Half year financial report
Regulated information

19 February 2013 – After closing of markets
Under embargo until 17:40 CET

Half year financial report 2012/2013

- **Capital increase of €100 million successfully completed[1] on 7 December 2012, the largest public capital increase that took place in Belgium in 2012, bringing the market capitalisation to approximately €430 million and the debt-to-assets ratio at 35 %.**

- **Two investments in the senior housing segment were announced just after the capital increase:**
  - **The acquisition of the rest home project « Residentie Sporenpark » in the Province of Limburg, and**
  - **The acquisition of the « Résidence Les Cheveux d'Argent » rest home in the Province of Liège.**

- **High occupancy rate of 97.3 % for the unfurnished portion of the portfolio and at a level of 80.8 % for the furnished portion of the portfolio**

- **Rental income, EBIT margin and profit excluding IAS 39[2] and IAS 40[3] ahead of expectations[4]**

- **Increase in the fair value of marketable investment properties amounting to €9 million, i.e. + 1.51 %, taken into income statement**

- **Fair value of investment properties amounting to €619 million, an increase of €26 million compared to 30 June 2012**

- **Unchanged dividend expectations for the current financial year (€1.78 gross per share)**

- **Clarification of the tax regime of the residential Belgian REITs: withholding tax at 15% for the dividends distributed as from 1 January 2013. Residential Belgian REITs can now invest within the European Economic Area**

- **New website for Aedifica**

[1] See press release of 4 December 2012.
[2] That is excluding change in fair value of hedging instruments.
[3] That is excluding change in fair value of investment properties.
[4] In this whole document (unless otherwise specified), « expectations » refers to the half year figures based on which the annual prospects for the profit excluding IAS 39 and IAS 40 for the financial year 2012/2013, published in the Securities note of the capital increase of 7 December 2012, has been determined.

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I. Interim Board of Directors' report

1. Summary of the activities of the 1st semester

Aedifica's investment strategy is built on two underlying demographic trends, namely the growing population in the main cities and the ageing population. These two trends have contributed to market confidence in the Company over the course of the semester, which is confirmed by the successful capital increase of €100 million completed on 7 December 2012. This will enable Aedifica to pursue its investment strategy. After the capital increase, Aedifica already announced two important investments in the senior housing segment: the acquisition of the "Résidence Les Cheveux d'Argent" rest home in the Province of Liège (€4 million) and the project for the new "Residentie Sporenpark" rest home in the Province of Limburg (€17.4 million).

During the reviewed semester, the fair value of investment properties exceeded the €600 million threshold (€619 million as of 31 December 2012; €593 million as of 30 June 2012). Development projects to be completed in the coming years represent an additional investment portfolio of nearly €134 million; 95 % of these projects are pre-let. In view of its current debt level (35 %) and excellent relationship with its banks, Aedifica's balance sheet structure allows the company to execute its future development projects while maintaining its current equity levels, and to continue prospecting for new opportunities. Several investments opportunities are currently under consideration.

In parallel with its investment activities, Aedifica continues to manage its existing real estate portfolio, which consists of apartment buildings (unfurnished and furnished apartment buildings), senior housing (which represents the most significant segment in terms of both rental income and fair value), and hotels. This translates into rental incomes of €18 million (supported by an occupancy rate of 97.3 % for the unfurnished portion of the portfolio and 80.8 % for the furnished portion), an increased EBIT margin (77 % as compared to 76 % one year earlier), and well controlled financing costs. Profit (excluding non-cash elements arising from application of accounting standards on financial instruments and investment properties) has reached €8.2 million (compared to €7.2 million on 31 December 2011), i.e. €0.94 per share (compared to €1.00 per share on 31 December 2011) computed on the basis of the number of rights to the dividend expected at the end of the financial year. The decline of the profit excluding IAS 39 and IAS 40 per share originated in the dilution resulting from the capital increase of 7 December 2012. This result (in absolute terms and per share) is better than expected.

The dividend expectations for the current financial year remain unchanged at €1.78 gross per share.

Aedifica welcomes the lifting, end of December 2012, of the uncertainties related to the tax treatment of dividends distributed by the residential Belgian REITs that persisted throughout 2012. A withholding tax at 15 % will apply to dividends paid as from 1 January 2013 and the residential Belgian REITs can now invest within the European Economic Area.

2. Introduction

Aedifica is a Belgian listed company investing in residential real estate. It develops a real estate portfolio around the following investment poles:

- unfurnished apartment buildings;
- furnished apartment buildings;
- rest homes and assisted-living buildings;
- hotels.

Aedifica is listed on NYSE Euronext Brussels (continuous market). Its financial year ends on the 30th June.

This interim Board of Directors' report is an update of the Board of Directors' report as of 30 June 2012, included in the annual financial report 2011/2012 (and comprising a glossary listing the definitions of the main technical terms used). Only the significant changes that have taken place since then are presented here.

3. Important events

3.1. During the 1st semester 2012/2013

3.1.1. Financing

- Capital increase of €100 million

On 16 November 2012, Aedifica launched a capital increase in cash with preferential right in a gross amount of €99.8 million. The main objective is 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, i.e. €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 that took place in Belgium in 2012.

After closing of markets on 15 February 2012, the company's market capitalisation amounted to approximately €436 million (as compared to €324 million on 15 November 2012, just before the launch of the operation).

- New and renegociated credit facilities

As a reminder, as published in the annual financial report 2011/2012:

- on 11 July 2012, a new €30 million "roll-over" credit facility was issued by BNP Paribas Fortis for a 4-year term, ending 11 July 2016;
- as scheduled, the amount of €60 million, which reached maturity on 23 July 2012, was reimbursed;
- on 14 August 2012, a €30 million credit facility issued by KBC Bank in 2010, which was scheduled to reach its maturity on 31 March 2013, was extended to 30 June 2014.

The timetable showing the maturity of Aedifica's current credit facilities is presented in section 6.8. of chapter IV enclosed.

3.1.2. Acquisitions

- Résidence du Lac (Brussels)

The general meeting of Aedifica proceeded on 12 July 2012 into a mixed de-merger of the "Société d'Investissements et de Financement Immobiliers de l'avenue Louise" (SIFI LOUISE), which aimed to transfer to Aedifica a parcel of land (approximately 349 m^2) 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 XIIII 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. No debts were assumed by Aedifica as a result of the mixed de-merger. 16,868 new Aedifica shares (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) were issued on this occasion.

- Immeuble Ring (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 this building, which first entered its investment portfolio in 2007.

- Project « Residentie Sporenpark » (Beringen)

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

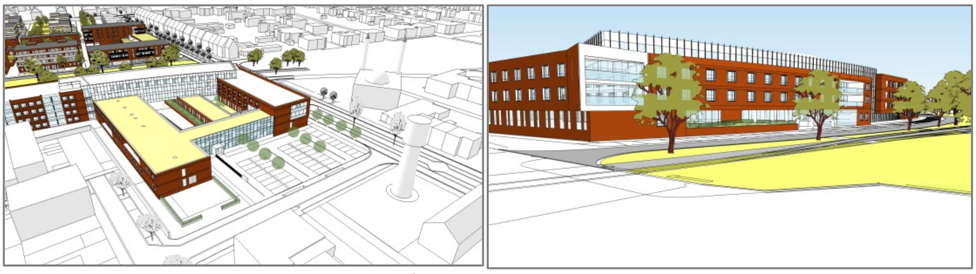
This site, located between the Stationsstraat and the Koolmijnlaan, will undergo a makeover thanks to the be-MINE project currently in progress that will reach completion in 2020. The project[1] consists in redeveloping the site into several zones, combining culture (museum of the mine, shows, exhibitions), shopping (via a shopping centre) and leisure (sport activities including a new municipal swimming pool), next to housing and workplaces. The "Houtpark" residential project will bring together various accommodations: single family housing, apartments, a rest home and assisted-living apartments. Aedifica will participate in this project through the construction of the rest home that will begin in the spring of 2013. The completion of the project is expected in the fall of 2014. Eventually, the rest home will include 110 beds and 17 assisted-living apartments, spread over a built area of approximately 9,300 m².

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

[1] 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 "Residentie Sporenpark" rest home will be operated by the group Senior Living 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 amounts to approximately 6 %.

This was Aedifica's first important investment after the capital increase of €100 million[1] which was successfully completed on 7 December 2012.



Residentie Sporenpark[2]. Photos: © 2012 – A33 Architecten.

- Résidence Les Cheveux d'Argent (Sart-lez-Spa)

On 20 December 2012, Aedifica announced the acquisition of 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"[3] rest home currently comprises 80 beds. It is operated by the group Senior Living Group (a major player in the Belgian senior care market), 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[4].

The "Résidence Les Cheveux d'Argent" is located in a beautiful scenery on a plot of land of approximately 3.9 ha, offering a potential for a future development. An extension of 20 assisted-living apartments is currently under review with the operator of the rest home. An investment budget of approximately €3 million is already set aside for the development of this extension.

Résidence Les Cheveux d'Argent (Sart-lez-Spa)

1 See press releases of 4 December 2012.
2 Located Stationsstraat in 3582 Beringen.
3 Located 7 avenue F. Jérôme in 4845 Sart-lez-Spa.
4 Not exceeding the investment value estimated on 30 November 2012 by Aedifica's independent expert.

3.1.3. Disposal

- Broqueville 8 (Brussels)

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

3.1.4. Other

- Logis de Famenne (Wanlin)

As previously announced, the Armonea group has transferred the beds and residents from the "Logis de Famenne" rest home in Wanlin toward 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 since 10 September 2012.

The new operator of the site is the group "Le Carrosse". "Le Carrosse" is a set of institutions that offer a permanent collective home in Belgium to individuals with mental retardation associated or not with specific pathologies. 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".

Aedifica looks forward to this new collaboration with a key player in a sector that is consistent with the strategy of Aedifica, where care and housing needs are combined.

3.1.5. Development projects in progress

The following development projects are in progress:

- Séniorerie La Pairelle (phase II extension, in Wépion);
- De Edelweis (extension of a rest home in Begijnendijk);
- Rue Haute (renovation of an apartment building in Brussels);
- Koning Albert I (renovation and extension of a rest home in Dilbeek, see section 3.2. for the completion of the work);
- Eyckenborch (extension of the rest home in Gooik);
- Wemmel Zijp (construction project of a new rest home in Wemmel).

3.2. After the 1st semester 2012/2013

Phase I of the renovation and extension of the Koning Albert I rest home in Dilbeek was completed on 18 January 2013, a few months earlier than originally planned. The building was operational on that date.

Since 15 February 2013, Aedifica's new website is online at the following address: www.aedifica.be. In accordance with its objective of transparency in its financial communication, the company is aiming at providing information in a clear and easily accessible way. The structure of the new website is consistent with the previous version, but it adopts a refreshed modern style, adapted to new computer technologies for a more ergonomic consultation with the tablets and smartphones.

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

4. Investment properties as of 31 December 2012

During the first semester of the financial year, Aedifica increased its portfolio of marketable investment properties by €15 million, from a fair value of €583 million to €598 million (+3 %). This growth mainly comes from the acquisitions during the semester (€5 million – see section 3.1.2. above) and the changes in the fair value of marketable investment properties recognised in income (+€9 million, or +1.51 % over the first semester). This appreciation, assessed by the independent experts, is broken down as follows:

- unfurnished apartment buildings: + €0.7 million, i.e. +0.5 %;
- furnished apartment buildings: + €0.6 million, i.e. +1.0 %;
- senior housing: + €6.7 million, i.e. +2.1 %;
- hotels and other: + €0.9 million, i.e. +1.2 %.

As of 31 December 2012, Aedifica had 125 marketable investment properties, with a total surface area of 298,000 m^2, consisting mainly of:

- 838 apartments, of which:
    - 543 unfurnished apartments;
    - 295 furnished apartments;
- 35 rest homes comprising 3,335 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 segment is as follows (in terms of fair value):

- 54 % senior housing;
- 33 % apartment buildings, of which:
    - 23 % unfurnished apartment buildings;
    - and 10 % furnished apartment buildings.
- 13 % hotels and other building types.

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

- 47% in Brussels;
- 36% in Flanders;
- 17% in Wallonia.

