

PRESS RELEASE
Regulated information

1 March 2016 – after closing of markets
Under embargo until 17:40 CET

AEDIFICA

Public limited liability company
Public regulated real estate company under Belgian law
Registered office: avenue Louise 331-333, 1050 Brussels
Enterprise number: 0877.248.501 (RLE Brussels)
(the “Company”)

**First investment in The Netherlands:
Portfolio of 4 senior housing sites**

- **Portfolio of 4 care residences in The Netherlands**
- **Contractual value: approx. €30 million**
- **Operator: Domus Magnus**

Stefaan Gielens, CEO of Aedifica, commented: *"Investing in the healthcare sector in The Netherlands is the logical next step for Aedifica in rolling out its investment strategy in Europe. This strategy is focused on the needs that result from the ageing population, especially with respect to senior housing. The Netherlands presents a significant investment opportunity in this domain. The growth and the consolidation of private healthcare operators has recently begun and, as in other European countries, the role and significance of specialised healthcare real estate investors will undoubtedly increase, in the private sector as in other sectors. Today, Aedifica enters The Netherlands with a long-term vision, as it has done in Belgium and Germany already."*



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Aedifica is pleased to announce an agreement for the acquisition of four senior housing sites in The Netherlands.

This first investment in The Netherlands is a new milestone in the rolling out of Aedifica's investment strategy in Europe. This strategy is focused on the needs that result from the ageing population, especially with respect to senior housing. The Netherlands presents a significant investment opportunity in this domain. The growth and the consolidation of private healthcare operators has recently begun and, as in other European countries, the role and significance of specialised healthcare real estate investors will undoubtedly increase, in the private sector as in other sectors. Today, Aedifica enters The Netherlands with a long-term vision, as it has done in Belgium and Germany already.

Description of the portfolio

The portfolio comprises four small-scale exclusive residential care facilities in a high-end market segment and is oriented toward seniors requiring on-going assistance.

The **Holland**¹ care residence is located in Baarn (25,000 inhabitants, Province of Utrecht), at approx. 10 km from Hilversum. Baarn is well known in The Netherlands for its royal residences, such as the Paleis Soestdijk and the Drakensteyn castle. The care residence is situated in a historical villa area, next to the central park. The site consists of two historical buildings next to each other (both are protected monuments), which were entirely renovated in 2014/2015 to welcome 34 residents in an exceptional environment.

The **Benvenuta**² care residence is located in Hilversum (88,000 inhabitants, Province of North Holland). Hilversum is well known for its green surroundings, gardens and villas. In addition to its green setting, most of the major Dutch media businesses are located in Hilversum, as well are the main radio and television companies. Benvenuta benefits from an excellent location in a residential area in the vicinity of the center of Hilversum. The building is a protected monument that was redeveloped in 2009 to welcome 10 residents in an exceptional environment.

The **Molenenk**³ care residence is currently under construction (new construction) in Deventer (90,000 inhabitants, Province of Overijssel), approx. 20 km East of Apeldoorn. The property is situated in a green area near the city center and next to a large park with several recreation activities. The building will be completed in 2017 and will welcome approx. 40 residents.

The **Walgaerde**⁴ care residence will be transformed (transformation of the interiors) in Hilversum (Province of North Holland). It is located in the same area as Benvenuta. After the completion of the transformation works (foreseen in 2016 or 2017), the building (also a protected monument) will welcome approx. 15 residents.

¹ Located Javalaan 3-5 in 3743 HE Baarn (The Netherlands).

² Located Bussumergrintweg 40 in 1217 BR Hilversum (The Netherlands).

³ Located Laan van Borgele 7 in 7425 Deventer (The Netherlands).

⁴ Located Sweelincklaan 16 in 1217 BR Hilversum (The Netherlands).



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Holland – Baarn



Molenenk (drawing) – Deventer



Benvenuta – Hilversum



Walgaerde – Hilversum

Description of the transaction

Aedifica SA recently established a Dutch company, Aedifica Nederland BV (a 100 % subsidiary of Aedifica SA) to carry out the following investments:

- Holland and Benvenuta: Aedifica Nederland BV acquired on 29 February 2016⁵ the full property of both sites. The contractual value of these two sites amounts to approx. €15 million.
- Molenenk: Aedifica Nederland BV acquired on 29 February 2016⁵ the plot of land (for a contractual value of approx. €3 million) and concluded a turnkey realisation and completion agreement with DS Group BV for the future construction of the building (for a fixed price of approx. €7 million, VAT and capitalised interest charges included).
- Walgaerde: Aedifica Nederland BV established a private purchase agreement for the acquisition of the site following completion of the transformation works. The price will be paid at completion. The contractual value of this site amounts to approx. €4 million.

⁵ The notarial acts were done on 29 February 2016 in Amsterdam; the Dutch usual outstanding conditions were fulfilled on 1 March 2016.



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Description of the operator and the leases

The operator of the four sites is the Domus Magnus Group, a high-quality Dutch operator that has been active in the private senior care market since 2005. Domus Magnus currently operates 11 sites with 560 employees. The group will operate additional sites in the near future, including Molenenk and Walgaerde. Its headquarters is located in Haarlem.

For the third year in a row, the operator was awarded the Gold “Prezo” label (a quality label), the highest distinction in terms of care and social responsibility.

