

## **PRESS RELEASE**

### **REGULATED INFORMATION**

22 September 2016 - after trading hours  
under embargo until 17h40

## **CARE PROPERTY INVEST**

Public limited liability company (société anonyme/naamloze vennootschap),  
Public Regulated Real Estate Company (Société Immobilière Réglementée (SIR) /  
Gereguleerde Vastgoedvennootschap (GVV)) under Belgian Law  
Registered Office: 3 Horstebaan, 2900 Schoten  
Companies Registration No. 0456.378.070 (LPR Antwerp)  
(the "Company")

## **HALF-YEARLY FINANCIAL REPORT**

**30 June 2016**

---

A rise in rental income of 18.86% compared to 30 June 2015.

Fair value of the property portfolio: 293 million euros.

The Company's debt ratio was 46,89% as at 30 June 2016.

Occupancy rate: 100%.

**Strengthening of the Management: establishment of a Management  
Committee and the appointment of its members**

**A continuous focus on the development and management of a balanced  
and profitable real estate portfolio.**

## Activities during the 1st semester of 2016

### Leasing activities and real estate portfolio

During the first semester of the financial year 2016, Care property continued to focus on the management of her leasing activities and its current real estate portfolio.

As regards to the leasing activities, the final settlements for the projects in Ham and Destelbergen-Heusden were made. The final settlement for these projects was made in June 2016.

At the same time, Care Property Invest explores new investment opportunities and actively participates in the further development and operationalisation of realised investments.

For instance, the construction works for the project "Herfstvrede" located in Moerbeke, a facility for the elderly consisting of 22 assisted living apartments, have started on 4 April 2016 with Care property Invest as the principal master builder. The construction project is progressing according to plan, the provisional acceptance is estimated to be in the spring of 2017 and will as of that moment generate extra income for the Company.

For a second project with Care Property Invest as the principal master builder, "Huis Driane" in Herenthout, a facility for the elderly consisting of 22 assisted living apartments, the application for the building permit has been filed. As soon as the building permit has been granted, the construction works can start. Before filing the building permit, the OCMW decided, in order to enhance the economic profitability of this project, to increase the number of assisted living apartments from 20 to 22.

The construction works for the residential care centre "Drie Eiken" located in Lanaken with 122 licensed nursing beds, are also progressing well. This project involves the acquisition of a company, which will be realised after the provisional acceptance of this residential care centre, foreseen for the end of this financial year.

The residences "Aan de Kaai" and "De Nieuwe Kaai" located in Turnhout, "Boeyendaalhof" located in Herenthout and "Tilia" located in Gullegem are 4 investments realised in the financial year 2015 and are existing projects that have immediately generated income. This was clearly reflected in the rental income of the first quarter of 2016. A full description of the real estate in the portfolio and in development, can be found in the information included in the real estate report of the annual financial report 2015, on page 72 et seq. .

### **3.2. Strengthening of the Management: foundation of a Management Committee and the appointment of its members**

Based on its concern to fully support the development of activities of Care Property Invest from the Management Board side, and to assure the continuity in the Company, the Board of Directors has decided in the beginning of this year to strengthen the management team through the creation of a Management Committee in the sense of Article 524bis of the Companies Code. The necessary amendments to the Articles of Association were approved by the extraordinary general meeting of 22 June 2016. The coordinated Articles of Association as at 22 June 2016 with insertion of a new Article 28 "Management Committee", is available on the website of the Company [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

The Board of Directors is pleased to announce that starting from 1 July 2016, the Management Committee has effectively been installed. The Management Committee will take over the powers and activities of the Management Board that will be suspended as a separate body.

