

PRESS RELEASE Regulated information

20 June 2013 – After closing of markets
Under embargo until 17:40 CET

Press release

Aedifica expands abroad by making its first acquisition of a recently constructed rest home in Germany

- First Belgian REIT to invest in Germany
- Recently constructed rest home totalling 80 beds located in North Rhine-Westphalia
- Contractual value of €8 million
- Initial gross rental yield of approximately 7.25 %
- Local operator: AGO Herkenrath Betriebsgesellschaft für Sozialeinrichtungen mbH

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

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Aedifica is pleased to announce the acquisition of a recently constructed rest home in Germany on 20 June 2013. Not only is this Aedifica's first investment abroad since the company was created in 2005, it is also the first investment of any Belgian REIT in the German market.

This investment in Germany is consistent with Aedifica's strategy in the senior housing segment. It allows for better diversification of tenants and extends the Company's operations in a market which tends to structure itself at a European level. This first operation abroad also follows changes in the Belgian law which recently opened to include the European market for residential Belgian REIT¹.

This is Aedifica's fifth investment in the senior housing segment since the €100 million capital increase² which was successfully completed on 7 December 2012 – the largest public capital increase taking place in Belgium in 2012. Recall that, the first four investments³ were the "Residentie Sporenpark" rest home project in Beringen, the "Résidence Les Cheveux d'Argent" rest home in Sart-lez-Spa, the "t Hoge" rest home in Kortrijk and the "Helianthus" rest home in Melle.

Other investments in the senior housing segment are currently under consideration, both in Belgium and in Germany.

Description of the transaction:

Aedifica SA directly acquired the abovementioned building in Germany. The purchase agreement signed today in front of the notary in Frankfurt is subject to the usual outstanding conditions in Germany (mainly of administrative nature), which should in principle be lifted during the course of the 1st quarter of the 2013/2014 financial year. The purchase price will be paid at that moment, and the property and the full use of the buildings will automatically be acquired.

The operation will be financed by Aedifica's credit facilities and the take-over of an existing credit facility (with the Bank für Sozialwirtschaft) attached to the building. The impact on Aedifica's debt-to-asset ratio (35.5 % at of 31 March 2013) should be less than 1%.

¹ Recall that the Programme law of 27 December 2012 provides that as from 1st January 2013, the withholding tax on dividends amounts in principle to 25 %. As a Belgian REIT investing directly at least 60 % of its property in housing located in a state member of the European Economic Area and affected or exclusively aiming housing in accordance with articles 171, 3^o quater and 269, 3^o of the Belgian Income Tax Code, Aedifica benefits from a reduction of the withholding tax to 15 %. The concept of housing includes single-family houses and collective housing such as apartment buildings and rest homes. The investment threshold of 60 % will be increased to 80 % as from 1st January 2015. As of 31 March 2013, this percentage already reached 79 % for Aedifica. Taken into account the development projects in progress, it should quickly exceed the 80 % threshold.

² See press releases of 4 December 2012.

³ See press releases of 18 December 2012, 20 December 2012, 26 March 2013 and 17 April 2013.

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Description of the building:

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

This establishment is operated by a subsidiary of the AGO Betriebsgesellschaft für Sozialeinrichtungen mbH ("AGO group"). The contract in place with the operator is a long term irrevocable lease with double structure, meaning the repair and maintenance of the roof, structure and facades of the building remains the responsibility of the owner. The remaining lease maturity is 22 years. The initial gross rental yield (double net) for this operation will amount to approximately 7.25 %. The contractual value⁵ of the portfolio will amount to €8 million.



Herkenrath

Description of the operator:

The AGO group⁶ is a quality operator in the healthcare industry and has an excellent reputation in the German market. It operates a dozen of establishments. It has its headquarters in Cologne.

The AGO group is controlled by three major parties. One third is controlled by IS Immobilien Service GmbH, one third by another operator of rest homes in Germany (CMS Consulting GmbH & Co KG) and one third by a service management company specialised in the social and care sector in Germany (SANON Dienstleistungsgesellschaft mbH).

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

⁴ Located Kirchgasse 1 in 51429 Bergisch Gladbach in Germany.

⁵ The contractual value complies with the provisions of article 31 §1 of the Royal Decree of 7 December 2010 regarding Belgian REITs.

⁶ www.ago-sozialeinrichtungen.de

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German market :

Population ageing and increasing life expectancies affect both the German and Belgium markets, but based on populations of very different size. Germany has about 81 million inhabitants, of which approximately 16 million are over 65 (20 %) and an estimated 8 million are more than 75 years (10 %), compared with approx. 11 million, 2 million aged over 65 (18 %) and 1 million aged over 75 (9 %) in Belgium, respectively. The ageing population will be further amplified by the generation of baby boomers who will reach age 60 in more or less ten years. Consequently, the need for specific senior housing will increase over the next decades.

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

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

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

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Situation after the abovementioned transaction:

Following the above-mentioned acquisition, the fair value of Aedifica's portfolio of marketable investment properties will amount to approx. €619 million (€639 million for Aedifica's total portfolio, including development projects)⁷.

Aedifica will then have 128 marketable investment properties, with a total surface area of 306,000 m², consisting mainly of:

- 838 apartments, of which:
 - 543 unfurnished apartments;
 - 295 furnished apartments;
- 38 rest homes comprising 3,524 beds, 2 assisted-living buildings comprising 61 serviced apartments and 1 building offering permanent housing for persons with a mental disability;
- 6 hotels comprising 521 rooms.

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

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

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

- 99 % in Belgium, of which:
 - 46 % in Brussels;
 - 36 % in Flanders;
 - And 17% in Wallonia.
- 1 % in Germany.

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.

⁷ Based on the fair value of investment properties as of 31 March 2013, the contractual value of the abovementioned buildings and the contractual value of the building acquired on 17 April 2013.

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Aedifica is a Belgian listed property company investing in residential real estate. Aedifica has identified four strategic pillars in which its investment activities are concentrated:

- unfurnished apartment buildings in Belgian cities;
- furnished apartment buildings;
- senior housing;
- hotels.

Aedifica is a Belgian REIT quoted on NYSE Euronext Brussels (continuous market).

Forward looking statement

This document contains forward-looking information that involves risks and uncertainties, including statements about Aedifica's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Aedifica. Should one or more of these risks, uncertainties or contingencies materialise, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, Aedifica does not assume any responsibility for the accuracy of these forward-looking statements.

For all additional information

Stefaan Gielens
CEO



Direct tel: 32 2 626 07 72
stefaan.gielens@aedifica.be

Jean Kotarakos
CFO



Direct tel: 32 2 626 07 73
jean.kotarakos@aedifica.be

**Charles-Antoine
van Aelst**
Investment Manager



Direct tel: 32 2 626 07 74
Mobile phone: 32 479 59 24 84
ca.vanaelst@aedifica.be