The occupancy rate[1] of the total unfurnished portion of the portfolio amounted to 97.3 % as of 31 December 2012. This is a very high level although it is slightly below the record level rates recorded over the previous financial year (97.8 % as of 30 June 2012).

The occupancy rate of the furnished portion of the company's real estate portfolio reached 80.8 % over the first six months of the financial year. This is a decrease as compared to the occupancy rate realised on the first six months of the previous financial year (84.3 %) and to the occupancy rate on the whole 2011/2012 financial year (82.3 %). This reflects the amplified seasonality arising from the economic climate, as noted in the previous publications, and is also explained by the fact that Aedifica currently takes advantage of the economic slowdown to renovate some of its furnished apartments. Hence, during the first semester, 24 of the 295 apartments (i.e. 8 % of the units) were unavailable for rental due to renovation. The first figures for the second semester of the 2012/2013 financial year indicate an occupancy rate for furnished apartments at a normalised level above 80%, slightly above the expectations.

The average remaining lease maturity for all buildings in the portfolio is 18 years, unchanged 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 is explained by the large proportion of long term contracts (such as long leases) in the company's portfolio.

5. Gross yield by segment

The table below presents the gross yield of the portfolio by segment compared to the fair value of the marketable investment properties, increased by (regarding furnished apartments) the goodwill and the carrying amount of the furniture.

In general terms, the slight decline in the gross yield ("yield compression") comes from the fact that the fair value of the buildings grew faster than the contractual rents.

[1] The occupancy rate is calculated as follows:
- 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.

31 December 2012							
(x €1,000)	Unfurnished apartment buildings	Furnished apartment buildings	Senior housing	Hotels and other	Marketable investment properties	Development project	Investment properties
Fair value	136,243	61,892	325,496	74,826	**598,457**	20,320	**618,777**
Annual contractual rents	7,116	5,326 *	19,282	4,828	**36,552**	-	**36,552**
Gross yield (%)**	5.2%	8.2%	5.9%	6.5%	**6.1%**	-	-
31 December 2011							
(x €1,000)	Unfurnished apartment buildings	Furnished apartment buildings	Senior housing	Hotels and other	Marketable investment properties	Development project	Investment properties
Fair value	133,867	59,675	292,303	60,485	**546,330**	19,732	**566,062**
Annual contractual rents	7,244	5,835 *	17,467	4,043	**34,589**	-	34,589
Gross yield (%)**	5.4%	9.2%	6.0%	6.7%	**6.3%**	-	-

* The amounts related to the furnished apartments correspond to the annualised rental income exl. VAT (from 1/07 to 31/12).
** Based on the fair value (re-assessed every 3 months), increased with the goodwill and the furniture for the furnished apartments. In the senior housing segment, the gross yield and the net yield are equal ("triple net" contracts), the operating charges, the maintenance costs and the rents on empty spaces related to the operations being supported by the operator. It goes the same for the hotels.

6. Analysis of the half year consolidated accounts

The condensed financial statements prepared in accordance with IAS 34, is presented on page 34 of this half year financial report. The following sections of the interim Board of Directors' report analyse the financial statements using an analytical framework that conforms to the company's internal reporting structure.

6.1. Consolidated results[1]

Consolidated income statement - analytical format *(x €1,000)*	**31 December 2012**	**31 December 2011**
Rental income	18,037	16,728
Rental-related charges	-69	-28
Net rental income	17,968	16,700
Operating charges*	-4,152	-4,041
Operating result before result on porfolio	13,816	12,659
*EBIT margin** %*	*77%*	*76%*
Financial result excl. IAS 39	-5,597	-5,467
Corporate tax	-29	-19
Profit excl. IAS 39 and IAS 40	**8,190**	**7,173**
Number of dividend rights***	8,715,113	7,152,854
Earnings per share excl. IAS 39 and IAS 40 (€/share)[2]	**0.94**	**1.00**
Profit excl. IAS 39 and IAS 40	8,190	7,173
IAS 40 impact ****	9,926	6,139
IAS 40 impact: gains on disposals of investment properties	54	0
IAS 39 impact *****	-1,792	-6,699
Profit (owners of the parent)	**16,378**	**6,613**
Weighted average number of shares outstanding (IAS 33)	7,558,301	7,130,466
Earnings per share (owners of the parent - IAS 33 - €/share)	**2.17**	**0.93**

* Items IV to XV of the income statement.
** Operating result before result on portfolio divided by the net rental income.
*** Calculated on the basis of the number of dividend rights expected at the end of the financial year.
**** Changes in fair value of investment properties.
***** Changes in fair value of hedging instruments.

The consolidated turnover (**consolidated rental income**) for the 1st semester of the 2012/2013 financial year amounts to €18.0 million. This is slightly above the expectations, despite the highly difficult economic context.

The consolidated turnover for the semester shows an increase (+8 %) as compared to the same period during the prior year. This evolution comes from the four segments in the table below:

[1] The consolidated income statement covers the 6 month period from 1 July 2011 to 31 December 2012. Acquisitions are accounted for on the date of the effective transfer of control. Therefore, these operations present different impacts on the income statement, depending on whether they took place at the beginning, during, or at the end of the period.

[2] The decline of the profit excluding IAS 39 and IAS 40 per share presented here (calculated on the number of dividend rights expected at the end of the financial year) originated in the dilution resulting from the capital increase of 7 December 2012. The calculation of the profit excluding IAS 39 and IAS 40 per share on the basis of the IAS 33 denominator (that is on the basis of the weighted average number of sharess outstanding) is €1.08 per share (against €1.01 per share as of 31 December 2012).

Consolidated rental income *(x €1,000)*	31 December 2012	31 December 2011	Var. (%) on a like-for-like basis	Var. (%)
Unfurnished apartment buildings	3,496	3,602	-3%	-3%
Furnished apartment buildings	2,665	2,803	-11%	-5%
Senior housing	9,536	8,366	+3%	+14%
Hotels and other	2,391	2,007	-3%	+19%
Inter-segment	-51	-50		
Total	**18,037**	**16,728**	**-1%**	**+8%**

After deducting rental-related charges, the **net rental income** amounts to €18 million (+8 % as compared to 31 December 2011).

The **property result** is €17.2 million (31 December 2011: €15.9 million). This result, less other direct costs, provides a **property operating result** of €15.6 million (31 December 2011: €14.3 million), which represents an operating margin[1] of 86 % (31 December 2011: 86 %).

After deducting overheads of €1.8 million (31 December 2011: €1.7 million) and taking into account other operating income and charges, the **operating result before result on portfolio** has increased by 9 %, reaching €13.8 million. This result represents an **EBIT margin** of 77 % (31 December 2011: 76 %) and is slightly ahead of the expectations.

The share of each segment in the operating result before result on portfolio (constituting the segment result under IFRS 8) is detailed in note 3 of the condensed consolidated financial statements below.

After taking account of the cash outflows of €3.3 million generated by hedging instruments (described below), **net interest charges** amount to €5.4 million (31 December 2011: €5.4 million). The average effective interest rate (4.0 % before capitalising interest on development projects) is lower as compared to that reported in first semester 2011/2012 (4.4 %) and is slightly below the expectations. 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 €5.6 million (31 December 2011: €5.5 million), this is slightly below the expectations.

In conformity with the company's particular regime, the **corporate tax** (€29 thousand; 31 December 2011: €19 thousand) consists primarily of taxes on Aedifica's non-deductible expenditures.

The **profit excluding IAS 39 and IAS 40** reached €8.2 million for this semester (31 December 2011: €7.2 million), or €0.94 per share (31 December: €1.00 per share), computed on the basis of the number of dividend rights expected at the end of the financial year. The decrease of the profit excluding IAS 39 and IAS 40 per share comes from in the dilution resulting from the capital increase of 7 December 2012. This result (in absolute terms and per share) is better than expected.

[1] Operating result of the buildings divided by the net rental income.

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. These consist of (1) the 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):

- Over the six first months of the financial year, **changes in the fair value of marketable investment properties**[1] taken into income was +1.51 %, or +€8.9 million (31 December 2011: +€5.6 million), which shows a continuation of the positive trend observed since 1 January 2010. A change in fair value of +€1.1 million was recorded on development projects (compared to +€0.5 million for the same period in the previous year). The combined change in fair value for marketable investment properties and development projects represents an increase of €9.9 million over the semester (31 December 2011: €6.1 million). **Gains on disposals of investment properties** are derived from the transaction described in point 3.1.3. above.

- 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[2], allow for the conversion of variable rate debt to fixed-rate debt, or capped-rate debt. Hedging instruments are either derivatives (*interest rate swaps* or “IRS” recognised as a liability on the balance sheet at a fair value of €20.9 million) which fulfill strict conditions imposed under IAS 39 for application of hedge accounting, or derivatives (*multi-callable interest rate swaps* or “multi-callable IRS”, caps, and collars recognised on the balance sheet at fair value of €18.7 million in the liabilities) which do not fulfill these conditions but which contribute none-the-less to the economic coverage of interest rate risks. The sum of the fair value of these hedging instruments is €39.6 million, recorded as liabilities for €39,646 thousand in line I.C of the consolidated balance sheet, and as assets amounting to €7 thousand in line I.E of the consolidated balance sheet. Taking into account the carrying amount of the upfront premiums paid for the caps and collars (€395 thousand), the IAS 39 impact on equity amounts to €40,034 thousand. Depending on the type of instrument, the **impact of IAS 39** (changes in fair value) between 30 June 2012 and 31 December 2012 is either taken into income statement (-€1.8 million) or taken directly into equity (-€2.8 million as shown in the consolidated statement of changes in equity). These changes constitute a purely accounting impact (under IAS 39), timely (as of 31 December 2012), and non-monetary impact (that is to say, *non-cash*) related to the fluctuation of market indicators.

Given the non-monetary elements described above, the **profit (attributable to owners of the parent)** amounts to €16.4 million (31 December 2011: €6.6 million). The earnings per share (*basic earnings per share*, as defined in IAS 33) is €2.17 (31 December 2011: €0.93).

[1] 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 31 December 2012

[2] Long term hedges permit a notable reduction in the interest rate risk on investment financing which generate revenues over the long term, such as long leases. Note once again that the average duration of Aedifica’s leases is 18 years.

6.2. Consolidated balance sheet

Consolidated balance sheet *(x €1,000)*		31 December 2012	30 June 2012
Investment properties		618,777	592,717
Other assets included in debt-to-assets ratio		9,071	16,337
Other assets		7	38
Total assets		**627,855**	**609,092**
Equity			
Excl. IAS 39 impact		405,495	303,023
IAS 39 impact*		-40,034	-35,447
Equity		365,461	267,576
Liabilities included in debt-to-assets ratio		220,642	303,921
Other liabilities		41,752	37,595
Total equity and liabilities		**627,855**	**609,092**
	Debt-to-assets ratio (%)	*35.1%*	*49.9%*

* Fair value of hedging instruments.

As of 31 December 2012, **investment properties** represent 99 % (30 June 2012: 97 %) of the **assets** recognised on Aedifica's **balance sheet**, valued in accordance with IAS 40[1] at a value of €619 million (30 June 2012: €593 million). This heading includes:

- Marketable investment properties (31 December 2012: €598 million; 30 June 2012: €583 million), which marked an increase of €15 million. The net growth in the fair value of marketable investment properties is attributed to €5 million from investment operations (see section 3.1.2. below) and to €9 million from the change in fair value of marketable investment property.

- Development projects (31 December 2012: €20 million); 30 June 2012: €9 million), consisting primarily of investment properties under construction or renovation (see section 3.1.5. below). These projects are undertaken in the context of the multi-annual investment budget described in section 1.2. of the property report below.

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 cash in October 2010 and December 2012. It has increased to €254 million as of 31 December 2012[2] (30 June 2012: €184 million). **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:

[1] That is to say, accounted for at their fair value as determined by independent real estate experts (Stadim CVBA and de Crombrugghe & Partners SA).
[2] Recall that IFRS requires that the costs incurred to raise capital are recognised as a decrease in the capital reserves.

- €405 million excluding the IAS 39 impact (30 June 2012: €303 million), an increase following the capital increase of December 2012;
- or €365 million including the IAS 39 impact (30 June 2012: €268 million).

