and taxes normally paid by tenants on let properties

(x €1,000)	2013	2012
Rebiling of rental charges invoiced to the landlord	649	431
Rebiling of property taxes and other taxes on let properties	502	408
TOTAL	1,151	839

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)	2013	2012
Rental charges invoiced to the landlord	-649	-431
Property taxes and other taxes on let properties	-502	-408
TOTAL	-1,151	-839

Note 10: Other rental-related income and charges

(x €1,000)	2013	2012
Cleaning	-386	-405
Energy	-443	-494
Depreciation of furniture	-471	-424
Employee benefits	-220	-211
Other	-45	-143
TOTAL	-1,565	-1,677

Note 11: Technical costs

(x €1,000)	2013	2012
Recurring technical costs		
Repair	-368	-333
Insurance	-52	-55
Employee benefits	-259	-219
Maintenance	-160	-123
Expert fees	-103	-101
TOTAL	-942	-831

Note 12: Commercial costs

(x €1,000)	2013	2012
Letting fees paid to real estate brokers	-266	-324
Marketing	-200	-205
Fees paid to lawyers and other legal costs	-20	-15
Other	0	-4
TOTAL	-486	-548

Note 13: Charges and taxes on unlet properties

(x €1,000)	2013	2012
Charges	-126	-112
TOTAL	-126	-112

Note 14: Property management costs

(x €1,000)	2013	2012
Fees paid to external property managers	-107	-95
Internal property management expenses	-577	-507
TOTAL	-684	-602

Note 15: Other property charges

(x €1,000)	2013	2012
Property taxes and other taxes	-1,078	-1,047
TOTAL	-1,078	-1,047

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)	2013	2012
Lawyers/notaries	-113	-44
Auditors	-44	-38
Real estate experts	-498	-506
IT	-132	-133
Insurance	-63	-59
Public relations, communication, marketing, publicity	-141	-123
Directors and executive management	-1,149	-1,010
Employee benefits	-733	-698
Depreciation and amortisation of other assets	-82	-59
Tax expense	-343	-199
Other	-557	-546
TOTAL	-3,855	-3,415

Note 17: Other operating income and charges

(x €1,000)	2013	2012
Recovery of damage expenses	23	15
Other	124	75
TOTAL	147	90

Note 18: Gains and losses on disposals of investment properties

(x €1,000)	2013	2012
Net sale of properties (selling price - transaction costs)	248	499
Carrying amount of properties sold	-194	-445
TOTAL	54	54

Note 19: Gains and losses on disposals of other non-financial assets

Over the course of the 2012/2013 financial year, 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)	2013	2012
Positive changes	15,401	12,235
Negative changes	-6,388	-2,812
TOTAL	9,013	9,423
of which : marketable investment properties	6,248	9,068
development projects	2,765	355

Note 21: Financial income

(x €1,000)	2013	2012
Interests earned	87	257
Other	239	298
TOTAL	326	555

Note 22: Net interest charges

(x €1,000)	2013	2012
Nominal interest on borrowings	-4,067	-6,564
Charges arising from authorised hedging instruments		
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-3,696	-2,620
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-2,767	-2,144
Subtotal	-6,463	-4,764
Income arising from authorised hedging instruments		
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	0	23
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	0	0
Subtotal	0	23
Capitalised borrowings costs	577	572
Other interest charges	0	-4
TOTAL	-9,953	-10,737

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)	2013	2012
Bank charges and other commissions	-789	-574
Other	-44	-40
TOTAL	-833	-614

Note 24: Corporate tax

(x €1,000)	2013	2012
Parent		
Profit before tax (loss)	27,608	15,444
Effect of the Belgian REIT tax regime	-27,608	-15,444
Taxable result based on non-deductible costs	207	163
Tax rate of 33,99%	-70	-55
Tax regularisation for the previous year	0	1
Subtotal	-70	-54
Subsidiaries	0	0
TOTAL	-70	-54

As Belgian REIT, Aedifica benefits from a specific tax regime. The Company is taxed on its non-deductible costs, such as regional taxes, car costs, representation costs, social costs, donations, etc.

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) are calculated as follows:

	2013	2012
Profit (loss) (Owners of the parent) (x €1,000)	27,671	15,338
Weighted average number of shares outstanding during the period	8,715,370	7,152,918
Basic EPS (in €)	3.17	2.14
Diluted EPS (in €)	3.17	2.14

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 hedging instruments. The definition of profit excluding IAS 39 and 40 as applied to the Aedifica 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)	2013	2012
Profit (loss) (Owners of the parent)	27,671	15,338
Less : Changes in fair value of investment properties (see note 20)	-9,013	-9,423
Less : Gain and losses on disposal of investment properties (see note 18)	-54	-54
Less : Changes in fair value of financial assets and liabilities (see note 47)	-1,600	9,459
Roundings	0	0
Profit excl. IAS 39 and IAS 40 (before gains and losses on disposals of investment properties)	17,004	15,320
Denominator* (in shares)	8,715,339	7,153,096
EPS excl. IAS 39 and IAS 40 (before gains and losses on disposals of investment properties - in €)	1.95	2.14

* Based on the prorata temporis rights to the dividend for the shares issued during the year.

Note 27: Goodwill

(x €1,000)	2013	2012
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 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 of goodwill. Goodwill arose from the acquisition of Ixelinvest SA, the original owner of a residential complex that is rented out as furnished apartment on rue Souveraine. 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 €26 million, carrying amount of furniture of €1 million and carrying amount of goodwill for less than €2 million, i.e. €28 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 €46 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 5%. 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 €17 million) appears sufficient to absorb a normal variation of approx. 2% in the pre-tax discount. A goodwill impairment 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)	2013	2012
Gross value at the beginning of the year	283	270
Depreciation and cumulative impairment losses at the beginning of the year	-263	-241
Carrying amount at the beginning of the year	20	29
Entries: items acquired separately	12	14
Amortisations	-11	-23
CARRYING AMOUNT AT THE END OF THE YEAR	21	20
of which : gross value	295	283
amortisations and cumulative impairment losses	-274	-263

Note 29: Investment properties

(x €1,000)	Marketable investment properties	Development projects	TOTAL
CARRYING AMOUNT AS AT 1/07/2011	503,786	14,315	518,101
Acquisitions	38,149	0	38,149
Disposals	-445	0	-445
Capitalised interest charges	0	572	572
Capitalised employee benefits	0	45	45
Other capitalised expenses	2,133	25,376	27,509
Transfers due to completion	31,349	-31,349	0
Changes in fair value (see note 20)	9,068	355	9,423
Other expenses booked in the income statement	0	0	0
Transfers to equity	-637	0	-637
CARRYING AMOUNT AS AT 30/06/2012	583,403	9,314	592,717
CARRYING AMOUNT AS AT 1/07/2012	583,403	9,314	592,717
Acquisitions	13,912	1,297	15,209
Disposals	-195	0	-195
Capitalised interest charges	0	577	577
Capitalised employee benefits	0	33	33
Other capitalised expenses	2,371	23,676	26,047
Transfers due to completion	9,029	-9,029	0
Changes in fair value (see note 20)	6,248	2,765	9,013
Other expenses booked in the income statement	0	0	0
Transfers to equity	-557	0	-557
CARRYING AMOUNT AS AT 30/06/2013	614,211	28,633	642,844

Determination of fair values depends on market factors and is based on valuations provided by independent experts who hold pertinent and recognised professional qualifications and recent experience in the geographic areas and property types included in the Group's portfolio. The valuation methodology is described in section 1.12 of the standing documents of the 2012/2013 annual financial report. All investment properties are located in Belgium.

The portfolio of marketable investment properties is valued as of 30 June 2013 by independent experts. The average capitalisation rate applied to contractual rents is 6.08% (in accordance with the valuation methodology – presented in the first bullet of section 1.12 of the standing documents included in the 2012/2013 annual financial report). A 0.10% change in the capitalisation rate would lead to a change of €10 million in the portfolio's fair value.

Development projects are described in detail in the property report included in the 2012/2013 annual financial report.

Acquisitions made during the year are described in detail in the consolidated Board of Directors' report included in the 2012/2013 annual financial report.

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 covered in Note 29. Development projects are also described in detailed in section 2.2.2 of the property report included in the 2012/2013 annual financial report.