In February 2016, Domus Magnus took over the operations of DS Verzorgd Wonen (the original operator of the sites acquired by Aedifica Nederland BV). Domus Magnus thus acts as a leading operator in the early days of the consolidation of the Dutch private care market.

Aedifica looks forward to this collaboration with a high-quality Dutch player in the care and housing sector.

The leases that were or will be concluded for these four sites are irrevocable triple net 20-year long leases, which generate an initial gross (triple net) yields of approx. 7 %. The contractual value⁶ amounts to approx. €30 million.

Dutch market⁷

The Netherlands has currently a population of approx. 17 million inhabitants. The Central Bureau of Statistics predicts a slight growth in the population, to reach 17.8 million inhabitants by 2040. Future population growth is uncertain.

However, it is certain that the number of elderly will increase sharply over this period, from 3 million to 4.7 million persons over 65 years old in 2040 (i.e. 26 % of the population), and from 0.7 million to 2 million persons over 80 years in 2040 (i.e. 11 % of the population). About 20 % of this group needs care, and over 5 % requires on-going assistance (as provided in traditional care facilities). This latter group often consists of individuals suffering from dementia. According to Alzheimer Nederland, the number will more than double by 2040. Consequently, senior care constitutes a significant growth area in The Netherlands.

An increasing portion of these people do not choose for traditional care facilities, but prefer to obtain in-home care or care in private residential care facilities (such as the care residences offered by Domus Magnus). This is due to a number of factors:

- the increasing number of elderly persons with greater financial means and higher education levels as compared to average;
- the policy of separating financing for housing and care, which offers more freedom of choice;

⁶ The contractual value complies with the provisions of article 49 § 1 of the Belgian Act of 12 May 2014 on regulated real estate companies.

⁷ Written in Dutch on 29 February 2016, by Adviesbureau Zorgvastgoed ABZV, Amsterdam, and reproduced with permission. Translation by Aedifica.



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- the high personal contribution required for occupancy in traditional care facilities;
- the higher expectations of the current generation of seniors and their children;
- the limited offerings available in the traditional care facilities.

Dutch private care providers anticipate these trends: there are already more than 150 private residential care facilities in the country and it is foreseen that this number will increase to over 300 by 2025.

According to these trends, it appears that an increasing group of seniors seek - and are able to pay for - higher quality services.

On average, a private residential care facility contains 18 units. The limited number of units is what strengthens and distinguishes them from traditional care facilities and assisted-living apartment facilities, which comprise 60 to 200 residents.

More than half of the country's private residential care facilities are still operated independently. Expectations are thus that an increasing number of operators will manage several locations.

Portfolio after the abovementioned transaction

Aedifica undertakes this investment in the senior housing segment as another major investment following the €153 million capital increase⁸ which was successfully completed on 29 June 2015. The updated list of recent investments is as follows:

(in € million)		Marketable investment properties		Investment properties to be completed	Total
		carried out	subject to outstanding conditions		
Résidence de la Houssière	Belgium	10	-	-	10
Senior Flandria	Belgium	10	-	-	10
Mechelen	Belgium	-	-	17	17
Vinkenbosch	Belgium	4	-	12	16
Kalletal (extension)	Germany	-	3	-	3
Heydeveld	Belgium	9	-	-	9
Oostende	Belgium	-	11	-	11
Prinsenhof	Belgium	6	-	4	10
Husum	Germany	7	-	-	7
Holland	The Netherlands	12	-	-	12
Benvenuta	The Netherlands	3	-	-	3
Moleneuk	The Netherlands	-	-	10	10
Walgaerde	The Netherlands	-	4	-	4
Total as of 1 March 2016		61	18	43	122

⁸ See press release of 29 June 2015.



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Taking into account the acquisition of Holland and Benvenuta, the fair value of Aedifica's portfolio of marketable investment properties amounts to approx. €1,066⁹.

Aedifica has 161 marketable investment properties, with a total surface area of approx. 522,000 m², consisting mainly of:

- 76 senior housing sites with a capacity of 7,069 residents;
- 865 apartments; and
- 6 hotels comprising 521 rooms.

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

- 73 % senior housing;
- 20 % apartment buildings; and
- 7 % hotels and other building types.

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

- 87 % in Belgium, of which:
 - 46 % in Flanders;
 - 29 % in Brussels; and
 - en 12 % in Wallonia.
- 12 % in Germany;
- 1 % in The Netherlands.

The operation was financed using Aedifica's credit facilities. The consolidated debt-to-assets ratio now amounts to approx. 41 %.¹⁰

Other investments are currently under consideration.

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

⁹ Based on the fair value of investment properties (including assets classified as held for sale) as of 31 December 2015, the contractual value of the acquisition announced in the press release of 29 February 2016 and the contractual value of Holland and Benvenuta.

¹⁰ Based on the consolidated debt-to-assets ratio as of 31 December 2015, the acquisition of the building announced in the press release of 29 February 2016 and the acquisition of Holland, Benvenuta and the plot of land Molenek.



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Aedifica is a Regulated Real Estate Company under Belgian law specialised in healthcare real estate, particularly in senior housing. Aedifica has developed a portfolio worth more than €1 billion in Belgium, Germany and in The Netherlands.

Aedifica has been quoted on the Euronext Brussels (continuous market) since 2006 and is identified by the following ticker symbols: AED; AED:BB (Bloomberg); AOO.BR (Reuters).

The Company's market capitalisation was €847 million as of 29 February 2016.

Aedifica is included in the EPRA indices.

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.

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