As of 31 December 2012, **liabilities included in the debt-to-assets ratio** (as defined in the Royal Decree of 7 December 2010 on Belgian REITs) reached €221 million (30 June 2012: €304 million), of which €212 million (30 June 2012: €296 million) represent amounts drawn on the company's credit facilities. The **debt-to-assets ratio** amounts therefore to 35.1 % (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 €187 million in constant assets (that is, excluding growth in the real estate portfolio) or €535 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 46 % 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 -42 % in the fair value of investment properties.

Other liabilities of €42 million (30 June 2012: €38 million) represent mainly the fair value of hedging instruments (31 December 2012: €40 million; 30 June 2012: €35 million).

6.3. Net asset value per share

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

Excluding the non-monetary impact (that is to say, non-cash) of IAS 39[1] and after accounting for the payment of the 2011/2012 dividend in November 2012[2], the net assets per share based on the fair value of investment properties is €41.00 as of 31 December 2012, as compared to €40.38 share on 30 June 2012.

Net asset value per share (in €)	31 December 2012	30 June 2012
Based on fair value of investment properties		
Net asset value after deduction of dividend, excl. IAS 39	41.00	40.38
Dividend paid in November 2012	0.00	1.85
IAS 39 impact	-4.05	-4.94
Net asset value based on fair value	36.95	37.29
Number of shares outstanding (excl. treasury shares)	9,891,161	7,175,730

[1] The IAS 39 impact of €-4.05 per share as of 31 December 2012 is the impact in equity of the fair value of hedging instruments, which is negative for €40 million, mainly booked in the liabilities on the balance sheet. The change in fair value of hedging instruments since 30 June 2012 amounts to €-5 million, of which €-3 million directly booked in equity and €-2 million booked in the income statement.

[2] 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 included the dividend distributed in November 2012, and should be adjusted by €1.85 per share in order to compare with the value as of 31 December 2012. 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 which amounted to €1.86 per share (certain shares held only rights to a prorata temporis dividend).

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 within the framework of the capital increase of 7 December 2012. Taken into account this last element, the net asset value per share can be estimated at €36.39 including IAS 39 impact, or at €40.44 excluding IAS 39 impact.

Number of shares	31 December 2012	30 June 2012
Number of shares outstanding*	9,891,161	7,175,730
Total number of shares	9,891,853	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)	7,558,301	7,152,918
Number of dividend rights expected at the end of the financial year**	8,715,113	7,153,096

* After deduction of the treasury shares
** Based on the prorata temporis rights to the dividend for the shares issued during the year.

7. Outlook

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

In the current economic climate, that has recently further deteriorated, Aedifica's **key strengths** are the following:

- Its diversified investment strategy in its four segments (the unfurnished apartment buildings, the furnished apartment buildings, the senior housing, the hotels and other) creates the ability to adapt to market opportunities and to the evolution of the economic situation. Note, however, that the furnished apartment buildings and the hotels segments are the most sensitive to the economic situation.

- 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 run.

- Its investments in apartment buildings (both furnished and unfurnished) offer a potential for capital gains. Further, revenues from its furnished apartments, while more sensitive to the economic fluctuations than revenue from unfurnished apartments, generally stand to generate higher rental returns.

- External financing of the real estate portfolio (including commitments for development projects) is ensured by credit facilities totaling €312 million, of which none reaches maturity in the 2012/2013 financial year. To date, the drawings on these credit facilities are totally covered by hedging instruments (interest rate swaps, caps, or collars).

- With a debt-to-assets ratio of 35.1 % as of 31 December 2012 (far below the maximum legal limit of 65 % imposed for Belgian REITs and the maximum contractual limit of 60 % resulting from bank covenants), Aedifica is in a good solvent position. This is further supported by the stable fair values that the company's real estate portfolio has demonstrated since the beginning of the economic and financial crisis. Aedifica enjoys a balance sheet structure that permits executing development projects and renovations it has committed (totaling approximately €134 million as of 31 December 2012, of which €23 million will in principle be financed by issuing new Aedifica shares) and to realise new important investments.

The dividend expectations for the current financial year, as published in the Securities note relating to the capital increase of December 2012, remains unchanged at €1.78 per share, representing a gross dividend after capital increase of about 4.20 %[1]. As a reminder, the dividend for the 2012/2013 financial year will be allocated over two coupons (No. 10 already detached and estimated at €0.78; coupon No. 11 still attached to the outstanding share and estimated at €1.00).

8. Ranking Aedifica

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 properties portfolio (5th as of 30 June 2012). Additionally, Aedifica holds the 4th place in terms of the average volume traded on the stock market, with an average daily volume of €330 thousand over the last 12 months (30 June 2012: 4th place with an average daily volume of €230 thousand).

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

9. Principal risks and uncertainties

The Board of Directors consider that the key risk factors summarised in pages 2 to 9 of the annual financial report 2011/2012 and in pages 6 to 14 of the Securities note relating to the capital increase of December 2012, remain relevant for the remaining months of the 2012/2013 financial year.

On the other hand, Aedifica welcomes the lifting, end of December 2012, of the uncertainties related to the tax treatment of dividends distributed by the residential Belgian REITs that persisted throughout 2012.

The Programme law of 27 December 2012 provides indeed that from 1st January 2013, the withholding tax on dividends amounts in principle to 25 %. Aedifica however benefits from a reduction of the withholding tax to 15 %, as a Belgian REIT investing directly at least 60 % of its property in housing, in accordance with articles 171, 3° quater and 269, 3° of the Belgian Income Tax Code. The concept of housing includes single-family houses and collective housing such as apartment buildings

[1] In relation to the theoretical ex-rights price and ex-2012/2013 prorata temporis dividend right.

and rest homes. The percentage of 60% will be increased to 80% as from 1st January 2015[1]. In addition, the residential Belgian REIT can now invest within the European Economic Area.

10. <u>Related party transactions</u>

Related party transactions, as defined under IAS 24 and by the Belgian Companies Code, are the subject of note 15 of the attached condensed 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 first semester 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.

11. <u>Corporate governance</u>

11.1. Renewal of the offices

As a reminder, at the Annual General Meeting on 26 October 2012, the office of the following persons were renewed until October 2015: Mr. Stefaan Gielens, Executive Director, RE-INVEST SA, represented by Mrs. Brigitte Gouder de Beauregard, acting as a non-executive independent Director, and SERDISER SCA, represented by Mr. Pierre Iserbyt, acting as non-executive independent Director.

Brussels 18 February 2013.
The Board of Directors.

[1] As of 31 December 2012, this percentage reaches 79 % for Aedifica. Taken into account the development projects in progress, it should quickly exceed the 80 % threshold.

II. Aedifica on the stock market

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[1] capital increase in cash with preferential right in a gross amount of €99.8 million. Aedifica issued 2,697,777 new shares at a subscription price of €37.00 per share.

On 31 December 2012, Aedifica was registered in the BEL Real Estate Index with a weighting of 6.30 % and in the Bel Mid Index[2] with a weighting of 3.19 %.

Based on the stock price as of 31 December 2012 (€44.00), Aedifica shares show:

- a 7.3 % premium compared to the net asset value per share excluding IAS 39, based on the fair value of the property portfolio;
- a 19.1 % premium compared to the net asset value per share including IAS 39, based on the fair value of the property portfolio.

The above-mentioned 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 October 2010 and December 2012 capital increases) and 31 December 2012, Aedifica's stock price increased by 18.3 %. This increase shows a very favourable contrast as compared to the Bel Mid and EPRA Europe[3] indices, which fell by 11.5 % and 44.1 %, respectively, over the same period.

On 14 February 2013, Aedifica shares closed at a unit price of €44.03, which represents:

- a 7.4 % premium compared to the net asset value per share excluding IAS 39, based on the fair value of the property portfolio;
- a 19.2 % premium compared to the net asset value per share including IAS 39, based on the fair value of the property portfolio.

The above-mentioned 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 14 February 2013, Aedifica's stock price increased by 18.4 %. This increase shows a very favourable contrast as

[1] As a reminder, on 15 October 2010, Aedifica successfully completed its first capital increase in cash with preferential right in an amount of €67 million gross. Aedifica issued 2,013,334 new shares at a subscription price of €33.45 per share.
[2] The Bel Mid indice is composed of values which does not belong to the BEL20 indice, with a floating market capitalisation above the BEL20 indice 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 indice.
[3] For additional information on EPRA indice, refer to EPRA's website (www.EPRA.com).

compared to the Bel Mid and EPRA Europe indices, which fell by 7.5 % and 44.8 %, respectively, over the same period.

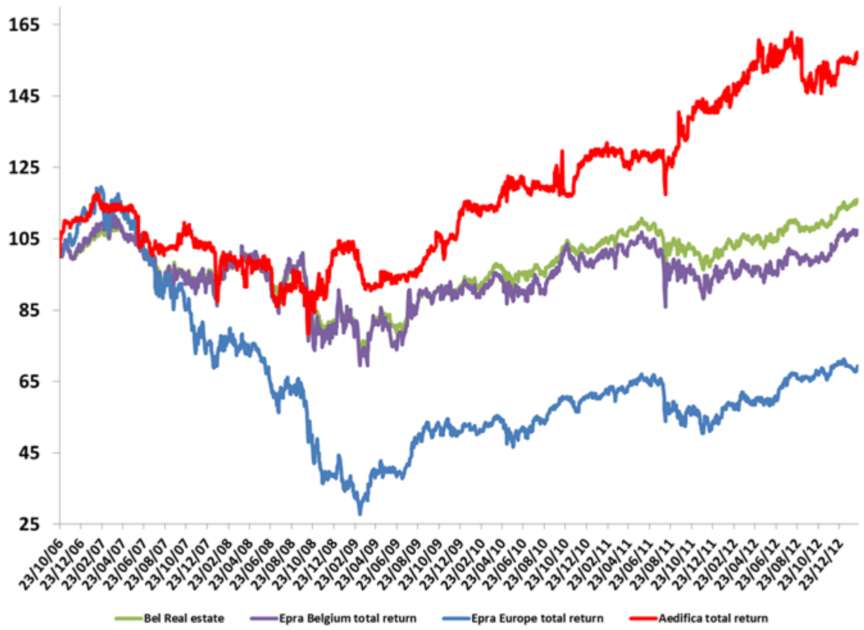
Aedifica share	31 December 2012	30 June 2012
Share price at closing (in €)	44.00	48.50
Net asset value per share excl. impact IAS 39 (in €)		
Based on fair value	41.00	40.38 [4]
Premium (+) / Discount (-) excl. impact IAS 39		
Based on fair value	7.3%	20.1%
Net asset value per share after impact IAS 39 (in €)		
Based on fair value	36.95	37.29 [5]
Premium (+) / Discount (-) after impact IAS 39		
Based on fair value	19.1%	30.1%
Market capitalisation (in €)	434,499,340	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	9,891,161	7,175,730
Average daily volume (in shares)	8,804	5,248
Velocity[2]	24.0%	19.1%
Gross dividend per share (in €)[3]	1.78	1.86
Gross dividend yield[6]	4.0%	3.8%

[1] Pourcentage of the capital of a company held by the market, according to the definition of Euronext.
[2] Total volume of share exchanged annualised divided by the total number of shares listed on the market, according to the definition of Euronext.
[3] See section 7 of the interim Board of Directors' report here above.
[4] After deduction of the dividend 2011/2012 paid in November 2012.
[5] Before deduction of the dividend 2011/2012 paid in November 2012.
[6] Gross dividend per share, before withholding tax of 15 % (in accordance with the current fiscal law), divided by the share price at closing.