Note 31: Other tangible assets

(x €1,000)	2013	2012
Gross value at beginning of the period	4,061	3,344
Depreciation and cumulative impairment losses at beginning of period	-1,983	-1,522
Carrying amount at beginning of period	2,078	1,822
Additions	316	717
Disposals	-3	0
Depreciation	-542	-461
CARRYING AMOUNT AT END OF PERIOD	1,849	2,078
of which : gross value	4,441	4,061
depreciations and cumulative impairment losses	-2,592	-1,983

Other tangible assets consist of capital employed in operations (mainly furniture in furnished apartments).

Note 32: Non-current financial assets and other non-current financial liabilities

(x €1,000)	2013	2012
Receivables		
Collateral	0	0
Other non-current receivables	442	487
Available-for-sale financial assets		
Investments in related entities (Note 51)	0	0
Assets at fair value through profit or loss		
Hedges (see Note 33)	525	38
Other non-current financial assets		
Hedging instruments (see Note 33)	1	0
TOTAL NON-CURRENT FINANCIAL ASSETS	968	525
Liabilities at fair value through profit or loss		
Hedging instruments (see Note 33)	-15,598	-17,057
Total non-current financial liabilities		
Hedging instruments (see Note 33)	-16,775	-17,981
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	-32,373	-35,038

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 of hedging instruments for which hedge accounting in the sense of IAS 39 is not applied (mainly “multi-callable swaps”, caps, and collars). 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.

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 relate to existing or highly probable risks. Hedging instruments are either derivatives (interest rate swaps, or “IRS”) that meet the strict criteria set by IAS 39 to allow hedge accounting or derivatives (mainly “multi-callable interest rate swaps”, or “multi-callable IRS”, caps and collars) which do not meet these criteria but which nonetheless provide economic hedging against interest rate risk. All hedges are entered 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 estimated expected cash flows. The table below lists the hedging instruments.

INSTRUMENT Analysis as at 30 June 2012:	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	50,000	30/06/2010	3	3	-	2.21	-927
IRS	25,000	1/04/2007	3	10	-	3.97	-3,494
IRS	25,000	1/10/2007	3	5	-	3.93	-213
IRS*	10,888	1/04/2011	3	32	-	4.89	-4,730
Multi-callable IRS*	31,221	31/07/2007	3	36	31/07/2017	4.39	-10,284
Multi-callable IRS	15,000	1/07/2008	3	10	1/07/2011	4.02	-2,489
Multi-callable IRS	12,000	2/06/2008	1	10	2/06/2013	4.25	-2,258
Multi-callable IRS	8,000	1/08/2008	1	10	1/08/2013	4.25	-1,532
IRS	12,000	1/11/2008	1	5	-	4.18	-630
IRS	25,000	2/08/2013	3	5	-	3.23	-2,207
IRS	25,000	1/10/2012	3	5	-	2.99	-2,298
Cap	15,000	1/01/2012	3	2	-	4.02	1
IRS	25,000	2/08/2013	3	5	-	2.97	-1,866
Collar	25,000	1/10/2013	3	3	-	3.00	-312
Cap	25,000	3/10/2011	1	2	-	2.25	0
Cap	25,000	1/11/2011	1	2	-	1.75	1
Cap	20,000	30/03/2012	1	1	-	1.00	0
Cap	25,000	1/11/2013	1	1	-	0.75	36
IRS	25,000	2/01/2012	1	1	-	0.79	-65
IRS	25,000	2/08/2013	3	5	-	2.70	-1,551
Collar	25,000	1/10/2013	3	3	-	3.00	-182
TOTAL	474,109						-35,000

* 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 2013:	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	50,000	30/06/2010	3	3	-	2.21	-97
IRS	25,000	1/04/2007	3	10	-	3.97	-3,004
IRS*	10,693	1/04/2011	3	32	-	4.89	-4,268
Multi-callable IRS*	29,746	31/07/2007	3	36	31/07/2017	4.39	-9,115
IRS	15,000	2/04/2013	3	9	-	3.50	-2,305
IRS	12,000	3/06/2013	3	9	-	3.64	-1,985
IRS	8,000	3/06/2013	3	9	-	3.67	-1,351
IRS	12,000	1/11/2008	1	5	-	4.18	-169
IRS	25,000	2/08/2013	3	5	-	3.23	-2,667
IRS	25,000	1/10/2012	3	5	-	2.99	-2,235
Cap	15,000	1/01/2012	3	2	-	4.02	0
IRS	25,000	2/08/2013	3	5	-	2.97	-2,332
Collar	25,000	1/10/2013	3	3	-	3.00	-495
Cap	25,000	3/10/2011	1	2	-	2.25	0
Cap	25,000	1/11/2011	1	2	-	1.75	0
Cap	25,000	1/11/2013	1	1	-	0.75	12
IRS	25,000	2/08/2013	3	5	-	2.70	-2,002
Collar	25,000	1/10/2013	3	3	-	3.00	-347
Cap	25,000	1/10/2013	3	1	-	1.25	8
Cap	25,000	1/11/2014	3	1	-	1.00	51
Cap	25,000	1/11/2014	3	1	-	1.00	181
IRS	25,000	2/04/2013	1	1	-	0.12	1
Cap	25,000	1/10/2013	3	2	-	1.00	66
Cap	25,000	1/10/2014	3	1	-	1.25	45
Cap	25,000	1/11/2015	3	2	-	2.50	161
TOTAL	577,439						-31,847

* 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 €577 million presented in the table above is broken down as follows:

- instruments in progress: €277 million,
- instruments with forward start: €300 million.

The total fair value of the hedging instruments presented in the table above (€ -31,847 thousand) can be broken down as follows: €526 thousand on line I.E. of the asset side of the consolidated balance sheet (see Note 32) and € 32,373 thousand on line I.C. of the liability side of the consolidated balance sheet. Taking into account the carrying amount of the upfront premiums paid for the caps and collars (€656 thousand), the IAS 39 impact on equity amounts to € 32,503 thousand.

2. Derivatives for which hedge accounting is applied

(x €1,000)	2013	2012
Changes in fair of the derivatives		
Beginning of the year	-17,906	-4,420
Changes in the effective portion of the fair value of hedging instruments (accrued interests)	-4,454	-17,949
Transfer to the income statement of interests paid on hedging instruments	5,723	4,463
Transfer to the income statement regarding revoked designation	0	0
AT YEAR-END	-16,637	-17,906

The amounts recorded in equity will be transferred to net finance costs in line with the payment interest on the hedged financial debt, between 1 July 2013 and 31 July 2043.

The year-end equity value includes the effective part (as defined in IAS 39) of the change in fair value (+€1,344 thousand) of derivatives for which hedge accounting is applied, and the ineffective portion of the 2011/2012 financial year (charge of €75 thousand) that was affected/appropriated by decision of the Annual General Meeting held in October 2012. These financial instruments are “level 2” derivatives (according to IFRS7 p27A). The ineffective part (as defined in IAS 39) represents a charge of €137 thousand and is recognised in the financial result (see Note 47 – this charge will be appropriated in the 2013/2014 financial year when the appropriation of results is decided at the October 2013 Annual General Meeting). Cash flows arising from interest on the hedges are shown in Note 22.

3. Derivatives for which hedge accounting is not applied

In addition to the aforementioned charge of €137 thousand (i.e. ineffective portion of hedged instruments), the financial result includes income of €1,737 thousand (30 June 2012: a charge of €9,384 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). These financial instruments are “level 2” derivatives (as defined in IFRS7 p27A).

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 2012 and 30 June 2013, which led to the recognition of an income of €1,600 thousand in the income statement and of €1,344 thousand directly in equity.

A change in the interest rate curve would impact the fair value of IRSs 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 fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS”). All else being equal, a positive change of 10 bps of the interest rate curve at balance sheet date would have had a positive impact on equity in the amount of €786 thousand (30 June 2012: €937 thousand). A negative change of 10 bps of the interest rate curve at balance sheet date would have had a negative impact on equity in the same amount. The influence 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 of the interest rate curve is estimated at + €773 thousand (30 June 2012: + €711 thousand) in the income statement. A decrease of 10 bps of the interest rate curve would have a negative impact on the income statement in the same range.