As at 1 July 2016, the following persons are appointed as member of the Management Committee/ effective leader in the sense of the Act of 12 May 2014 with respect to regulated real estate companies:

<b>name</b>	<b>function</b>
Peter Van Heukelom	Chief Executive Officer (CEO) / Managing Director
Dirk Van den Broeck	Managing Director
Willy Pintens	Managing Director
Filip Van Zeebroeck	Chief Financial Officer (CFO)
Valérie Jonkers	Chief Operating Officer (COO)

These nominations have been approved by the FSMA

Mr Filip Van Zeebroeck, previously employed as company lawyer within the Company, will, as CFO, take charge of the financial department. He will take over this task from the General Manager

Mrs Valerie Jonkers was already active in the follow-up and development of investment opportunities and the real estate portfolio, through her role as investment manager. She will further develop this function as COO. Both have concluded a permanent contract of management as at 1 July 2016.

Mr Van Heukelom, Mr Pintens and Mr Van den Broeck were already participating in the Management Board as Managing Directors/ effective leaders. Mr Peter Van Heukelom will act as Chairman of the Management Board. Mr Willy Pintens will also monitor the internal audit. Mr Dirk Van Den Broeck will perform the function of risk manager. Mr Filip Van Zeebroeck is also compliance officer of the Company.

## Change in the withholding tax

In accordance with the provisions of the prospectus and the lease contracts concluded in relation to the original portfolio, the Company has passed on the increase in the withholding tax (Act of 26 December 2015) from 15% to 27% payable by shareholders on dividend payments from 1 January 2016 to the OCMWs/ non-profit organisations-leaseholders.

In the meanwhile, Minister of Finance Johan Van Overtveldt issued a press release on 10 June 2016, of which the integral text is displayed below.

"Press release from minister Van Overtveldt from 10/06/2016 (1)

THE INVESTMENTS IN HEALTH CARE REAL ESTATE WILL BENEFIT FROM A REDUCED WITHHOLDING TAX (15%) AGAIN..

Context:

Door de wet van 26 December 2015 werden de meeste uitzonderingen op het algemeen tarief van 27% voorheffing op roerende inkomsten weggewerkt. Zo was er voor de residentiële GVV's (vastgoed-BEVAKS) tot 31/12/2015 een verminderde roerende voorheffing van 15% op de uitgekeerde dividenden van kracht.

Om in aanmerking te komen voor het statuut van Residentiële GVV diende de vennootschap voor minstens 80% belegd te zijn in residentieel vastgoed zoals appartementen, woningen, rusthuizen, serviceflats, assistentiewoningen e.d.

Door de verhoging van de roerende voorheffing werden onbedoeld ook investeringen in bepaalde vormen van zorgvastgoed geïmponeerd.

*Minister van Financiën Johan Van Overtveldt:*

*"Een ongewild neveneffect van de maatregel was dat ook investeringen in zorgvoorzieningen onder de hogere roerende voorheffing terecht kwamen. Indirect zou dat een verhoogde factuur kunnen betekenen voor de bewoners van deze zorgvoorzieningen. Dat lossen we nu op door de roerende voorheffing voor deze categorie opnieuw te verlagen naar 15%."*

*De aanpassing van de wet:*

Minister van Financiën Johan Van Overtveldt zal aan de regering voorstellen om de wet van 26 December 2015 aan te passen. Die aanpassing moet er voor zorgen dat GVV's die voor minstens 60% van hun investeringen richten op gebouwen uitsluitend of hoofdzakelijk gebruikt voor gezondheidszorg opnieuw kunnen genieten van een verlaagd tarief voor de roerende voorheffing op dividenden. Men keert dus niet terug naar de notie van residentieel vastgoed zoals voorheen (zie hoger). Het is voortaan enkel de bedoeling om vastgoedinvesteringen in de gezondheidszorg te stimuleren door een verlaagde roerende voorheffing op de opbrengsten uit aandelen van deze gespecialiseerde GVV's.

De aanpassing zal van kracht worden vanaf 01/01/2017."