2. Graphic illustrations of Aedifica's stock price

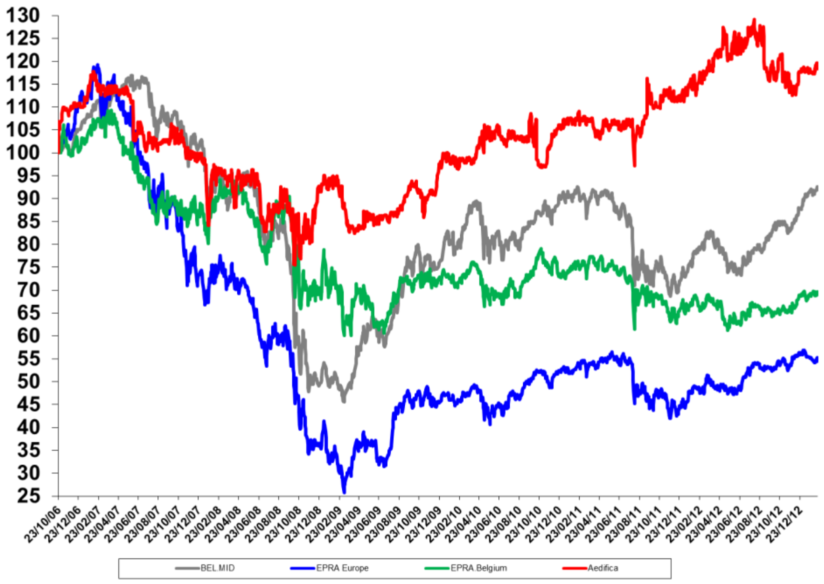
The stock prices cover the period between the IPO and 14 February 2013.

Aedifica's total return compared to indexes



		Var. (%)
Aedifica total return	57,83	55,54
Bel real estate	1.311,68	16,01
EPRA B. total return	2.314,06	7,15
EPRA E. total return	1.485,33	-30,87

Aedifica's stock price evolution compared to indexes



	Spot	Var. (%)
Aedifica	44,03	18,43
BEL MID	3.414,53	-7,47
EPRA Belgium	984,55	-30,47
EPRA Europe	1.474,13	-44,79

3. Shareholding structure

Aedifica shareholders holding more than 5% of the Company's total number of shares are listed in the table below (situation as of 15 October 2010)[1].

Shareholders	In % of the capital
Jubeal Fondation	6.37%
Wulfsdonck Investment SA	5.46%
Free Float	88.17%
Total	100.00%

The total number of shares (including the treasury shares) is 9,891,853.

4. Shareholders' calendar

Financial calendar	
Interim statement	14/05/2013
Annual press release 30.06.2013	3/09/2013
Annual financial report 2012/2013	13/09/2013
Annual General Meeting 2013	25/10/2013
Dividend - ex-date	30/10/2013
Dividend - payment date	4/11/2013
Interim statement	12/11/2013
Half year results 31.12.2013	02/2014

[1] Declarations of transparency and control strings are available on Aedifica's website. The Company has not received any additional declarations of transparency after those received on 15 October 2010.

III. Property report

1. Consolidated property portfolio

1.1. Investment properties[1]

	Unfurnished apartment buildings	Totale surface (m²) (1)	Residential surface (m²)	Number of residential units	% Occupancy rate (2)	Contractual rents (3)	Contractual rents + ERV on empty spaces (4)	Estimated rental value (ERV) (5)
1	Tervueren 13 A/B	4,628	621	3	67.0%	394,367	588,742	636,878
2	Sablon	4,655	3,342	30	93.4%	908,951	973,363	920,898
3	Complexe Laeken - Pont Neuf	5,720	4,637	42	84.9%	543,058	639,638	636,407
4	Le Bon 24-28	1,666	1,666	15	98.7%	176,501	178,901	189,263
5	Lombard 32	1,431	1,095	13	91.3%	183,920	201,380	175,604
6	Complexe Louise 331-333	4,871	1,509	9	98.4%	634,700	644,700	659,600
7	Place du Samedi 6-10	3,769	2,365	24	99.0%	322,255	325,555	303,695
8	Broqueville 8	638	638	6	75.1%	47,947	63,804	70,308
9	Bataves 71	552	312	3	60.0%	36,021	60,021	59,100
10	Tervueren 103	881	410	6	100.0%	121,815	121,815	115,715
11	Louis Hap 128	688	688	7	98.0%	88,945	90,745	75,648
12	Rue Haute	2,630	1,380	20	78.7%	194,076	246,578	308,070
13	Résidence Palace	6,388	6,189	57	85.2%	550,900	646,600	686,200
14	Churchill 157	2,210	1,955	22	89.0%	235,560	264,735	266,140
15	Auderghem 237-239-241-266-272	1,739	1,739	22	84.8%	169,824	200,282	184,278
16	Edison	2,029	758	7	87.7%	109,559	124,919	141,088
17	Verlaine/Rimbaud/Baudelaire	2,795	1,518	21	93.2%	252,438	270,978	280,910
18	Ionesco	930	930	10	97.4%	94,411	96,931	102,280
19	Musset	562	472	6	100.0%	50,754	50,754	50,200
20	Giono & Hugo	1,412	1,412	15	92.7%	120,283	129,823	142,830
21	Antares	439	439	7	100.0%	40,601	40,601	39,323
22	Ring	11,381	7,227	88	100.0%	898,900	898,900	813,200
23	Résidence Gauguin et Manet	2,885	2,885	35	78.4%	252,507	321,999	306,825
24	Résidence de Gerlache	6,794	6,174	75	84.9%	687,756	810,506	815,465
	Total of the segment "Unfurnished apartment buildings"	**71,693**	**50,361**	**543**	**89.0%**	**7,116,049**	**7,992,270**	**7,979,925**

[1] It is not in the interest of the shareholder to publish the values by building. The addresses of the buildings are available in the annual financial report 2011/2012. Addresses of the acquisitions since 1 July 2012 are available in the related press releases. The Résidence Les Cheveux d'Argent building is owned by the subsidiary Immo Cheveux d'Argent SA. All other buildings are held by Aedifica SA.

Furnished apartment buildings	Totale surface (m²) (1)	Residential surface (m²)	Number of residential units	% Occupancy rate (2)	Contractual rents (3)	Contractual rents + ERV on empty spaces (4)	Estimated rental value (ERV) (5)
25 Complexe Souveraine	11,847	11,354	116	78.4%	2,324,720	2,324,720	1,382,083 [6]
26 Louise 130	1,110	694	9	82.4%	216,810	216,810	161,400 [6]
27 Louise 135 (+ 2 parkings Louise 137)	1,978	1,930	31	90.6%	598,616	598,616	339,600 [6]
28 Louise 270	1,043	958	14	69.1%	193,864	193,864	144,500 [6]
29 Vallée 48	623	623	6	77.4%	115,472	115,472	87,300 [6]
30 Livourne 16-18 (+ 24 parkings Livourne 7-11)	1,567	1,567	16	80.3%	351,174	351,174	258,500 [6]
31 Freesias	3,635	3,138	37	71.2%	392,378	392,378	354,000 [6]
32 Héliotropes	1,493	1,223	25	87.2%	260,086	260,086	171,700 [6]
33 Livourne 20-22	1,326	1,326	12	84.8%	311,184	311,184	183,800 [6]
34 Livourne 14	324	324	6	87.5%	54,800	54,800	33,400 [6]
35 Résidence Chamaris	1,838	1,702	23	91.9%	506,440	506,440	355,290 [6]
Total of the segment "Furnished apartment buildings"	**26,784**	**24,839**	**295**	**80.8%**	**5,325,544**	**5,325,544**	**3,471,573** [6]

Senior housing	Totale surface (m²) (1)	Residential surface (m²)	Number of residential units	% Occupancy rate (2)	Contractual rents (3)	Contractual rents + ERV on empty spaces (4)	Estimated rental value (ERV) (5)
36 Château Chenois	6,354	6,354	113	100.0%	843,900	843,900	1,041,200
37 New Philip	3,914	3,914	111	100.0%	462,000	462,000	549,300
38 Jardins de Provence	2,280	2,280	72	100.0%	379,300	379,300	371,000
39 Bel Air	5,350	5,350	161	100.0%	674,000	674,000	738,500
40 Résidence Grange des Champs	3,396	3,396	75	100.0%	398,800	398,800	476,000
41 Résidence Augustin	4,832	4,832	95	100.0%	501,500	501,500	504,800
42 Ennea	1,848	1,848	41	100.0%	184,500	184,500	171,000
43 Kasteelhof	3,500	3,500	82	100.0%	333,700	333,700	467,400
44 Wielant	4,834	4,834	103	100.0%	512,600	512,600	571,400
45 Résidence Parc Palace	6,719	6,719	180	100.0%	1,193,400	1,193,400	1,248,200
46 Résidence Service	8,716	8,716	200	100.0%	1,227,500	1,227,500	979,900
47 Résidence du Golf	6,424	6,424	202	100.0%	746,000	746,000	1,080,000
48 Résidence Boneput	2,993	2,993	78	100.0%	432,500	432,500	493,300
49 Résidence Aux Deux Parcs	1,423	1,423	53	100.0%	218,900	218,900	268,900
50 Résidence L'Air du Temps	2,763	2,763	88	100.0%	431,900	431,900	477,000
51 Au Bon Vieux Temps	1,268	1,268	43	100.0%	193,300	193,300	172,300
52 Op Haanven	4,675	4,675	90	100.0%	394,600	394,600	425,100
53 Résidence Exclusiv	4,253	4,253	104	100.0%	675,100	675,100	634,400
54 Séniorie Mélopée	2,967	2,967	70	100.0%	470,100	470,100	378,100
55 La Boule de Cristal	1,290	1,290	41 units	100.0%	90,000	90,000	155,000
56 Les Charmes en Famenne	3,165	3,165	96	100.0%	284,700	284,700	317,700
57 Seniorerie La Pairelle	5,971	5,971	51	100.0%	576,700	576,700	668,000
58 Residence Gaerveld	1,504	1,504	20 units	100.0%	161,100	161,100	160,000
59 Résidence du Plateau	8,069	8,069	143	100.0%	1,210,100	1,210,100	1,159,800
60 Seniorie de Maretak	5,684	5,684	122	100.0%	503,900	503,900	671,000
61 De Edelweis	5,114	5,114	95	100.0%	542,200	542,200	833,900
62 Bois de la Pierre	2,272	2,272	65	100.0%	422,700	422,700	403,700
63 Buitenhof	4,386	4,386	80	100.0%	528,200	528,200	615,000
64 Klein Veldeken	3,363	3,363	41 units	100.0%	386,200	386,200	687,300
65 Koning Albert I	3,366	3,366	66	100.0%	184,100	184,100	886,800
66 Eyckenborch	5,457	5,457	78	100.0%	422,900	422,900	830,800
67 Rietdijk	2,155	2,155	59	100.0%	320,300	320,300	330,400
68 Marie-Louise	1,959	1,959	60	100.0%	124,100	124,100	300,000
69 Gaerveld	6,994	6,994	115	100.0%	751,500	751,500	755,000
70 Larenshof	5,464	5,464	88	100.0%	828,900	828,900	721,900
71 Ter Venne	6,634	6,634	100	100.0%	945,800	945,800	983,500
72 Pont d'Amour	4,364	4,364	76	100.0%	487,100	487,100	362,300
73 Résidence Les Cheveux d'Argent	4,177	4,177	80	100.0%	237,800	237,800	317,200
Total of the segment "Senior housing"	**159,897**	**159,897**	**3.335 beds and 102 units**	**100.0%**	**19,281,900**	**19,281,900**	**22,207,100**

Hotels and other	Totale surface (m²) (1)	Residential surface (m²)	Number of residential units	% Occupancy rate (2)	Contractual rents (3)	Contractual rents + ERV on empty spaces (4)	Estimated rental value (ERV) (5)
74 Hotel Martin's Brugge	11,369	0	0	100.0%	1,600,000	1,600,000	1,171,460
75 Royale 35	1,813	0	0	100.0%	184,515	184,515	174,405
76 Martin's Klooster	6,935	0	0	100.0%	1,370,277	1,370,277	1,141,080
77 Bara 124-126	1,539	0	0	100.0%	46,680	46,680	63,113
78 Corbais 18	292	292	1	100.0%	25,600	25,600	12,000
79 Carbon	5,715	0	0	100.0%	520,000	520,000	550,800
80 Eburon	4,016	0	0	100.0%	388,800	388,800	452,000
81 Ecu	1,960	0	0	100.0%	213,000	213,000	226,300
82 Eurotel	4,779	0	0	100.0%	356,400	356,400	368,000
83 Villa Bois de la Pierre	320	160	4	100.0%	30,300	30,300	32,400
84 Duysburgh	470	470	5	100.0%	62,000	62,000	39,700
85 Résidence du Lac	0	0	0	100.0%	30,700	30,700	30,700
Total of the segment "Hotels and other"	**39,208**	**922**	**10**	**100.0%**	**4,828,272**	**4,828,272**	**4,261,958**
TOTAL investment properties	**297,581**	**236,019**	**950 units and 3.335 beds**	**n.a.**	**36,551,765**	**37,427,986**	**37,920,556** [6]

1 Surface excluding ground and parkings. The cellars are taken into consideration only in exceptional cases.
2 See Glossary in the 2011/2012 annual financial report. The occupancy rate of the furnished apartment buildings 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 unfurnished apartment buildings includes units in renovation and hence temporarily not rentable.
3 See Glossary in the 2011/2012 annual financial report. The amounts related to the furnished apartment buildings correspond to the annualised rental income excl. VAT.
4 For the furnished apartments buildings, no estimated rented value (ERV) was added for vacancy.
5 See Glossary in the 2011/2012 annual financial report. The ERV is the value as assessed by the independant real estate experts. for the furnished apartment buildings, the experts does not take into account the furnished occupancy.
6 This ERV is not comparable to the contractual rents because (for the furnished apartments buildings) it does not take into account the fact that the apartments are furnished.