Note 34: Trade receivables

(x €1,000)	2013	2012
TRADE RECEIVABLES - NET VALUE	2,514	2,890

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 (2013: €14.2 million; 2012: €13.9 million) received from tenants to cover their commitments. The carrying amount 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)	2013	2012
Under 90 days	352	640
Over 90 days	280	284
Subtotal	632	924
Not due	2,089	2,081
Write-downs	-207	-115
CARRYING AMOUNT	2,514	2,890

Write-downs have evolved as follows:

(x €1,000)	2013	2012
At beginning of period	-115	-114
Addition	-206	-57
Utilisation	26	33
Reversal	88	23
Mergers	0	0
AT END OF PERIOD	-207	-115

Note 35: Tax receivables and other current assets

(x €1,000)	2013	2012
Tax receivables	594	3,467
Other	299	2,956
TOTAL	893	6,423

Tax receivables are composed mainly of taxes to be recovered on liquidation of merged subsidiaries.

Note 36: Cash and cash equivalents

(x €1,000)	2013	2012
Short-term deposits	0	0
Cash at bank and in hands	725	2,041
TOTAL	725	2,041

Cash and cash equivalents are assets which generate interest at varying rates. The amounts presented above were available as of 30 June 2013 and 30 June 2012. 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)	2013	2012
Accrued rental income	278	239
Deferred property charges	249	303
Other	0	0
TOTAL	527	542

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 2013 – see also section 3 of the “Aedifica in the stock market” chapter included in the 2012/2013 annual financial report:

SHAREHOLDERS	Share in capital (in %)
Jubeal Fondation	6.37
Wulfsdonck Investment (via Finasucre)	5.46

The capital has evolved as follows:

	Number of shares	Capital
Situation at the beginning of the previous year	7,090,915	180,747
Capital increase	86,293	3,383
Situation at the end of the previous year	7,177,208	184,130
Capital increase	2,726,482	70,162
Situation at the end of the year	9,903,690	254,293

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.

9,874,985 of the 9,903,690 shares issued as of 30 June 2013 are listed on the Euronext Brussels continuous market.

28,705 shares will be listed after detachment of the coupon which will occur in October 2013. Of these, 16,868 shares give dividend rights as from 12 July 2012, and 11,837 shares give dividend rights as from 24 June 2013. These shares must remain nominative up to their listing date.

Capital increases are detailed in the “standing documents” included in the 2012/2013 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 692 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 at the dates and following the procedures established by the Board, in accordance with Article 603 of the Belgian Companies Code. This authorisation is granted 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 Board of Directors has proposed a dividend distribution of €1.86 per share for the year ended 30 June 2013, i.e. a total dividend of €16,211 thousand.

Calculated in accordance with Article 617 of the Belgian Companies Code and given the Royal Decree of 7 December 2010, reserves available for distribution (statutory) amount to €7,720 thousand as of 30 June 2013, after taking into account the

dividend proposed above (2012: €7,029 thousand). Detailed calculations are provided in the notes to the attached abridged statutory accounts.

Aedifica defines capital in accordance with of IAS 1 (p134) as the sum of all equity accounts. The equity level is monitored using a consolidated debt-to-assets ratio calculated in accordance with the requirements provisions of the Royal Decree of 7 December 2010 (see Note 52), which cannot exceed 60% 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

Long term benefits granted to executive managers are covered in the context of defined contribution plan regimes, which do not require provisions. The amounts recognised as an expense are detailed in the remuneration report included in the 2012/2013 annual financial report.

Note 40: Borrowings

(x €1,000)	2013	2012
Non-current financial debts		
Borrowings	171,484	235,834
Current financial debts		
Borrowings	55,721	60,209
TOTAL	227,205	296,043

Aedifica benefits from credit facilities (presented as current and non-current financial debts and being financial liabilities at amortised cost according to IAS 39) issued by five banks (Bank Degroof, LB-Lux, BNP Paribas Fortis, ING and KBC Bank) in a total amount of €315 million.

Aedifica can use up its credit facilities according to 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 the assets does not exceed 75%, 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. As of 30 June 2013, the amounts are mostly withdrawn for a period of 1-month.

Starting 30 December 2010 (acquisition date of Altigoon SA), Aedifica also benefits from two fixed-rate (5.3%) amortising facilities granted by KBC Bank; these will mature in 2021. The non-current part of these facilities amounts to €1.8 million, while the current portion is €0.2 million.

The average interest rate, including the spread charged by the bank and the effect of the hedging instruments, was 4.0% after deduction of capitalised interest (3.9% in 2011/2012) and 4.2% before deduction of capitalised interest (4.2% in 2011/2012). Given the short duration of the withdrawals and the fact that they are at floating rate, the carrying amount of the financial debts is a proxy for their fair value. The hedges in place as of 30 June 2013 are detailed in Note 33.

As of 30 June 2013, Aedifica has neither pledged any buildings as collateral for its debts, nor has it granted any other security to debt-holders.

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.

To date, taking into account the credit facilities maturing in July and August 2013, and the effect of the new conventions applicable as from 23 July, 1 August and 6 August 2013, the maturity table for Aedifica's credit facilities is presented as follows (in € million):

— July 2013:	55
— August 2013:	30
— June 2014:	30
— August 2014:	15
— April 2015:	50
— October 2015:	30
— June 2016:	30
— July 2016:	30
— August 2016:	15
— January 2017:	30
— 2021:	2
Facilities on 30 June 2013:	317
— Maturing in July 2013:	-55
— Maturing in August 2013:	-30
— June 2016:	25
— August 2017:	30
— June 2018:	32
— July 2018:	30
— 2021:	6
Facilities since 6 August 2013:	355

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 7 December 2010.

(x €1,000)	2013	2012
Borrowings	227,205	296,043
Less : Cash and cash equivalents	-725	-2,041
NET FINANCIAL DEBT	226,480	294,002

Note 41: Trade payables and other current debts

(x €1,000)	2013	2012
Exit tax	137	130
Other		
Suppliers	4,630	5,655
Tenants	824	892
Tax	1,319	606
Salaries and social charges	684	576
Dividends of previous years	22	19
TOTAL	7,616	7,878

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.

Note 42: Accrued charges and deferred income

(x €1,000)	2013	2012
Property income received in advance	126	44
Financial charges accrued	1,528	1,424
Other accrued charges	1,190	1,089
TOTAL	2,844	2,557

Note 43 : Employee benefits expense

Total employee benefits (excluding Executive Management and Directors presented in Note 16) are broken down in the income statement as follows:

(x €1,000)	2013	2012
Cleaning costs (see note 10)	-220	-211
Technical costs (see note 11)	-259	-219
Commercial costs	-35	-33
Overheads (see note 16)	-733	-698
Property management costs (see note 14)	-577	-507
Capitalised costs	-33	-45
TOTAL	-1,857	-1,713

Headcount at the year-end (excl. executive management and directors):

	2013	2012
Unfurnished	4	4
Furnished	13	14
Not attributable	14	13
TOTAL	31	31

Note 44: Financial risk management

Aedifica's financial risk management aims to ensure permanent access to borrowings, and follow and minimize interest risk rate.

1. Debt structure

The debt-to-assets ratio (as defined in the Royal Decree of 7 December 2010 on Belgian REITs) is provided in section 3.3 of the consolidated Board of Directors' report included in this annual financial report. It amounts to 36% as of 30 June 2013 (both on a consolidated level and statutory level). This section also specifies the maximum debt increase the Company could take on before reaching the maximum ratio permitted for Belgian REITs (set at 65% of total assets) or established in the bank covenants (set at 60% of total assets). When exceeding a consolidated debt-to-assets threshold of 50%, a financial plan with an implementation schedule must be developed, describing the measures taken to prevent the ratio from exceeding the 65% threshold (Article 54 of the Royal Decree of 7 December 2010).

Aedifica's financial model relies on a structural indebtedness. Thus, cash balances are usually low. They amount to €1 million as of 30 June 2013.

As of 30 June 2013, Aedifica has neither pledged any buildings as collateral for its debts, nor has it granted any other security 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.

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 2013, Aedifica is using €228 million (2012: €296 million) out of its total credit facilities of €317 million. The headroom (€89 million), to which the effect of the new conventions applicable as from 23 July 2013 (€87 million), 1 August 2013 (€6 million) and 6 August 2013 (€30 million) should be added, is sufficient to cover the Aedifica's financial needs (including the development projects in progress) up to the end of the 2013/2014 financial year. The investment amount for existing projects is estimated at €151 million.

Given the regulatory status of Belgian REITs, 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 unforeseen circumstances. In case of worsening of the market conditions in comparison with those that existed at the time of signing of the current credit facilities, there is a risk of increasing credit spreads.