1 In order to avoid misinterpretation, the press release has been documented above in one of the original languages it has been published in (Dutch). A French translation of this press release can be found on our website [www.carepropertyinvest.be](http://www.carepropertyinvest.be)

### **Consequences for Care Property Invest**

Care Property Invest is very pleased with this statement and announces in a proper press release on 10 June 2016 an adjustment of ground rents (rents) for the 1,988 service flats which were realised with subsidies granted by the Flemish government as soon as this alignment of legislation has been published.

At the beginning of 2016, Care Property Invest was indeed required in accordance with the prospectus obligations with respect to its shareholders and the long-term lease agreements with local governments in Flanders to pass on the increased withholding tax. Care Property Invest will reverse this increase with retroactive effect as from 1 January 2016 provided that this legislation will take effect on 1 January 2017, as planned.

For shareholders nothing changes. Since Care Property Invest paid out an interim dividend for the 2015 financial year to its shareholders at the end of 2015 and given the fact that the dividend for the year 2016 will be made payable in June 2017, the shareholders of Care Property Invest will not have been subject at any time to the higher rate of 27% with respect to the dividends paid by the Company.

## **Events subsequent to closure**

Care Property Invest will be working actively on the expansion of its real estate portfolio in 2016. At present, we are studying investment opportunities in Flanders as well as in Brussels, Wallonia and beyond national borders, that are fully in line with Care Property Invest's strategy.

In this context, Care Property Invest announces the agreement (subject to suspensory conditions) on the acquisition of 100% of the shares in the company Ter Bleuk NV/SA. This company owns the group of assisted living apartments Ter Bleuk in Rijmenam/Bonheiden. Care Property Invest will acquire 100% of the shares in Ter Bleuk NV/SA, owner of buildings and land of Ter Bleuk Assistentiewoningen. The contractual value of Ter Bleuk Assistentiewoningen (buildings and land) is approximately 13.4 million euros. This contractual value is primarily based on and is in line with the valuation by the real estate expert for the project. Ter Bleuk NV/SA will use a long-term lease agreement (of the triple net type) with Zonneweelde vzw to generate an indexed fixed annual ground rent. After the realisation of the suspensory conditions further communication will follow.

In the context of its prospecting activities and pipeline, Care Property Invest can also announce that it has recently entered into a letter of intent under conditions precedent for the acquisition of 100% of the shares of a company owning a residential care centre located in Flemish Brabant. The contractual value of this residential care centre is estimated to be approximately 17 million euro and the operation is in the hands of a highly experienced operator. Further communications will be forthcoming after the conditions precedent have been met.

Besides this, Care Property Invest focuses on the completion and operationalisation of the existent portfolio, more specifically the project "Drie Eiken" located in Lanaken (of which the provisional acceptance is foreseen end of 2016), the project "Herfstvrede" located in Moerbeke (for which the provisional acceptance will take place in spring 2017) and the project "Huis Driane" located in Herenthout (for which the building permit has been filed).

The construction team of Care Property Invest monitors the progress of these activities closely.

## Property

Amounts shown in euros.

Half year as closed on 30 June	2016	2015
<b>Investment properties</b>		
number of realised projects	4	1
number of projects in development	3	
number of realised residential units for the elderly	316	15
properties available for sale at fair value	50,730,311	2,607,000
<b>Leasing activities (projects made available through long leases)</b>		
number of projects	76	76
number of residential units for the elderly	1,988	1,988
finance lease receivables	156,938,253	157,005,329
economic value of the receivables included in the finance leases	12,049,103	12,387,265
average remaining duration until the end of the term of the right of superficies	17.91 years	18.64 years

The finance leases are shown in accordance with IAS 17 at the nominal value of the investment in the category "finance lease receivables". The difference between the nominal value and the fair value is recognised under the heading "receivables". This fair value is determined on the commencement of the relevant leasehold contract. The Company once again determined a fair value as at 30 June 2016, but this time on the basis of market interest rates on that date. This resulted in a total fair value of €243 million.

The overall occupancy rate of the investment properties and leasing activities currently amounts to 100%.