1.2. Projects and renovations in progress

Project or renovation (in € million)	Address	Estimated inv.	Inv. as at 31 December 2012	Future inv.	Date of completion	Comments
I. In progress						
Seniorerie La Pairelle Phase II	Wépion	2.2	0.8	1.4	2012/2013	Renovation and extension of a rest home.
Residentie Sporenpark	Beringen	17.4	1.9	15.5	2014/2015	Construction of a new rest home.
Résidence Palace - Parkings	Brussels	0.2	0.1	0.1	2014/2015	Acquisition of 6 parking spaces to be built.
Edelweis	Begijnendijk	2.9	0.8	2.1	2013/2014	Extension of the rest home.
Rue Haute	Brussels	1.4	0.0	1.4	2013/2014	Renovation of a residential building with 20 apartments and 1 commercial groundfloor.
Wemmel Zijp	Wemmel	19.8	7.4	12.4	2013/2014	Construction of a new rest home.
Koning Albert I	Dilbeek	11.3	4.0	7.3	2013/2014	Renovation and extension of a rest home.
Eyckenborch	Gooik	8.7	1.0	7.7	2013/2014	Extension of a rest home.
II. Subject to outstanding conditions						
Tervuren	Tervuren	24.0	0.0	24.0	2014/2015	Construction of a new rest home.
Eburon	Tongeren	0.9	0.0	0.9	2013/2014	Extension of the hotel and renovation of the existing arches.
Résidence du Lac	Brussels	3.5	0.0	3.5	2015/2016	Construction of an apartment building.
Au Bon Vieux Temps	Mont-Saint-Guibert	6.6	0.2	6.4	2013/2014	Construction of a rest home.
Klein Veldeken	Asse	6.1	0.0	6.1	2013/2014	Extension of a serviceflatbuilging.
Marie-Louise	Wemmel	3.3	0.0	3.3	2014/2015	Renovation and reconversion of a rest home.
Résidence Aux Deux Parcs	Jette	0.7	0.0	0.7	2012/2013	Extension of the rest home.
Résidence Cheveux d'Argent	Spa	3.0	0.0	3.0	2014/2015	Extension of the rest home.
Larenshof	Laarne	7.4	0.0	7.4	2013/2014	Extension of the rest home and construction of a new serviceflatbuilding.
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	2013/2014	New rest home with 122 units.
Overbeke	Wetteren	13.0	0.0	13.0	2013/2014	New rest home with 113 units.
Total		**152.4**	**18.2**	**134.2**		
Capitalised costs		-	0.6	-		
Changes in fair value		-	1.4	-		
Roundings		-	0.1	-		
On balance sheet			**20.3**			

Among all these projects, 95 % of them are already pre-let. The total investment budget amounting €134 million is supposed to be paid in cash, except for €23 million relating to the Olen and Wetteren projects for which new shares will be issued by Aedifica (as mentioned in Note 45 of the consolidated financial statements, published in the 2011/2012 annual financial report).

2. Marketable investment properties portfolio analysis

2.1. Breakdown by segment (in fair value)

Breakdown by segment	31 December 2012	30 June 2012
Unfurnished apartment buildings	23%	23%
Furnished apartment buildings	10%	10%
Senior housing	54%	54%
Hotels and other	13%	13%

2.2. Geographical breakdown (in fair value)

Geographical breakdown	31 December 2012	30 June 2012
Brussels	47%	47%
Flanders	36%	36%
Wallonia	17%	17%

2.3. Breakdown by building (in fair value)

Breakdown by building (in fair value)	31 December 2012
Complexe Souveraine (furnished)	4%
Hotel Martin's Brugge (hotel)	4%
Martin's Klooster (hotel)	4%
Résidence Service (senior)	3%
Résidence du Plateau (senior)	3%
Résidence Parc Palace (senior)	3%
Sablon (unfurnished)	3%
Buildings < 3%	75%

2.4. Number of buildings per segment

Number of buildings	31 December 2012	30 June 2012
Unfurnished apartment buildings	45	45
Furnished apartment buildings	30	30
Senior housing	38	37
Hotels and other	12	11
Total	**125**	**123**

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

Age of buildings by type of contract (fair value)	31 December 2012	30 June 2012
Triple net contracts	68%	68%
Other leases 0-10 years	15%	15%
Other leases > 10 years	17%	17%

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

Initial lease maturity (fair value)	31 December 2012	30 June 2012
< 15 years	32%	32%
15 years	1%	2%
≥ 27 years	67%	66%

La durée moyenne restante des baux est de 18 ans.

2.7. Breakdown by segment (in contractual rents)

Breakdown by segment	31 December 2012	30 June 2012
Unfurnished apartment buildings	19%	20%
Furnished apartment buildings	15%	15%
Senior housing	53%	52%
Hotels and other	13%	13%
Total	**100%**	**100%**

2.8. Breakdown of contractual rents by group of operator

	31 December 2012
Orpea	18%
SLG	18%
Armonea	11%
Soprim@	4%
Other senior housing	2%
Subtotal senior housing	**53%**
Martin's Hotels	8%
Different Hotel Group	4%
Subtotal hotels	**12%**
Other types of tenants	35%
TOTAL	**100%**

2.9. Gross yield by segment[1] (in fair value)

Yield	31 December 2012	30 June 2012
Unfurnished apartment buildings	5.2%	5.4%
Furnished apartment buildings	8.2%	8.8%
Senior housing	5.9%	6.0%
Hotels and other	6.5%	6.5%
Average	**6.1%**	**6.2%**

[1] The gross yield is calculated as follows:
- For the total portfolio (excluding furnished apartments): (contractual rents including the guaranteed income) / (fair value of the concerned buildings).
- For the furnished apartments: (Turnover as of 31 December 2012, annualized and excl. VAT) / (fair value of the concerned buildings + goodwill + furnishments).

2.10. Occupancy rate[1]

2.10.1. Furnished apartment buildings

Occupancy rates (Buildings with furnished apartments)	
Dec 2011	84.3%
Dec 2012	80.8%

2.10.2. Total portfolio (excluding furnished apartments)

Occupancy rates (Total portfolio excluding furnished apartments)	
Dec 2011	97.9%
June 2012	97.8%
Dec 2012	97.3%

3. The real estate market

3.1. The residential market[2]

On the secondary market, i.e. the market of real estate sold under transfer rights, it appears that the recovery of the activity in the market of single family homes has come to an end. In 2012, about 80,000 units were sold, representing a decrease of 7 % compared to 2011.

The market of apartments had an absolute peak in the fourth quarter of 2010 with 14,120 units sold, which pushed the annual level to a record of 44.500 sales. In 2011 and 2012, the activity remains high with nearly 42,500 sales, that is more than 13 % higher than the average for the period 2006-2009.

After a brief revival in 2012 of the number of plot of land sold in 2010, the activity eroded to a new historic lower level: 16,600 transactions in 2012.

The continuing decline in the market of vacant land is not without consequences on the construction market: with 41,160 effective starts in 2012 (19,620 single family dwellings and 21,540 apartments), we have, as in 2011, a decrease in the market of a fifth compared to the annual average for the period 2006-2010. In terms of number of developing permits, the evolution is more positive and for 2012, figures are comparable to those in 2010. We note that there is a growing gap between the number of developing permits granted and the number of buildings actually started. This indicates that the constructions do not always start when developing permits are granted (or they start with a delay).

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[1] The occupancy rate is calculated as follows:
- 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.

[2] Written on 14 January 2013 by Stadim CVBA, and reproduced with permission.

During the first half of 2012, the price of dwellings stayed at the same level as the one of the second half of 2011. In the 3rd quarter of 2012, prices went up by 2 %, or even 2.8 % in the market of small and medium-sized housings. The large dwellings remain however at the same level than by end of 2010. Overall, the price of homes over the past five years has increased by 15 %. The largest increase occurred in the Flemish Region: +17%. In the Walloon and Brussels Regions, the increase was +13 % and +7 % respectively.

After a weak first semester, the price of apartments in 2011 recovered in the second half (+1.7 % year on year). The high level of prices recorded at the end of 2011 further increased in 2012 (+1.4 %). In five years, the increase was +20 %. An increase of 2.4 % was recorded in 2012 for the price of vacant lands and 30 % over the past five years.

Overall, we can conclude that the price on the residential market, both in 2011 and 2012, barely follows the health index (2.16 %), whereas in previous years, the increase in purchasing power and the decline in interest rates led to a further pulse. The tendency of financial institutions to reduce both the level of loans (to get in accordance to the purchase price), and the duration of loans, has a clear impact on the market. Life expectancy of parents and grandparents is, for many young people, an additional barrier to gain own capital. When the loan amounts to 80 % of the purchase price, and taking into account the applicable registration fee, they must have a capital of close to one-third of the purchase price. In the years to come it is expected that the budget for the first acquisition of a dwelling will be more limited and that many will be tempted to rent longer. These households with better financial capability will put additional pressure on the rental market.

3.2. The market of furnished apartments

The establishment of the European institutions, of NATO and the headquarters of international corporations in Belgium paved the way for the opening of a new market of furnished apartments targeted at expatriates. The demand soared with the entry of new countries in the European Union.

The Belgian market of "business flats" is characterised by the dispersion of the operators and by its lack of transparency. To the best of our knowledge, no independent market study has been carried out to date on this segment.

In this highly-competitive market, there are numerous small and/or private operators. The leading actors dramatically improved their professionalism, in order to provide their customers (such as businessmen) with better services. This improvement can also be noticed in other major cities, like Antwerp. A new industry association was recently set up for operators of "business flats" (Vereniging van BusinessFlatsuitbaters VZW, or VBF VZW – see www.businessflats.org).

The demand for "business flats" and their rental values soared until 2008. The global financial crisis put an end to this trend in the spring of 2009. After having reached a lowest point in the summer of 2009, the market began to rebound in the 1st half of 2010, in respect of occupancy rates and of prices. The recovery was however hit in late 2011 / early 2012 by the euro crisis which affected occupancy rates and prices. Overall, it seems that the sector is become more volatile since 2008 and characterised by trends successive and fast downward and upward.

The business of renting out furnished apartments cannot be confused with the hotel industry. The main feature is indeed the renting out of apartments which are furnished. The additional services provided are rather limited: they usually consist of weekly cleaning. In Flanders, this activity is subject to a specific regulation (decree of 10 July 2008 on touristic housing).

3.3. The senior housing market[1]

Senior housing is gaining attention from more and more institutional investors.

Operators focus more on their core business. To grow, they often withdraw from the underlying real estate, but secure their exploitation through long lease contracts.

In terms of the evolution of the price of real estate, 2012 confirmed the yields obtained previously in the senior housing market. It is therefore mostly the indexation on leasings which leads to an increase in the price.

In Belgium, the last count (end 2012) mentions 134,915 beds for elderly persons, an increase of 1,533 beds, or 1.2 % in a year. These beds are almost equally divided between private groups, non-profit associations and municipalities.