The Company would be exposed to a liquidity risk in the event of early termination of the credit facilities. In the event that the Company fails to comply with the provisions of its credit facility arrangements, these 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 7 December 2010) 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 obligations of the Company, and, more generally speaking, in the event of default as defined in these arrangements. Based on the information available to date, and on 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 altogether.

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

As of 30 June 2013, the undiscounted future cash flows related to the credit facilities include €225 million maturing within 1 year, €1 million maturing within 1 to 5 years, and €1 million maturing in more than 5 years. The credit facilities also give rise to an interest expense of €0.5 million that is due within 1 year (2012: €294 million in principal and €0.4 million in interest).

The undiscounted contractual future cash flows related to hedging instruments are analysed as follows:

As at 30 June 2013 (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	-3,920	-11,340	-3,199	-18,459
Derivatives for which hedge accounting is not applied	-2,611	-7,637	-5,654	-15,902
As at 30 June 2012 (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	-3,472	-12,530	-4,617	-20,619
Derivatives for which hedge accounting is not applied	-2,530	-9,026	-7,625	-19,181

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 over several years the interest rates related to at least 60% of its current or highly probable indebtedness.

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 moment of the indexation of rental incomes. When the interest rate curve is sufficiently flat (i.e. when interest does not vary a lot in function of 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 deviation increase of 25 bps of the 2013/2014 interest rates over the forecast rates would lead to an additional €0.7 million interest expense for the year ended 30 June 2014.

In order to monitor the interest rate risk, Aedifica has put hedges (interest rate swaps, as well as caps and collars) in place. As of 30 June 2013, hedges in progress represent 123% of short term drawings on Aedifica credit facilities. This percentage will decrease with certain instruments reaching maturity and with increased drawings on credit facilities for future investments. 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. The analysis of the hedges is provided in the Board of Directors' report and in Note 33

of the consolidated financial statements included in the annual financial report. The hedges are entered into for long periods; however, the agreements signed with banks providing the hedges provides (in line with market practice) for events that would lead to early termination of the hedges or initiate margin calls (in cash for example) in favour of the banks.

Changes in the interest rate curve have a limited impact on the future interest expense, since at least 60% of the financial debts are hedged by IRS, caps or collars. Each change in the interest rates curve has an impact on the fair value of hedging instruments against income statement 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 the annual financial report.

4. Counterparty risk

The signing of a credit facility or 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 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 33 and 49 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 one small supplier which charges its services in USD). 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 provide important information to support Aedifica's decision-making process and daily management activities. The budget and financial projections are derived from a computerised model that incorporates a number of assumptions; this model can suffer from programming errors, and human errors 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 the Company's compliance with regulatory (e.g. legal covenants associated to Belgian REIT status, like the debt-to-assets ratio) and contractual provisions (e.g. the bank covenants).

Note 45: Contingencies and commitments

1. Commitments

None of the acquisition values mentioned below exceed the investment value determined by the independent expert 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

In the framework of the long lease with Senior Living Group, Aedifica committed to finance the extension of the existing rest home for a maximum budget of €0.7 million. The development permit was obtained on 13 November 2013.

1.2 Construction of a new rest home and serviced apartments next to the existing building Au Bon Vieux Temps in Mont-Saint-Guibert

In the framework of 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 serviced apartments next to the existing rest home in Mont-Saint-Guibert, for a maximum budget of €9.8 million. This commitment is subject to outstanding conditions.

1.3 Extension of the De Edelweis rest home in Begijnendijk

In the framework of the long lease with Senior Living Group), Aedifica committed to finance the extension of the existing rest home for a maximum budget of €2.9 million. Phase I of the extension became operational on 28 May 2013. Phase II is currently in progress.

1.4 Extension of the Pont d'Amour rest home in Dinant

In the framework of the long lease with the operator of the Pont d'Amour rest home (being part of Armonea), Aedifica committed to finance the extension of the rest home for a maximum budget of €7.9 million. The development permit was obtained on 12 June 2013. This commitment is subject to outstanding conditions.

1.5 Extension of the Larenshof rest home in Laarne

In the framework of the long lease with Armonea, Aedifica committed to finance the extension of the Larenshof rest home for a maximum budget of €3.1 million. The works are currently in progress.

1.6 Renovation and extension of the Koning Albert rest home in Dilbeek

In the framework of the long lease with Soprim@, Aedifica committed to finance the renovation and extension of the rest home, for a maximum budget of €11.3 million. Phase I of the extension became operational on 28 May 2013. The remaining phases are currently in progress.

1.7 Extension of the Klein Veldeken assisted-living apartments in Asse

In the framework of the long lease with Soprim@, Aedifica committed, to finance the extension of this building, for a maximum budget of €6.1 million. This commitment is subject to outstanding conditions.

1.8 Renovation and reconversion of the Marie-Louise rest home in Wemmel

In the framework of 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 €3.3 million. This commitment is still subject to outstanding conditions.

1.9 Construction of a new rest home in Wemmel

In the framework of the long lease with Soprim@, Aedifica committed to finance the conversion of a former school located in Wemmel into a new rest home, for a maximum budget of €19.8 million. The construction is currently in progress.

1.10 Extension of the Eyckenborch rest home in Gooik

In the framework of the long lease with Soprim@, Aedifica committed to finance an extension of the rest home, for a maximum budget of €8.7 million. The construction is currently in progress.

1.11 Construction of two new rest homes in Olen en Wetteren

After entering into a framework agreement with La Reserve SA ("LRI") on 5 July 2010 and as referred to in the 2009/2010 annual financial report (see Note 49), two agreements in principle (with outstanding conditions) were signed on 20 and 24 May 2011. They allow Aedifica to acquire, by way of partial de-mergers, properties in the senior housing segment: the 122-bed rest home and assisted-living apartment, named De Notelaar, in Olen, and the 113-bed rest home and assisted-living apartment, named Overbeke in Wetteren) for €18 million and €13 million, respectively. Of the total acquisition value (approximately €31 million), €23 million will be financed through an exchange of new shares to be issued by Aedifica. These investment properties will be rented out to Armonea under 27-year triple net leases.

1.12 Construction of a new rest home in Beringen

In the framework of the long lease with the future operator of the site (being part of the Senior Living Group group), Aedifica committed to finance the construction of a new rest home in Beringen for a maximum budget of €17.4 million. Construction is expected to start in September 2013.

1.13 Construction of a new assisted-living apartments next to the Cheveux d'Argent rest home in Sart-lez-Spa

In the framework of the long lease with the operator of the Cheveux d'Argent rest home (being part of the Senior Living Group group), Aedifica committed to finance the construction of a new assisted-living apartments next to the existing rest home in Sart-lez-Spa for a maximum budget of €3 million. This commitment is still subject to outstanding conditions.

1.14 Renovation and extension of the 't Hoge rest home in Kortrijk

In the framework of the long lease with the operator of the 't Hoge rest home (that benefits the guarantee of the Senior Living Group), Aedifica committed to finance the renovation and extension of the existing building in Kortrijk for a maximum budget of €5 million. The development permit was obtained on 20 June 2013 and the works are currently in progress.

1.15 Extension of the Helianthus rest home in à Melle

In the framework of the long lease with the operator of the Helianthus rest home (that benefits the guarantee of the Senior Living Group), Aedifica committed to finance the extension of the existing building in Melle for a maximum budget of €3.4 million. This commitment is still subject to outstanding conditions.

1.16 Acquisition of a rest home in Bergish Gladbach (Germany)

In the framework of the agreement concluded on 20 June 2013, Aedifica committed to acquire an existing 80-beds rest home located in Bergish Gladbach (Germany) for a maximum budget of €8 million. This commitment is subject to outstanding conditions that were not lifted by the end of the financial year but lifted shortly thereafter in July 2013 (see section 2.1.1 in the consolidated Board of Directors' report). This rest home is operated by the AGO group in the framework of a 22-years residual duration.

1.17 Renovation and extension of the L'Air du Temps rest home in Chênée

In the framework of 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 €5.8 million. This commitment is still subject to outstanding conditions.

1.18 Renovation and extension of the Op Haanven rest home in Veerle-Laakdal

In the framework of 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 €2.9 million. This commitment is still subject to outstanding conditions.

1.19 Construction of two new rest homes in Tervuren

Aedifica signed an agreement in principle for the development of a new rest home in Tervuren, for a maximum budget of €24 million. This commitment is subject to outstanding conditions.

1.20 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 a rest home) the increase of the rent after extension. These events could trigger earn-outs.

2. Contingent liabilities

2.1 Credit facilities

No security has been pledged in relation to the Company's credit agreements.

2.2 Acquisition of shares in property companies, mergers and de-mergers

Generally speaking, Aedifica benefits from warranties provided by the sellers of shares in property companies acquired.

3. Contingent assets

3.1 Security received on rental agreements

Generally speaking, 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 (ranking #4) in the amount of €25 thousand and a mortgage authorisation in the amount of €1,230 thousand on the building "Château du Lac" located at avenue du Lac 87, 1332 Genval;
- Martin's Klooster: commitments of the lessee are covered by a mortgage (ranking #6) in the amount of €50 thousand and a mortgage authorisation (ranking #11) in the amount of €450 thousand on the building "Château du Lac" located at avenue du Lac 87, 1332 Genval;
- Ecu, Eburon, Carbon, Eurotel: commitments of each lessee are backed by Different Hotels SA and the lessees of the other buildings, who act as cross-guarantors.

3.2 Securities received following acquisitions

In case of acquisitions, contributions in kind, mergers, and de-mergers, Aedifica benefits from the following securities;

- Gaerveld (assisted-living apartments): commitment from the shareholders of the Company Home to hold all of their shares in that entity for a period of 5 years, to manage the entity following best practices over the same time period, and to provide sufficient funds to the entity to enable it to fulfil all obligations toward Aedifica;
- Freesias and Heliotropes: security on Aedifica shares worth €0.7 million, to be lifted in several steps after March 2015;
- Gaerveld (rest home): security on Aedifica shares held by Mr and Mrs Houbaer-Meers worth €0.8 million, to be lifted in several steps ending on 8 April 2015 at the latest.
- Résidence du Lac: a blocked account for €2.1 million that could be freed at earliest in October 2013.

4. Other

4.1 Résidence Palace – Résidence Esplanade

Aedifica signed a provisional sales agreement relating to the acquisition of 6 parking spaces in the building Résidence Esplanade next to the building Résidence Palace. These parking places are currently under construction.

4.2 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 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 ones:

ACQUISITIONS NAME	Business segment	Properties valuation* (x €1,000)	Register of corporations	Acquisition date**	Acquisition method
Immo Cheveux d'Argent SA	Senior housing	3,963	0849.065.348	20/12/2012	Acquisition of shares and subsequent merger
Terinvest SA	Senior housing	3,279	0440.659.518	26/03/2013	Acquisition of shares and subsequent merger
Kasteelhof-Futuro SCS	Senior housing	3,443	0439.190.066	17/04/2013	Acquisition of shares and subsequent merger
TOTAL		10,685			

* in order to determine the number of shares issued, the exchange ratio and/or the value of the acquired shares.

** and consolidation date in income statement.

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)	2013	2012
Authorised hedging instruments		
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-137	-75
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	1,737	-9,384
Subtotal	1,600	-9,459
Other	0	0
TOTAL	1,600	-9,459

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 (€1,149 thousand in 2012/2013; €1,010 thousand in 2011/2012). Remuneration details are provided in part 8 of the corporate governance statement included in the 2012/2013 annual financial report.

Note 49: Subsequent events

1. Acquisitions

— 29 August 2013: acquisition of "Salve" (Brasschaat) and "Plantijn" (Kapellen)

Aedifica acquired (together with its subsidiary, Aedifica Invest SA) of all shares of the limited liability company Patrius Invest on 29 August 2013. Patrius is the owner of two rest homes in the province of Antwerp: "Salve" in Brasschaat and "Plantijn" in Kapellen.

The "Salve" rest home is located at the heart of a residential district in Brasschaat. This 117-bed rest home is operated by the Armonea group (a major player in the senior care market) under a 27-year triple net long lease (that began in June 2013). The contractual value amounts to approximately €8 million and generates an initial triple net yield of 6%. In addition, a 2-phase development project is in progress at the site, consisting of the demolition and reconstruction of the old section of the rest home (dating back to the beginning of the 20th century) and the complete renovation of the newer sections (two buildings dated 1979 and 1997). The delivery of phase I is expected in spring 2014.

The "Plantijn" rest home is located in a residential district close to the centre of Kapellen. The rest home comprises 110 beds and is operated by the Armonea group under a 27-year triple net long lease (that began in June 2013). The contractual value amounts to approximately €8 million and generates an initial triple net yield of 6%. In addition, a development project is planned for the site. This project includes the renovation of existing buildings (namely a building dating back to the beginning of the 20th century and more modern expansion added in 1972 and 1986) and the expansion of the site with construction of a new building on a plot of land next to the rest home. The development permit has already been obtained for this project. Exact plans, including the expected completion date, have not yet been finalised.

The total investment budget (fixed in the contracts) for the completion of renovation and expansion works at these two sites amounts to approximately €16 million. These additional investments will, upon completion of the works, generate a triple net yield of approx. 6%.

— 29 August 2013: completion of "Hestia" (Wemmel)

On 29 August 2013, the construction of the new rest home "Hestia" was completed. It is located in Wemmel (in the province of Flemish Brabant), in close proximity to Brussels.

The rest home is located in a residential area in Wemmel. It has a total capacity of 222 beds and is the largest rest home in Aedifica's portfolio. The site is operated by the Soprim@ group under a 27-year triple net long lease. The contractual value amounts to approximately €20 million (including the land acquisition and construction of the building) and will generate an initial triple net yield of 6%.

The project was carried out on behalf of Aedifica in the context of an agreement in principle signed with the Soprim@ group on 21 February 2011.

2. Financing

On 1 August 2013, Aedifica took over an existing credit of €6 million (with the Bank für Sozialwirtschaft) maturing in 2021, linked to the building « Seniorencentrum AGO Herkenrath » (see section 2.1.1 of the consolidated Board of Directors').

On 5 August 2013, a new €30 million bilateral credit facility established with BNP Paribas Fortis, applicable on 6 August 2013 for a 4-year period.

The maturity table of Aedifica credit facilities is disclosed in Note 40.

Note 50: Corrected profit as defined in the Royal Decree of 7 December 2010

The corrected profit as defined in the Royal Decree of 7 December 2010 is calculated based on the statutory accounts as follows:

(x €1,000)	2013	2012
Profit (loss)	27,538	15,390
Depreciation	553	484
Write-downs	311	35
Other non-cash items	-1,434	9,433
Gains and losses on disposals of investment properties	-54	-54
Changes in fair value of investment properties	-9,013	-9,423
Roundings	0	1
Corrected profit	17,901	15,866
Denominator* (in shares)	8,715,339	7,153,096
Corrected profit per share* (in € per share)	2.05	2.22

* Based on the prorata temporis 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. The financial year end for each of these companies is 30 June 2013. The percentage of equity held by Aedifica is unchanged as compared to 30 June 2012.

NAME	Country	Category	Register of corporations	Capital held (in %)
Aedifica Invest SA	Belgium	Subsidiaries	0879.109.317	100.00
Aedifica Invest Brugge SA	Belgium	Subsidiaries	0899.665.397	100.00

Note 52: Belgian REIT status

(x €1,000)	2013	2012
Consolidated debt-to-assets ratio (max. 65%)		
Total liabilities	270,038	341,516
Corrections	-35,217	-37,595
Total liabilities according to the Royal Decree of 7 December 2010	234,821	303,921
Total assets	652,197	609,092
Corrections	-526	-38
Total assets according to the Royal Decree of 7 December 2010	651,671	609,054
Debt-to-assets ratio (in %)	36.0%	49.9%
Statutory pay-out ratio		
Statutory corrected profit	17,901	15,865
Proposed dividend	16,211	13,305
Pay-out ratio (min. 80%)	91%	84%

In accordance with Article 27, § 1, al. 1 of the Royal Decree of 7 December 2010, Aedifica is not required to distribute a dividend for the 2012/2013 financial year, as the reduction of debt of the Company, by €69 million between 30 June 2012 and 30 June 2013, is more than 80% of statutory corrected profit (80% * €17,901 thousand = €14,321 thousand).

Prohibition to invest more than 20% of assets in real estate assets that form a single property

As of 30 June 2013, 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 and de Crombrugghe & Partners SA.

Note 53: Audit fees

(x €1,000)	2013	2012
Statutory audit	41	40
Opinion reports foreseen in the Belgian Companies Code	10	0
Other opinion reports (comfort letter, etc.)	40	3
Tax advice missions	0	0
Other missions unconnected with the statutory audit	0	0

The limit laid down in Article 133 §5 of the Companies Code has not been crossed, since the ratio called "one to one" is 98% (€40 thousand / €41 thousand).