The latest demographic projections of the Federal Planning Bureau for 2020 foresee 644,000 seniors over 80 years-old, representing 5.5 % of the total population. For 2030, the figure would be 775,000, or 6.3 % of the total population. In 2040, the figure would already exceed more than a million of seniors over 80 years-old, or 8.2 % of the total population. These figures should however be relativised. Indeed, in addition to the increase in life expectancy, elderly persons remain healthy longer. However, this should not prevent the actors in the sector to continue their efforts to ensure the provision of responsive, qualitative and affordable housing to seniors.

3.4. The hotel market[2]

The Belgian hotel market is becoming more professional and the number of small hotels (often without ranking) continues to decrease, whereas the number of hotels that are part of a chain of hotels is increasing. The number of hotels thus remains more or less stable, but the total number of rooms continues to increase, as does the number of rooms per hotel. The 3 and 4-stars hotels represent approximately 60 % of the rated hotels. Based on the number of hotels, Flanders has more than 60 % of the market. The number of hotels in Brussels is lower (approximately 8 % of the market), but thanks to their greater size, they account for 25 % of the Belgian capacity in terms of rooms.

The number of rooms being built in Europe was in November about 53,000. The offer on the Belgian hotel market will further increase in 2013 with an emphasis on Brussels. Thus, in the Brussels region,

[1] Written on 15 January 2013 by Stadim CVBA, and reproduced with permission.
[2] Written on 10 January 2013 by de Crombrugghe & Partners SA, and reproduced with permission. Sources : Toerisme Vlaanderen, Fgov, MKG Hospitality, HVS, Hortwath HTL.

588 extra rooms will be added in the market of the 3-stars hotels (Tanglia Hotel (ex Sodehotel Woluwe), Pullman Hotel in Gare du Midi and a hotel of the Meininger group (ex-site Belle Vue)).

Plans for a new 4-stars hotel with 44 rooms on the historic site Het Tafelrond on the Grote Markt in Leuven are now more concrete. The developing permit for the renovation has been granted. An application for public grant for the possible conversion of the former barracks Weyler in Bruges in a hotel is currently in preparation. In both cases, their achievements and their openings will still last a few years.

The number of nights spent in hotels in Belgium remained more or less stable during the first eight months of 2012 compared to 2011. Flanders and Wallonia experienced a slight relapse while Brussels has improved slightly. The number of nights spent in hotels by international tourists, was slightly decreasing in Flanders and Wallonia and was almost entirely offset by the increase of domestic tourism. This weak trend however hides a number of large fluctuations. The art cities perform remarkably well while the coast decreases strongly (-5%) partly due to bad weather. The growth in Bruges is limited. The slight decrease of international tourists is more than offset by an increase in the number of overnight stays by Belgians. In Leuven, there is a very strong increase of more than 16% thanks to the increasing number of foreign and domestic tourists.

Evolution of the number of nights spent in hotels	8 first months of 2011	8 first months of 2012	
Bruges	1,135,159	1,148,477	+1.2 %
Louvain	186,814	217,261	+16.3 %

The global stagnation of the number of nights spent in hotels is also confirmed with the performance of hotels (period January 2012 - November 2012). The sector of 2 and 3-stars hotels has a slight decrease regarding the occupancy rate, the average prices and the RevPar (Revenue per Available Room).

In the segment of 4-stars hotels, the occupancy rate increases slightly, but average rates and RevPar decline slightly. In the current economic context, this result can be considered as satisfactory.

The feeling of the hotel market has fallen through the year 2012. The little inspiring first half results does not surprise. After a survey in July from hotel operators, it indicates that the level of turnover in the first half of 2012, for more than 50 % of the interviewees, was lower than expected. The expectations for the second half of 2012 were significantly lower than those of the second half of 2011. Estimates based on the latest available data for 2012 seem to confirm this negative feeling.

The difficult economic situation and the tightening of bank credit have also affected the investment volume in the hotel sector. Although nearly 50 transactions occurred during the first 8 months of 2012 in the big European hotel markets, there is a net decrease compared to 2011. The volume of investments remains thus limited to approximately €4 billion.

4. Experts' report[1]

Gentlemen,

We are pleased to send you our estimate of the value of the investment properties of Aedifica as at 31 December 2012.

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-communicated piece of information is likely to affect the value of the property.

The fair value of the portfolio amounted to €618,777,299 as of 31 December 2012, including €598,456,600 for marketable investment properties. Contractual rents amounted to €36,551,765 which corresponds to an initial rental yield of 6.11 %[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 €37,427,986, i.e. an initial rental yield of 6.25 %[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

[1] The expert report was reproduced with the agreement of de Crombrugghe & Partners SA and Stadim CVBA.
[2] 6.07 % compared to the fair value of marketable investment properties increased by the goodwill on furnished apartments and furniture.
[3] 6.22 % compared to the fair value of marketable investment properties increased by the goodwill on furnished apartments and furniture.

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.

de Crombrugghe & Partners SA, 12 February 2013
Stadim CVBA, 15 February 2013

IV. Condensed consolidated financial statements

1. Consolidated income statement

Half year ending on 31 December *(x € 1,000)*		Notes	31/12/2012	31/12/2011
I.	Rental income		18,037	16,728
II.	Writeback of lease payments sold and discounted		0	0
III.	Rental-related charges		-69	-28
Net rental income			**17,968**	**16,700**
IV.	Recovery of property charges		24	13
V.	Recovery of rental charges and taxes normally paid by tenants on let properties		510	270
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		-510	-267
VIII.	Other rental-related income and charges		-773	-803
Property result			**17,219**	**15,913**
IX.	Technical costs		-473	-450
X.	Commercial costs		-240	-293
XI.	Charges and taxes on unlet properties		-63	-67
XII.	Property management costs		-339	-300
XIII.	Other property charges		-539	-476
Property charges			**-1,654**	**-1,586**
Property operating result			**15,565**	**14,327**
XIV.	Overheads		-1,764	-1,655
XV.	Other operating income and charges		15	-13
Operating result before result on portfolio			**13,816**	**12,659**
XVI.	Gains and losses on disposals of investment properties		54	0
XVII.	Gains and losses on disposals of other non-financial assets		0	0
XVIII.	Changes in fair value of investment properties		9,926	6,139
Operating result			**23,796**	**18,798**
XX.	Financial income		190	253
XXI.	Net interest charges		-5,427	-5,444
XXII.	Other financial charges		-360	-276
XXIII.	Changes in fair value of financial assets and liabilities	9	-1,792	-6,699
Net finance costs			**-7,389**	**-12,166**
XXIV.	Share in the profit or loss of associates and joint ventures accounted for using the equity method		0	0
Profit before tax (loss)			**16,407**	**6,632**
XXV.	Corporate tax		-29	-19
XXVI.	Exit tax		0	0
Tax expense			**-29**	**-19**
Profit (loss)			**16,378**	**6,613**
Attributable to :				
	Non-controlling interests		0	0
	Owners of the parent		**16,378**	**6,613**
Basic earnings per share (€)		10	2.17	0.93
Diluted earnings per share (€)		10	2.17	0.93

2. Consolidated statement of comprehensive income

Half year ended on 31 December (x €1,000)	31/12/2012	31/12/2011
I. Profit (loss)	16,378	6,613
II. Other comprehensive income		
A. Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-209	-910
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	-2,795	-9,295
H. Other comprehensive income*, net of taxes	132	471
Comprehensive income	**13,506**	**-3,121**
Attributable to :		
Non-controlling interests	0	0
Owners of the parent	13,506	-3,121

* 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.

3. Consolidated balance sheet

ASSETS (x €1,000)	Notes	31/12/2012	30/06/2012
I. Non-current assets			
A. Goodwill		1,856	1,856
B. Intangible assets		21	20
C. Investment properties	6	618,777	592,717
D. Other tangible assets		1,943	2,078
E. Non-current financial assets		494	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		**623,091**	**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		2,640	2,890
E. Tax receivables and other current assets		629	6,423
F. Cash and cash equivalents	8	1,209	2,041
G. Deferred charges and accrued income		286	542
Total current assets		**4,764**	**11,896**
TOTAL ASSETS		**627,855**	**609,092**

EQUITY AND LIABILITIES (x €1,000)		Notes	31/12/2012	30/06/2012
I.	**Issued capital and reserves attributable to owners of the parent**			
A.	Capital	7	248,058	180,873
B.	Share premium account		64,729	34,261
C.	Reserves		36,296	37,104
D.	Profit (loss) of the year		16,378	15,338
Equity attributable to owners of the parent			**365,461**	**267,576**
II.	**Non-controlling interests**		**0**	**0**
TOTAL EQUITY			**365,461**	**267,576**
I.	**Non-current liabilities**			
A.	Provisions		0	0
B.	Non-current financial debts			
	a. Borrowings	8	128,125	235,834
C.	Other non-current financial liabilities	9	39,646	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			**167,771**	**270,872**
II.	**Current liabilities**			
A.	Provisions		0	0
B.	Current financial debts			
	a. Borrowings	8	84,215	60,209
C.	Other current financial liabilities	9	0	0
D.	Trade debts and other current debts			
	a. Exit tax		96	130
	b. Other		8,206	7,748
E.	Other current liabilities		0	0
F.	Accrued charges and deferred income		2,106	2,557
Total current liabilities			**94,623**	**70,644**
TOTAL LIABILITIES			**262,394**	**341,516**
TOTAL EQUITY AND LIABILITIES			**627,855**	**609,092**

4. Consolidated cash flow statement

Half year ended on 31 December *(x €1,000)* **CASH FLOW FROM OPERATING ACTIVITIES**	**31/12/2012**	**31/12/2011**
Profit (loss)	16,378	6,613
Non-controlling interests	0	0
Tax expense	29	19
Amortisation and depreciation	278	228
Write-downs	58	2
Change in fair value of investment properties (+/-)	-9,926	-6,139
Gains and losses on disposals of investment properties	-54	0
Net finance costs	7,389	12,166
Changes in trade receivables (+/-)	191	-475
Changes in trax receivables and other current assets (+/-)	2,668	57
Changes in deferred charges and accrued income (+/-)	308	-142
Changes in trade payables and other current debts (excl. exit tax) (+/-)	483	-385
Changes in accrued charges and deferred income (+/-)	-449	-636
Cash generated from operations	**17,353**	**11,308**
Taxes paid	-54	-80
Net cash from operating activities	**17,299**	**11,228**
CASH FLOW RESULTING FROM INVESTING ACTIVITIES	**31/12/2012**	**31/12/2011**
Purchase of intangible assets	-6	-8
Purchase of real estate companies and marketable investment properties	-1,788	-4,990
Purchase of tangible assets	-138	-157
Purchase of development projects	-9,945	-4,888
Disposals of investment properties	248	0
Net changes in non-current receivables	0	-59
Net investments in other assets	0	0
Net cash from investing activites	**-11,629**	**-10,102**
CASH FLOW FROM FINANCING ACTIVITIES	**31/12/2012**	**31/12/2011**
Capital increase, net of costs	96,854	0
Disposals of treasury shares	30	0
Dividend for previous fiscal year	-13,305	-11,776
Net changes in borrowings	-83,704	44,872
Net changes in other loans	0	0
Net finance costs paid	-5,543	-5,467
Repayment of financial debts of acquired or merged companies	0	-6,042
Repayment of working capital of acquired or merged companies	-834	-22,848
Net cash from financing activities	**-6,502**	**-1,261**
TOTAL CASH FLOW FOR THE PERIOD	**31/12/2012**	**31/12/2011**
Total cash flow for the period	**-832**	**-135**
RECONCILIATION WITH BALANCE SHEET	**31/12/2012**	**31/12/2011**
Cash and cash equivalents at beginning of period	2,041	985
Total cash flow for the period	-832	-135
Cash and cash equivalents at end of period	**1,209**	**850**