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 SA FOR THE YEAR ENDED 30 JUNE 2013

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report contains our opinion on the consolidated balance sheet on 30 June 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended 30 June 2013 and on the notes, and includes the required additional statement.

Report on the consolidated financial statements - unqualified opinion

We have audited the consolidated financial statements for the year ended 30 June 2013, prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union and with the legal and regulatory requirements applicable in Belgium, with a balance sheet amounting to total assets of € 652.197 (000) and a statement of income showing a profit for the year, share of the Group, of € 27.671 (000).

Responsibility of management for the preparation of the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union and with the legal and regulatory requirements applicable in Belgium, as well as the implementation of internal control, which it considers necessary for the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the statutory auditor

It is our responsibility to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the International Standards on Auditing (ISA). Those standards require that we comply with the ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

We have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we have considered internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements 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. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Group and the presentation of the consolidated financial statements, taken as a whole.

We have obtained from management the explanations and information necessary for executing our audit procedures.

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 company for the year ended 30 June 2013 give a true and fair view of the Group's assets and liabilities, its financial position as at 30 June 2013 and of the results of its operations and its cash flows in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of management.

Within the context of our assignment, it is our responsibility to verify in all material respects, the compliance with certain statutory and regulatory obligations. On this basis, we make the following comment which do not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is consistent with the consolidated financial statements and does not contain any significant inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 2 September 2013

Ernst & Young Réviseurs d'Entreprises scrl

Statutory auditor

represented by Jean-François Hubin, Partner

2. Abridged statutory financial statements 2012/2013

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)	2013	2012
I. Rental income	36,230	34,340
II. Writeback of lease payments sold and discounted	0	0
III. Rental-related charges	-152	-55
Net rental income	36,078	34,285
IV. Recovery of property charges	40	23
V. Recovery of rental charges and taxes normally paid by tenants on let properties	1,151	839
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	-1,151	-839
VIII. Other rental-related income and charges	-1,564	-1,677
Property result	34,554	32,631
IX. Technical costs	-942	-831
X. Commercial costs	-486	-548
XI. Charges and taxes on unlet properties	-126	-112
XII. Property management costs	-684	-602
XIII. Other property charges	-1,077	-1,047
Property charges	-3,315	-3,140
Property operating result	31,239	29,491
XIV. Overheads	-3,848	-3,407
XV. Other operating income and charges	10	139
Operating result before result on portfolio	27,401	26,223
XVI. Gains and losses on disposals of investment properties	54	54
XVII. Gains and losses on disposals of other non-financial assets	0	0
XVIII. Changes in fair value of investment properties	9,013	9,424
Operating result	36,468	35,701
XX. Financial income	327	555
XXI. Net interest charges	-9,955	-10,740
XXII. Other financial charges	-832	-613
XXIII. Changes in fair value of financial assets and liabilities	1,600	-9,459
Net finance costs	-8,860	-20,257
Profit before tax (loss)	27,608	15,444
XXIV. Corporate tax	-70	-54
XXV. Exit tax	0	0
Tax expense	-70	-54
Profit (loss)	27,538	15,390
Basic earnings per share (€)	3.16	2.15
Diluted earnings per share (€)	3.16	2.15

Abridged statutory statement of comprehensive income

Year ending on 30 June (x €1,000)	2013	2012
I. Profit (loss)	27,538	15,390
II. Other comprehensive income		
A. Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-418	-937
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	1,344	-13,060
H. Other comprehensive income*, net of taxes	1,593	651
Comprehensive income	30,056	2,043

* Difference between the investment value determined by the independent expert and the contractual value agreed between parties, after deduction of ancillary costs related to acquisitions.

Abridged statutory balance sheet

ASSETS Year ending on 30 June (x €1,000)	2013	2012
I. Non-current assets		
A. Goodwill	1,856	1,856
B. Intangible assets	21	20
C. Investment properties	642,667	592,542
D. Other tangible assets	1,849	2,078
E. Non-current financial assets	1,149	890
F. Finance lease receivables	0	0
G. Trade receivables and other non-current assets	0	0
H. Deferred tax assets	0	0
Total non-current assets	647,542	597,386
II. Current assets		
A. Assets classified as held for sale	0	0
B. Current financial assets	0	0
C. Finance lease receivables	0	0
D. Trade receivables and other non-current assets	2,514	2,890
E. Tax receivables and other current assets	976	6,481
F. Cash and cash equivalents	720	2,036
G. Deferred charges and accrued income	527	540
Total current assets	4,737	11,947
TOTAL ASSETS	652,279	609,333

EQUITY AND LIABILITIES	2013	2012
Year ending on 30 June (x €1,000)		
EQUITY		
A. Capital	248,072	180,873
B. Share premium account	64,729	34,261
C. Reserves	41,841	37,206
a. Legal reserve	0	0
b. Reserve for the balance of changes in fair value of investment properties	82,732	71,662
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-13,848	-13,430
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-16,637	-17,906
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	-8,082
h. Reserve for treasury shares	-83	-114
m. Other reserves	0	0
n. Result brought forward from previous years	7,143	5,076
D. Profit (loss) of the year	27,538	15,390
TOTAL EQUITY	382,180	267,730
LIABILITIES		
I. Non-current liabilities		
A. Provisions	0	0
B. Non-current financial debts		
a. Borrowings	171,484	235,834
C. Other non-current financial liabilities	32,373	35,038
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	203,857	270,872
II. Current liabilities		
A. Provisions	0	0
B. Current financial debts		
a. Borrowings	55,721	60,209
C. Other current financial liabilities	0	0
D. Trade debts and other current debts		
a. Exit tax	137	130
b. Other	7,540	7,835
E. Other current liabilities	0	0
F. Accrued charges and deferred income	2,844	2,557
Total current liabilities	66,242	70,731
TOTAL LIABILITIES	270,099	341,603
TOTAL EQUITY AND LIABILITIES	652,279	609,333

Abridged statutory appropriation account

PROPOSED APPROPRIATION Year ending on 30 June (x €1,000)	2013	2012
A. Profit (loss)	27,538	15,390
B. Transfer to/from the reserves	10,667	18
1. Transfert to/from the reserve of the (positive or negative) balance of changes in fair value of investment properties (-/+)		
- fiscal year	9,013	9,423
- previous fiscal years	0	0
- disposals of investment properties	54	54
2. Transfer to/from the reserve of the estimated transaction costs resulting from hypothetical disposal of investment properties (-/+)	0	0
3. Transfert to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting (-)		
- fiscal year	-137	-75
- previous years	0	0
4. Transfert 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. Transfert 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	1,737	-9,385
- previous years	0	0
6. Transfert 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. Transfert to/from the reserve of the balance of currency translation differences on monetary assets and liabilities (-/+)	0	0
8. Transfert to the reserve of the fiscal latencies related to investment properties abroad (-/+)	0	0
9. Transfert 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 27, § 1, para. 1	0	12,692
D. Remuneration of the capital - other than C	16,211	613
E. Result to be carried forward	661	2,067
SHAREHOLDERS' EQUITY THAT CAN NOT BE DISTRIBUTED ACCORDING TO ARTICLE 617 OF THE COMPANY CODE (x €1,000)	2013	2012
Paid-up capital or, if greater, subscribed capital (+)	248,072	180,873
Share premium account unavailable for distribution according to the articles of association (+)	64,729	34,261
Reserve for positive balance of changes in fair value of investment properties (+)	91,799	81,139
Reserve for the estimated transaction costs resulting from hypothetical disposal of investment properties (-)	-13,848	-13,429
Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS (+/-)	-16,774	-17,981
Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS (+/-)	-15,729	-17,466
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 (+)	0	0
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 can not be distributed according to Article 617 of the Company Code	358,249	247,396
Net asset	382,180	267,730
Dividend to be paid out	-16,211	-13,305
Net asset after distribution	365,969	254,425
Headroom after distribution	7,720	7,029

Standing documents

1. General information

Any reference to the Act of 20 July 2004 in the Company's Articles of Association now refers Act of 3 August 2012 regarding certain forms of collective management of investment portfolios, as the latter has not yet been reflected in the Company's Articles of Association.

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 subject to the legal regime of investment company with fixed capital referred to in the Belgian Act of 20 July 2004 on certain forms of collective management of investment portfolios (the "Act"), as well as the Royal Decree of 7 December 2010 relating to the real estate investment trust (the "Royal Decree").