5. Consolidated statement of changes in equity

Half year ended on 31 December *(x € 1,000)*	1/07/2011	Capital increase in cash	Capital increase in kind	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropria-tion of the result	Roundings	31/12/2011
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	0	-9,734	13,545	0	40,708
a. Legal reserve	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
b. Reserve for the balance of changes in fair value of investment properties	*62,252*	*0*	*0*	*0*	*471*	*8,825*	*0*	*71,548*
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	*-12,492*	*0*	*0*	*0*	*-910*	*0*	*0*	*-13,402*
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	*-5,051*	*0*	*0*	*0*	*-9,295*	*204*	*0*	*-14,142*
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	*-12,285*	*0*	*0*	*0*	*0*	*4,203*	*0*	*-8,082*
h. Reserve for treasury shares	*-123*	*0*	*0*	*0*	*0*	*0*	*0*	*-123*
m. Other reserves	*4,596*	*0*	*0*	*0*	*0*	*-4,597*	*0*	*-1*
n. Result brought forward from previous years	*0*	*0*	*0*	*0*	*0*	*4,910*	*0*	*4,910*
Profit (loss)	25,321	0	0	0	6,613	-25,321	0	6,613
Total equity attribuable to owners of the parent	**273,969**	**0**	**3,383**	**0**	**-3,121**	**-11,776**	**0**	**262,455**
Non-controlling interests	0	0	0	0	0	0	0	0
TOTAL EQUITY	**273,969**	**0**	**3,383**	**0**	**-3,121**	**-11,776**	**0**	**262,455**

Half year ended on 31 December *(x € 1,000)*	30/06/2012	Capital increase in cash	Capital increase in kind	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropria-tion of the result	Roundings	31/12/2012
Capital	180,873	66,385	800	0	0	0	0	248,058
Share premium account	34,261	30,469	0	0	0	0	-1	64,729
Reserves	37,104	0	0	30	-2,872	2,033	1	36,296
a. Legal reserve	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
b. Reserve for the balance of changes in fair value of investment properties	*71,727*	*0*	*0*	*0*	*132*	*9,478*	*-1*	*81,336*
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	*-13,430*	*0*	*0*	*0*	*-209*	*0*	*0*	*-13,639*
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	*-17,906*	*0*	*0*	*0*	*-2,795*	*-75*	*0*	*-20,776*
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	*-8,082*	*0*	*0*	*0*	*0*	*-9,385*	*1*	*-17,466*
h. Reserve for treasury shares	*-114*	*0*	*0*	*30*	*0*	*0*	*0*	*-84*
m. Other reserves	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
n. Result brought forward from previous years	*4,909*	*0*	*0*	*0*	*0*	*2,015*	*1*	*6,925*
Profit (loss)	15,338	0	0	0	16,378	-15,338	0	16,378
Total equity attribuable to owners of the parent	**267,576**	**96,854**	**800**	**30**	**13,506**	**-13,305**	**0**	**365,461**
Non-controlling interests	0	0	0	0	0	0	0	0
TOTAL EQUITY	**267,576**	**96,854**	**800**	**30**	**13,506**	**-13,305**	**0**	**365,461**

6. Notes

6.1. Note: General information

Aedifica SA (referred to in the financial statements as "the Company" or "the Parent") is a public real estate investment company with fixed capital (REIT) under Belgian law. Its primary shareholders are listed in Note 7. The address of its registered office is the following:
Avenue Louise 331-333, B-1050 Brussels

Aedifica is positioned as the main Belgian listed company investing in residential real estate. Its strategy is aimed at creating a balanced portfolio that generates stable revenues while offering significant potential for capital gains.

To attain its objectives, Aedifica (and its subsidiaries, which together form "the Aedifica Group" or "the Group") diversifies its investments within the residential real estate sector.

Aedifica currently holds:

- unfurnished apartment buildings in Belgian cities, let under traditional leases;
- furnished apartment buildings located in the heart of Brussels, let under shorter term leases;
- rest homes and assisted-living buildings, operated under very long term leases;
- and hotels operated by specialised groups under very long term leases.

Aedifica seeks to invest in:

- existing buildings which are already rented;
- future development projects that offer a high potential for capital gains.

The company's shares are listed on NYSE Euronext Brussels (continuous market), as they have been since October 2006.

The financial year of Aedifica runs from 1 July to 30 June. The publication of the condensed consolidated financial statements was approved by the Board of Directors on 18 February 2012 to be published on 19 February 2012 (in accordance with the financial calendar published by Aedifica in its previous annual financial report).

6.2. Note 2: accounting policies

<u>Note 2.1</u>: Basis of prepration

The condensed consolidated financial statements cover 1 July to 31 December 2012. 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 31 December 2012 and approved by the European Union (EU), and IAS 34 "Interim Financial Reporting". These correspond to the standards and interpretations published by the International Accounting Standards Board (IASB applicable as of 31 December 2012), as elements of IAS 39 that were rejected by the EU are not applicable for the Aedifica group. The condensed 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 condensed consolidated financial statements are prepared in Euros, and presented in millions of Euros as condensed, as authorised by IAS 34. It must be read in combination with the condensed consolidated financial statements as of 30 June 2012 presented in the annual financial report 2011/2012.

The condensed 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 condensed consolidated financial statements have been prepared in accordance with accrual accounting principles on a going concern basis.

The new and amended standards and interpretations listed below are obligatory and have been applied by the group since 1 July 2012. They have no impact on the consolidated financial statements presented here:

- 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).

The published standards, amendments and interpretations, but not yet compulsory, have not yet been adopted anticipatively by Aedifica. They are currently subject to analysis by the group.

Note 2.2: Summary of significant accounting policies
A summary of the main significant accounting policies applied is provided in Note 2.2 of the annual financial statements 2011/2012 (see pages 115 to 120 of the annual financial report 2011/2012). These main accounting policies remain unchanged during the semester.

6.3. Note 3: operating segment

The following four operating segments have been identified with application of IFRS 8:
- Unfurnished apartment buildings: these are residential buildings located in cities. When let, the apartments generate rental income. This segment also includes the rental income of the commercial ground floors or office areas located in these buildings.
- Furnished apartment buildings: these are buildings with furnished apartments, let to international customers under shorter term rental contracts. This segment also includes the rental income of the commercial ground floors in office areas located in these buildings.
- Senior housing: these are rest homes and assisted-living complexes, rented to operators under “triple net” long leases (this explains that no operating expenses are accounted for in the segment income statement).
- Hotels and other: these are mainly hotels, rented to operators under “triple net” long leases.

These operating segments are consistent with the internal reporting provided to the Group's and its internal reporting structure.

31/12/2012 (x € 1,000)	Unfurnished	Furnished	Senior housing	Hotels and other	Non-allocated	Inter-segment items	Total
Segment information							
Rental income	3,496	2,665	9,536	2,391	0	-51	18,037
Net rental income	3,448	2,656	9,536	2,379	0	-51	17,968
Property result	3,460	1,896	9,536	2,379	0	-51	17,220
Property operating result	2,600	1,147	9,535	2,370	-37	-51	15,564
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**2,600**	**1,142**	**9,536**	**2,364**	**-1,826**	**0**	**13,816**
SEGMENT ASSETS							
Marketable investment properties	136,243	61,892	325,496	74,826	0	0	598,457
Development projects	0	0	0	0	20,320	0	20,320
INVESTMENT PROPERTIES							**618,777**
Other assets	0	0	0	0	9,078	0	9,078
TOTAL ASSETS							**627,855**

31/12/2011 (x € 1,000)	Unfurnished	Furnished	Senior housing	Hotels and other	Non-allocated	Inter-segment items	Total
Segment information							
Rental income	3,602	2,803	8,366	2,007	0	-50	16,728
Net rental income	3,593	2,783	8,366	2,008	0	-50	16,700
Property result	3,595	1,993	8,366	2,009	0	-50	15,913
Property operating result	2,771	1,285	8,366	1,993	-38	-50	14,327
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**2,752**	**1,283**	**8,366**	**1,993**	**-1,735**	**0**	**12,659**
SEGMENT ASSETS							
Marketable investment properties	133,867	59,675	292,303	60,485	0	0	546,330
Development projects	0	0	0	0	19,732	0	19,732
INVESTMENT PROPERTIES							**566,062**
Other assets	0	0	0	0	11,962	0	11,962
TOTAL ASSETS							**578,024**

6.4. Note annexe 4: seasonal or cyclical activities

Within Aedifica's four segments, only the furnished apartments segment presents a seasonal character, which marks in the occupancy rates of the apartments (traditionally higher in the spring and autumn than in summer and winter) and, therefore, in the turnover and in the operating result. These variations tend to compensate in a semester in periods of favourable economic conditions. In bad times, there is a trend to the amplification of seasonal movements during the weakest months.

The sensitivity of Aedifica's activities to economic cycles is presented in page 2 of the annual financial report 2011/2012 (section "market risks").

6.5. Note 5: unusual items

No unusual operating items need to be disclosed for the six months under review.

6.6. Note 6: investment properties

(x €1,000)	Marketable investment properties	Development projects	TOTAL
Carrying amount as of 01/07/2011	**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	9,068	355	9,423
Other expenses booked in the income statement	0	0	0
Transfers to equity	-637	0	-637
Carrying amount as of 30/06/2012	**583,403**	**9,314**	**592,717**
Carrying amount as of 01/07/2012	**583,403**	**9,314**	**592,717**
Acquisitions	5,236	1,106	6,342
Disposals	-195	0	-195
Capitalised interest charges	0	203	203
Capitalised employee benefits	0	20	20
Other capitalised expenses	1,408	8,614	10,022
Transfers due to completion	0	0	0
Changes in fair value	8,863	1,063	9,926
Other expenses booked in the income statement	0	0	0
Transfers to equity	-258	0	-258
CARRYING AMOUNT AS OF 31/12/2012	**598,457**	**20,320**	**618,777**

The main acquisition of investment property of the semester is the following:

Name	Business segment	Properties valuation* *(x €1,000)*	Register of corporations	Acquisition date**	Acquisition method
Immo Cheveux d'Argent	Senior housing	3,963	0849.065.348	20/12/2012	Purchase of shares
Total		**3,963**			

* 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.

6.7. Note 7: capital

On 7 December 2012, Aedifica completed an important capital increase in a gross amount of €99.8 million (including €30.5 million share premium). The details are reminded in section 3.1.1. of the interim Board of Directors' report. Additionaly, on 12 July 2012, Aedifica proceeded into a capital increase of €0.8 million by mixed de-merger (see section 3.1.2. of the interim Board of Directors' report).

During the course of the semester, Aedifica's capital has evolved as follows:

	Number of shares	Capital (x €1,000)
Situation as of 01/07/2012	7,177,208	184,130
Mixed de-merger of S.I.F.I. LOUISE	16,868	800
Capital increase	2,697,777	69,349
Situation as of 31/12/2012	**9,891,853**	**254,279**

Capital is presented above before subtracting the costs of raising capital; the capital value presented on the balance sheet, in accordance with IFRS is shown net of these costs.

Aedifica shareholders holding more than 5 % of the Company's total number of shares are listed in the table below (in accordance with the declarations of transparency Aedifica has received as of 31/12/2012):

Shareholders	In % of the capital
Jubeal Fondation	6.37%
Wulfsdonck Investment SA	5.46%
Free Float	88.17%
Total	100.00%

All Aedifica shares are listed on the NYSE Euronext Brussels continuous market, with the exception of the 16,868 shares which were issued on 12 July 2012.

Capital increases before 30 June 2012 are detailed in the "standing documents" of the 2011/2012 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.

6.8. Note 8: financial debts

(x €1,000)	31/12/2012	30/06/2012
Non-current financial debts		
Borrowings	128,125	235,834
Current financial debts		
Borrowings	84,215	60,209
TOTAL	**212,340**	**296,043**

As of 31 December 2012, 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 (club deal of €150 million issued by BNP Paribas Fortis, ING, LB-Lux and Bank Degroof; two bilateral facilities totaling €60 million issued by KBC Bank; four bilateral facilities totaling €90 million issued by BNP Paribas Fortis; and two bilateral facilities totaling €60 million issued by ING). Hence, Aedifica can use up to €360 million according to its needs for acquisitions of property, 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 63%, and (iii) other covenants (in line with market practice) are met. Each withdrawal is made in Euros for a period of up to 6 months, at a fixed rate set by reference to the euribor rate prevailing at the time of the withdrawal. As of 31 December 2012, the withdrawals are mainly done for periods of 1 month. The average interest rate, including the spread charged by the bank, was 3.8% after deduction of capitalised interest (3.9% as of 30 June 2012) and 4.0% before deduction of capitalised interest (4.2% as of 30 June 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.