The name of the company and all documents that it issues must include a reference to it being a public real estate investment company with fixed capital under Belgian law, either written out in full as "société d'investissement immobilière publique à capital fixe de droit belge/openbare vastgoedbeleggingsvennootschap met vast kapitaal naar Belgisch recht" ("public real estate investment company with fixed capital under Belgian law") or abbreviated as "sicaif immobilière publique de droit belge / openbare vastgoedbevak naar Belgisch recht" ("public REIT under Belgian law"), or be immediately followed by these words. The company has made a public call on savings within the meaning of Section 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 has been recognised as a Belgian REIT by the Commission Bancaire, Financière et des Assurances (CBFA), which became the FSMA, on 8 December 2005.

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 main purpose is the collective investment in real estate of funds raised from the public, within the meaning of Section 7, paragraph 1, 5° of the Act and of Section 2, 20° of the Royal Decree.

The company thus mainly invests in immovable property, namely:

- in immovable property as defined in Sections 517 et seq. of the Belgian Civil Code,
- in rights in rem to immovable property,
- in shares or participation rights with the right to vote, issued by real estate companies which it exclusively or jointly controls,
- in option rights to immovable property,
- in shares of public or institutional real estate investment companies with fixed capital, provided that, in the latter case, it jointly or exclusively controls such company,

- in participation rights in foreign undertakings for collective investment in real estate that are included in the list referred to in Section 129 of the Act,
- in participation rights in undertakings for collective investment in real estate that are located in another Member State of the European Economic Area and not included in the list referred to in Section 129 of the Act, insofar as those undertakings are subject to supervision that is equivalent to the supervision exercised over the public real estate investment companies with fixed capital,
- in real estate certificates, as referred to in Section 5 § 4 of the Belgian Act of 16 June 2006 on the public offer of investment instruments and the admission of investment instruments to trading on a regulated market,
- in rights that arise from contracts pursuant to which one or more goods are leased to the real estate investment company with fixed capital or similar rights of use are granted,
- in all other goods, participation rights or rights that are described by the Act or the Royal Decree as immovable property, or in all other activities that would be permitted by the regulations that apply to the company.

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 regulations that apply to real estate investment companies with fixed capital and, generally, perform all acts that are directly or indirectly related to its purpose. The company may not act as a property developer.

As an additional or temporary activity, the company may invest in securities that are not described above, insofar as these securities may be traded on a regulated market. It may hold liquid assets in the form of a call or term deposit or in the form of any monetary market instruments.

The company may moreover carry out stock lending and hedging transactions, insofar as the latter's exclusive purpose is to cover interest rate and exchange rate risks, to the exclusion of any speculative transactions.

The company may lease out (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.

1.7 Investment policy (article 4 of the articles of association)

The company's investment policy is aimed at residential property in Belgium or abroad and is mainly based on three key pillars: (exclusively or mainly) residential property, residential furnished property and property used or intended to be used as housing for senior citizens or students.

The company may also invest in non-residential property in Belgium and abroad, subject to compliance with the following conditions.

By no later than the closing of each financial year, at least 60 (sixty) per cent of the collective investment in immovable property of capital that has been raised from the public must be made in Belgian property that is exclusively used or intended for housing, within the meaning of Section 106(8) of the Royal Decree implementing the Belgian Income Tax Code.

Buildings that are related to or exclusively intended for residential purposes include but are not limited to the following types of dwellings: furnished apartments, unfurnished apartments and rest homes.

The company may also invest its assets in the following immovable property, up to a maximum of 40 (forty) per cent, without this list being exhaustive: residential property that is not included in the definition of the previous paragraph, hotels, care centres, office buildings, commercial property and industrial or semi-industrial property.

The Company may only modify its corporate purpose and its investment policy, as set out in Article 4 of the Articles of Association, in accordance with its articles of Association, and more particularly with the specific articles on the organization of the general meetings and in respect of mandatory provisions applicable to REITs.

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 11 October 2011, and receives an indexed audit fee of €27,000 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 real estate portfolio is reassessed by two independent real estate experts, namely:

- The company de Crombrughe & Partners SA, represented by Mrs. Patrizia Tortolani, for which its registered office is located in Avenue Hermann Debroux 54 in 1160 Brussels.
- The company Stadim SCRL, represented by Mr. Philippe Janssens, for which its registered office is located in Uitbreidingstraat 10-16 in 2018 Antwerpen.

According to the Royal Decree, the experts assess the entire portfolio every quarter and their assessment is the carrying amount ("fair value") of the buildings in 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 assessments are established on the basis of several classic methodologies:

- On the one hand, the expert applies a capitalisation rate to the estimated rental value adapted for actual deviations as regards rental income and operating expenses on a going concern basis.
- On the other hand, the expert computes the present value of future cash flows based on assumptions regarding future income (DCF method). 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.

1.13 Financial service

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 deposit of shares for the general meetings);
- KBC Bank SA, located avenue du Port 2 in 1080 Brussels (deposit of shares for the general meetings).

The remuneration of the financial service is almost entirely based on the amount of the distributed dividend. It amounted to €29 thousand for the 2012/2013 financial year (€27 thousand for the 2011/2012 financial year).

1.14 Places at which the documents are available to the public

The Articles of Association of the Company are available at the Commercial Court of Brussels and on the 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 2 financial dailies.

These meeting notices and all documents related to the general meetings are simultaneously available on the web site 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 website www.aedifica.be.

The auditor's report and the real estate experts' report are available in the annual financial reports provided on the 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 Belgian REITs, and in particular residential REITs, the Aedifica share can be an interesting investment both for the private investors and for institutional investors.

1.16 Historical financial information referred by reference

The annual financial reports (which included the consolidated financial statements -with an abridged version of the statutory accounts-, the consolidated Board of Directors' report, the auditor's report, the property reports), 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 financial year 2009/2010, 2010/2011 and 2011/2012 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 financial or trading situation of the Group 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 website www.aedifica.be.

1.19 Strategy or factors of governmental, economical, budgetary, monetary or political nature which have substantially influenced directly or indirectly the operations of Aedifica

Refer to 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 «Aedifica in the stock market», section 1), as well as 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 €600 million.

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. Jean-Louis Duplat, 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 the 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 the 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. Jean-Louis Duplat, 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 the 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 the accredited statutory auditor have been faithfully reproduced and included with their consent. As far as Aedifica SA knows and is able to assure it in the light of data published by these third parties, no facts have been omitted that might render the information reproduce incorrect or misleading.

Forecast information

This report contains forecast information. This information is based on Company's estimates and projections, and is subject by its nature to risks, uncertainties and other factors that may have the consequence that the results, financial situation, performance and figures, expressed or implicitly communicated, differ substantially from those mentioned or suggested by the forecast information. Taking into account these uncertain factors, statements regarding future developments cannot be considered 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)

The Board of Directors of Aedifica SA declares that, to the best of its knowledge:

- none of the Directors 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;

- no Director 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 year;
- no Director has, acting in the capacity of Director, been linked to any bankruptcies, receiverships or liquidations for at least the previous five year;
- no employment contract has been concluded with the directors, which provides for the payment of indemnities upon termination of the employment contract. However, it exists a management agreement between Aedifica SA and the Executive Director(s) providing such indemnities;
- no Director holds Aedifica SA shares, except for Services et Promotion de Lasne SA which holds 417,528 shares, Mrs. Galila Barzilaï Hollander who holds 133,389 shares, Mr. Stefaan Gielens who holds 1,887 shares, and Mr. Jean Kotarakos who holds 993 shares;
- no option on Aedifica SA shares has been given to date;
- no family tie exist between the directors.

3. Share capital

Date	Description	Amount of capital (€)	Number of shares
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 « Immo 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 de-merger of « Financière Wavrienne SA »	5,400,000.00	5,400
	Mixed de-merger 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 de-merger 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 de-merger of « Feninvest SA »	1,862,497.95	44,229
	Partial de-merger of « Résidence du Golf SA »	5,009,531.00	118,963
		103,793,817.92	4,438,918
30 July 2008	Partial de-merger of « Famifamenne SA »	2,215,000.00	50,387
	Partial de-merger 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 de-merger of « Carbon SA », « Eburon SA », « Hotel Ecu SA » and « Eurotel SA »	11,239,125.00	273,831
	Partial de-merger 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 de-merger of « S.I.F.I. LOUISE SA »	800,000.00	16,868
		184,930,164.13	7,194,076
7 December 2012	Capital increase by 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 »	10,399.00	8,622
	Merger of limited partnership « Kasteelhof-Futuro »	3,183.00	3,215
		254,292,531.91	9,903,690

1 Shares without par value.

2 These shares will be traded after coupon detachment related to the 2012/2013 financial year. They however enjoy the same rights and benefits as listed shares and participate in the result of Aedifica prorata temporis.

Note: In the 2011/2012 annual financial report, the operation of 5 October 2011 had mistakenly been called merger. The qualification has been corrected in the table above.

4. Extracts from the Articles of Association

4.1 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.

4.2 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 Royal Decree:

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 Royal Decree, 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 asset value 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 asset value 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.

4.3 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 Royal Decree 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 Royal Decree 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.

4.4 Mergers, de-mergers and equivalent transactions (article 6.5 of the articles of association)

Pursuant to the Royal Decree, 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.

4.5 Capital increase in a subsidiary with the status of an institutional real estate investment company with fixed capital (article 6.6 of the articles of association)

Pursuant to the Royal Decree, if there is a capital increase in a subsidiary that has the status of an institutional real estate investment company with fixed capital 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 asset value 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.

4.6 Capital reduction (article 6.7 of the articles of association)

The company may reduce its capital subject to compliance with the relevant statutory provisions.

4.7 Nature of the shares (article 8 of the articles of association)

The shares are registered, bearer or dematerialised shares, at the option of the shareholder and within the limits set by law.

The shareholder may, at any time and free of charge, request that his shares be converted from bearer shares into registered shares or dematerialised shares.

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.

Bearer shares entered in a securities account will automatically be converted into dematerialised shares, at no cost to the shareholder.

Bearer shares that are not entered in a securities account by the thirty-first of December, twenty thirteen will be converted into dematerialised shares, by operation of law, on the first of January, twenty fourteen, at no cost to the shareholder.

4.8 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 Royal Decree.

4.9 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.

4.10 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, or by the presentation of bearer shares to a financial intermediary, 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 or bearer shares who wish to participate in the meeting must submit a certificate issued by a financial intermediary or a recognised account holder which indicates, as the case may be, with how many dematerialised shares, as entered in the name of the shareholder in his accounts on the record date, or with how many bearer shares, as presented 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 Distribution (article 29 of the articles of association)

The company distributes a dividend to its shareholders, the minimum amount of which is determined in accordance with the Royal Decree.

4.16 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.

4.17 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.

4.18 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 that is constituted in such a way that it can manage the company autonomously and in the sole interest of the shareholders of the company. 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.

If a legal entity is appointed as director of the company, it will be obliged to appoint a permanent representative from among its partners, managers, directors or employees who will be entrusted with the performance of this mandate in the name and on behalf of this legal entity.

A director who is appointed to replace another director will complete the mandate of the director whom he replaces.

Directors must possess the necessary professional reliability and appropriate experience for their duties. Their appointment is subject to the 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.

If a legal entity is appointed as a member of the management committee or the executive committee, it will appoint a permanent representative from among its partners, managers, directors or employees who will be entrusted with the performance of this mandate in the name and on behalf of this legal entity.

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, the board of directors will entrust the effective management of the company to at least two natural persons or single-member private limited liability companies whose single member and manager is their permanent representative within the meaning of Section 61 § 2 of the Belgian Companies Code. These two persons may or may not be directors of the company.

The natural persons and the permanent representatives of the single-member private limited liability companies must have the required professional reliability and appropriate experience to perform these duties.

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.

For all deeds of disposal relating to real estate, the company must be validly represented by two directors acting jointly. As an exception to this, the company will be validly represented for a deed of disposal by (a) special representative(s) provided that the following cumulative conditions are fulfilled:

- the board of directors must exercise actual control over the deeds/documents signed by the special representative(s) and set up an internal procedure for this purpose that relates to both the content and periodicity of the control;
- the power of attorney may only relate to a specific transaction or a defined group of transactions (it does not suffice for the transaction or the group of transactions to be «determinable»). General powers of attorney are not permitted;
- the relevant limits (e.g. as regards price) must be specified in the power of attorney itself and the power of attorney must have a fixed term, i.e. the time that is needed to complete the transaction.

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 regulations that apply to public real estate investment companies with fixed capital.

4.19 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

5. Belgian REIT

5.1 General definition

Aedifica is a limited liability company that has opted for the status of a real estate investment trust.

A Belgian REIT (fixed capital Real Estate Investment Trust) is:

- an undertaking for collective investment («OPC/ICB») in direct or indirect property assets;
- set up on the basis of the Royal Decree of 10 April 1995, replaced by the Royal Decree of 7 December 2010;
- set up in the form of a limited liability company («SA/NV») or limited partnership by shares («SCA/Comm VA»);
- quoted on the stock exchange, where at least 30% of shares are traded on the market;
- the activity of which is restricted to property investments.

Belgian REITs are regulated by the Financial Services and Markets Authority (FSMA) and have to follow extremely strict rules governing conflicts of interest.

5.2 Particular regulations

Real estate property

Article 39 of the Royal Decree of 7 December 2010 specifies that a Belgian REIT 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 Belgian REITs, 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, Belgian REITs 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 REITs.

Valuation

The real estate properties are assessed on a quarterly basis by independent experts at their fair value. They are recorded in the balance sheet at this value. Depreciation is not recognised on 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 the Annex C of the Royal Decree of 7 December 2010;
- and the net decrease, during the financial year, in the debt of the public Belgian REIT.

Debt

The debt-to-assets ratio of the public Belgian REIT and its subsidiaries, and the statutory debt-to-assets ratio of public Belgian REITs, 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 exceeds the threshold of 65%.

Financing

A Belgian REIT may not provide financing, except to its subsidiaries.

Fiscal status

A Belgian REIT is not subject to corporate tax (except on non-recoverable expenses and abnormal or benevolent benefits), provided that at least 80% of corrected profit are 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 Belgian REIT 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% will be increased to 80% as from 1st January 2015. In addition, residential Belgian REITs are now permitted to invest within the European Economic Area.

Companies applying for approved Belgian REIT status, or which merge with a Belgian REIT, 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).

The Belgian REIT (Sicafi/Vastgoedbevaks) 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 services which they can freely use.

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
- I. Current liabilities – A. Provisions
- I. Current liabilities – C. Other current financial liabilities - Hedges
- I. Current liabilities – Accrued charges and deferred income as provided in the annexes of the Royal Decree of 7 December 2010 related to Belgian REITs.

/ Total assets less authorised hedging instruments

≤ 65%

EBIT margin

Operating result before result on portfolio divided by net rental income.

EPRA

European Public Real Estate Association is an association which was founded in 1999 in order to promote, develop and regroup the 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, the assumption of the experts take into account a fictitious lease 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 Belgian REIT status, or which merge with a Belgian REIT, 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% giving a total of 16.995%).

Fair value

The fair value of the 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 adapted if necessary by 0.5% threshold.

The 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 must apply these standards in their consolidated accounts since the financial year commencing on 1 January 2005 or after this date. The Belgian REITs must also apply IFRS in their statutory accounts since 2007.

Investment properties

Investment properties including buildings intended for sale and development projects.

Investment value

Value assessed by the expert, of which transfer tax are not deducted.

Long lease

Contract with an initial duration above 27 years and below 99 years, giving a temporary right in rem to the tenant. He has full use of the property during this period. In return, he pays an annual fee (rent).

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): (contractual rents + guaranteed income) / (contractual rents + 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 Belgian REIT, as provided in Article 27 of the Royal Decree of 7 December 2010 (see definition of the debt-to-assets ratio).

Profits excluding IAS 39 and IAS 40

Profit (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 2 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): 0.2%;
- 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 for IFRS balance sheet is calculated by deducting from the investment value a fixed percentage of transfer tax currently fixed to 2.5% by the expert (however, for investment properties with a value of less than €2.5 million, the rights to deduct are the transfer taxes, applicable depending on the location of the building).

Triple net

When the operating charges, the maintenance costs and the rents on vacant spaces related to the operations are supported by the operator.

Unfurnished apartment building

A building is considered as being an unfurnished apartment building if at least a part of the units is rented out as unfurnished apartment. A building (other than a building with furnished apartments or a building for senior housing) which has no apartment is classified in the category “Hotels and other”.

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
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

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1. The French version of this document has true value. The Dutch and English versions are translations and are written under the responsibility of Aedifica.





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