Since 30 December 2010 (acquisition date of Altigoon SA), Aedifica also benefits from two fixed-rate amortising facilities granted by KBC Bank (€1.9 million are presented in the non-current financial debts, and €0.2 million are presented in the current financial debts), which will be maturing in 2021, at a fixed-rate at 5.3%.

Early January 2013, after the successful capital increase in cash of 7 December 2012, Aedifica voluntarily gave up an unused part of the €50 million of the above-mentioned club deal. The maturity table of the credit facilities is since then as follows (in € million) [1]:

- July 2013 :	100
- August 2013 :	30
- June 2014 :	30
- August 2014 :	15
- October 2015 :	30
- June 2016 :	30
- July 2016 :	30
- August 2016 :	15
- January 2017 :	30
- 2021 :	2
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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. Net financial debt is based on current and non-current financial debts less cash and cash equivalents. It excludes the fair value of hedging derivatives. The definition of net financial debt might be different from those of other concepts having the same label in the financial statements of other groups. Net financial debt is not taken into account in the computation of the debt-to-assets ratio as defined by the royal decree of 7 December 2010.

[1] See section 3.1.1.

(x €1,000)	31/12/2012	30/06/2012
Borrowings	212,340	296,043
Less: Cash and cash equivalents	-1,209	-2,041
NET FINANCIAL DEBT	**211,131**	**294,002**

6.9. Note 9: hedging instruments

1. Framework:

In order to limit the interest rate risk, Aedifica has put in place hedges that turn the floating rate debt into fixed rate debt (cash flow hedges). All hedges are related to existing or highly probable risks. Hedging instrument are either derivatives (interest rate swaps, or "IRS") which meet the strict criteria set by IAS 39 to allow hedge accounting, either derivatives (mainly multi-callable interest rate swaps, or "multi-callable IRS", caps and collars) which do not meet these criteria but provide economic hedging against interest rate risk nonetheless. All hedges are provided in the framework of the hedging policy set out in Note 44 of the 2011/2012 annual financial report. The fair value of hedges is computed by banks based on the present value of the estimated expected cash flows. The tables below list the hedging instruments.

Analysis as of 30 juni 2012:							
Instrument	Notional amount (x €1,000)	Beginning	Periodicity (months)	Initial duration (years)	First date possible of the call	Max. hedged 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 sw ap. Aedifica and the bank may liquidate in advance these contracts every 10 years.

Analysis as of 31 december 2012: Instrument	Notional amount (x €1,000)	Beginning	Periodicity (months)	Initial duration (years)	First date possible of the call	Max. hedged rate (in %)	Fair value (x €1,000)
IRS	50,000	30/06/2010	3	3	-	2.21	-602
IRS	25,000	1/04/2007	3	10	-	3.97	-3,740
IRS*	10,772	1/04/2011	3	32	-	4.89	-5,066
Multi-callable IRS*	30,238	31/07/2007	3	36	31/07/2017	4.39	-10,806
Multi-callable IRS	15,000	1/07/2008	3	10	1/07/2011	4.02	-2,746
Multi-callable IRS	12,000	2/06/2008	1	10	2/06/2013	4.25	-2,398
Multi-callable IRS	8,000	1/08/2008	1	10	1/08/2013	4.25	-1,633
IRS	12,000	1/11/2008	1	5	-	4.18	-415
IRS	25,000	2/08/2013	3	5	-	3.23	-3,065
IRS	25,000	1/10/2012	3	5	-	2.99	-2,887
Cap	15,000	1/01/2012	3	2	-	4.02	0
IRS	25,000	2/08/2013	3	5	-	2.70	-2,396
Collar	25,000	1/10/2013	3	3	-	3.00	-657
IRS	25,000	2/08/2013	3	5	-	2.97	-2,745
Collar	25,000	1/10/2013	3	3	-	3.00	-488
Cap	25,000	3/10/2011	1	2	-	2.25	0
Cap	25,000	1/11/2011	1	2	-	1.75	0
Cap	20,000	30/03/2012	1	1	-	1.00	0
IRS	25,000	2/01/2012	1	1	-	0.79	-1
Cap	25,000	1/11/2013	1	1	-	0.75	5
Cap	25,000	1/10/2013	3	1	-	1.25	2
TOTAL	**473,010**						**-39,639**

* Notional amount depreciable over the duration of the sw ap. Aedifica and the bank may liquidate in advance these contracts every 10 years.

The total of the fair value of the hedging instruments presented in the table above (€-39,639 thousand) can be broken down as follows: €7 thousand on line I.E. of the asset side of the consolidated balance sheet and € 39,646 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 (€395 thousand), the IAS 39 impact on equity amounts to € 40.034 thousand.

2. Derivatives for which hedge accounting is applied:

The year-end equity value includes the effective part (according to IAS 39) of the change in fair value (-€2,795 thousand) of the derivatives for which hedge accounting is applied. These financial instruments are "level 2" derivatives (according to IFRS 7 p27A). The ineffective part (according to IAS 39), which represents a charge of €142 thousand, is recognised in the financial result (an amount within the line "XXIII. Changes in fair value of financial assets and liabilities").

(x €1,000)	31/12/2012	30/06/2012
Effective part of the changes in fair value of derivatives		
Beginning of the year	-17,906	-4,420
Changes in the effective portion of the fair value of hedging instruments (accrued interests)	-5,239	-17,949
Transfer to the income statement of interests paid on hedging instruments	2,369	4,463
AT END OF PERIOD	**-20,776**	**-17,906**

3. Derivatives for which hedge accounting is not applied:
Besides the aforementioned charge of €142 thousand, the financial result also includes a charge of €1,650 thousand (31 December 2011 : a charge of €6,797 thousand), arising from the change in fair value of the derivatives for which hedge accounting is not applied (in line with IAS 39, i.e. *multi-callable IRS*, caps and collars listed in the aforementioned framework).

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 31 December 2012, which led to the recognition of a charge of €1,792 thousand in the income statement and of €2,795 thousand directly in equity.

A change in the interest rate curve would impact the fair value of *IRS* for which hedge accounting is applied (according to IAS 39), and recognised in equity (line “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 amounting to €808 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 of *multi-callable IRS*, caps and collars (for which hedge accounting according to IAS 39 is not applied) cannot be determined as precisely, since options are embedded within these instruments. The fair value of these options change according to a non-symmetric and non-linear pattern, and is a function of other parameters (e.g. volatility of interest rates). The sensitivity of the “marked-to-market” value of the *multi-callable IRS* in response to an increase of 10 bps of the interest rate curve is estimated at +€738 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 in the same range in the income statement.

6.10. Note 10: earnings per share

The earnings per share (« EPS » as defined by IAS 33) are calculated as follows:

	31/12/2012	31/12/2011
Profit (loss) (Owners of the parent) (x €1,000 €)	16,378	6,613
Weighted average number of shares outstanding during the period	7,558,301	7,130,466
Basic EPS (in €)	2.17	0.93
Diluted EPS (in €)	2.17	0.93

Aedifica uses profit excluding IAS 39 and 40 to monitor its operational and financial performance; however, this performance measure is not defined under IFRS. Profit excluding IAS 39 and IAS 40 is the profit (attributable to owners of the parent) after excluding 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 that used in the financial statements of other companies.

It is calculated as follows:

(x €1,000)	31/12/2012	31/12/2011
Profit (loss) (Owners of the parent)	16,378	6,613
Less : Changes in fair value of investment properties (IAS 40)	-9,926	-6,139
Less : Gain and losses on disposal of investment properties	-54	0
Less : Changes in fair value of financial assets and liabilities (IAS 39)	1,792	6,699
Profit excl. IAS 39 and IAS 40	8,190	7,173
Denominator* (in shares)	8,715,113	7,152,854
EPS excl. IAS 39 and IAS 40 (in €)	0.94	1.00

* Based on the dividend rights expected at the end of the financial year.

6.11. Note 11: net asset value per share

Net asset value per share (in €)	31 December 2012	30 June 2012
Based on fair value of investment properties		
Net asset value after deduction of dividend, excl. IAS 39	41.00	40.38
Dividend paid in November 2012	0.00	1.85
IAS 39 impact	-4.05	-4.94
Net asset value based on fair value	36.95	37.29
Number of shares outstanding (excl. treasury shares)	9,891,161	7,175,730

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 with the value as of 31 December 2012. 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 which amounts to €1.86 per share (certain shares held only rights to a prorata temporis dividend).

6.12. Note 12: contingencies and commitments

A statement of contingencies and commitments as of 30 June 2012 is provided in Note 45 of the consolidated financial statements presented in the 2011/2012 annual financial report (see pages 141-144). No significant changes are to be mentioned at the end of the first semester of the current financial year, except for the items listed below.

1.1. Construction of a new rest home in Beringen

In the framework of the long lease with the operator of the Residentie Sporenpark rest home (being part of the group Senior Living Group), Aedifica committed to finance the construction of a new building comprising a capacity of 122-bed rest home and 10 assisted-living apartments, for a maximum budget of €17.4 million (including the acquisition of the land). The plot of land was acquired on 18 December 2012. A development permit was obtained on 4 October 2012.

1.2. Extension of the « Résidence Les Cheveux d'Argent » rest home in Spa
In the framework of the long lease with the operator of the Résidence Les Cheveux d'Argent rest home (being part of the group Senior Living Group), Aedifica committed to finance the extension of the rest home by the construction of a wing of 20 assisted-living apartments, for a maximum budget of €3 million. This commitment is subject to outstanding conditions.

6.13. Note 13 : paid dividends

The General Meeting of 26 October 2012 approved the appropriation proposed by the Board of Directors for the 2011/2012 financial year. A dividend of €1.86 was therefore granted to the shares entitled to the whole dividend, and payment was done on 5 November 2012 (coupon No. 8). An adapted dividend was awarded to the shares which temporarily were not entitled to the whole dividend. The total amount distributed amounted to €13.3 million (corresponding to an average coupon of €1.85 per share).

6.14. Note 14: subsequent elements

No significant subsequent events require a mention in these condensed consolidated financial statements.

6.15. Note 15: related party transactions

Related party transactions relate exclusively to the remuneration of the Company's Directors and Executive Managers (€0.6 million for the first semester of the 2012/2013 financial year; €1.0 million for the 2011/2012 financial year).

7. Auditors' report (limited review)

Report of the statutory auditor to the shareholders of Aedifica SA on the review of the interim condensed consolidated financial statements as of 31 December 2012 and for the six months then ended

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Aedifica SA (the "Company") as at 31 December 2012 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review ("revue limitée/beperkt nazicht" as defined by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren") in accordance with the recommendation of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as adopted for use in the European Union.

Brussels, 18 February 2013

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

V. Forward looking statement

This half year financial report contains forward looking information involving risks and uncertainties, in particular statements concerning plans, objectives, expectations and intentions of Aedifica. It is brought to the attention of the reader that these statements may involve known or unknown risks and be subject to significant uncertainties on operational, economic and competitive plans many of which are outside the control of Aedifica. In the event that some of these risks and uncertainties were to materialise, or should the assumptions prove incorrect, actual results may deviate significantly from those anticipated, expected, projected or estimated. In this context, Aedifica assumes no responsibility for the accuracy of the forward looking information provided.

VI. Responsible persons statement

Mr. Pierre Iserbyt, permanent representative of Serdiser SCA, independent Director and Mr. Stefaan Gielens, CEO of Aedifica, declare that to the best of their knowledge:

- the condensed 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 business included in the consolidation;
- the interim Board of Directors' report contains an accurate account of the important events and key related party transactions that occurred during the six first months of the financial year and their impact on the condensed financial statements, and a description of the main risks and uncertainties they face for the remaining months of the financial year.

Half year financial report
Regulated information

19 February 2013 – After closing of markets
Under embargo until 17:40 CET

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Real estate experts	Stadim CVBA and de Crombrugghe & Partners SA
Financial year	1 July - 30 June

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This half year financial report is also available in French and Dutch[1].

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The English version of this press release constitutes a free translation of the text in the French language, made for information purposes only. In case of inconsistency with the French version or inaccuracy of the English translation, the French text shall prevail.

[1] The French version of this document has true value.