Amounts shown in euros.

	30 June 2016	31 December 2015
Finance lease receivables	156,938,252.98	157,005,329.44
Trade receivables	12,049,103.30	12,254,002.00
<b>Total activated amount of the lease contracts</b>	<b>168,987,356.28</b>	<b>169,259,331.44</b>

Projects from the initial investment programme	projects	flats
Number of delivered projects (completed)	76	1,988
Number of projects still to be allocated	1	12
<b>Total</b>	<b>77</b>	<b>2,000</b>

## Care Property Invest on the stock market

### NUMBER AND CLASSES OF SHARES

There were no changes in the number and category of shares after the closure of the financial year 2015.

*Amounts shown in euros.*

Number of ordinary and special shares on	30 June 2016	31 December 2015
<b>Total number of shares</b>	<b>13,184,720</b>	<b>13,184,720</b>
<b>of which:</b>		
- number of ordinary shares	13,034,720	13,034,720
- number of special shares	150,000	150,000

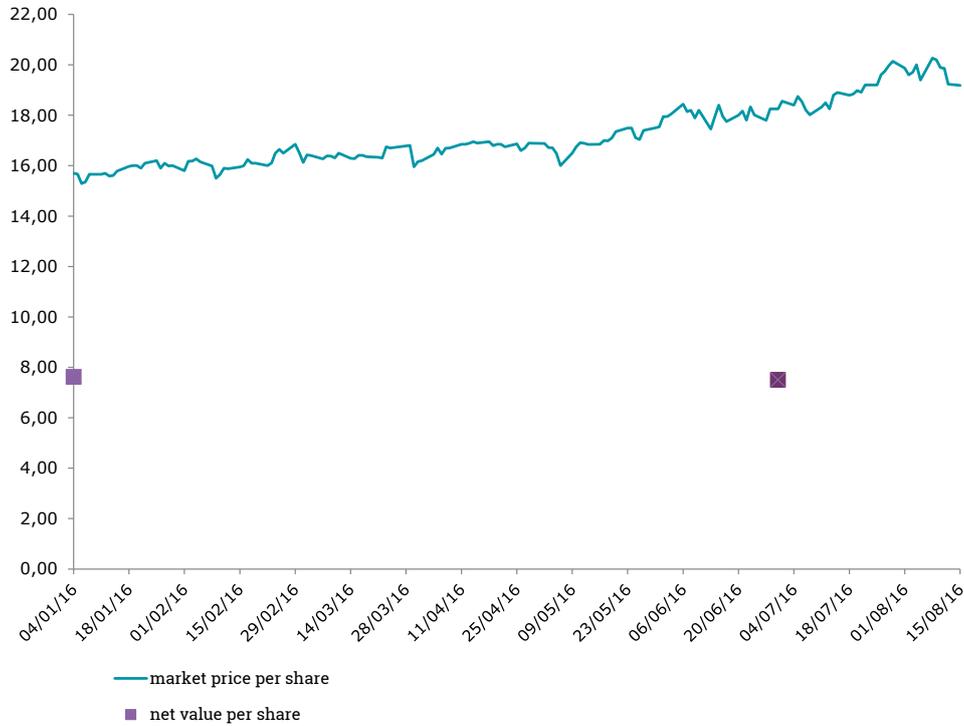
All shares are no-par, See Article 6 of the Company's Articles of Association,

number of registered and dematerialised shares on	30 June 2016	31 December 2015
<b>Total number of shares</b>	<b>13,184,720</b>	<b>13,184,720</b>
<b>of which:</b>		
- number of registered ordinary and special shares	237,826	237,826
- number of dematerialised ordinary shares	12,946,894	12,946,894
- number of treasury shares	15,030	15,030
- number of ordinary shares outstanding (after deduction of treasury shares and registered shares)	12,931,864	12,931,864
- number of shares with right to dividends	13,184,720	13,184,720

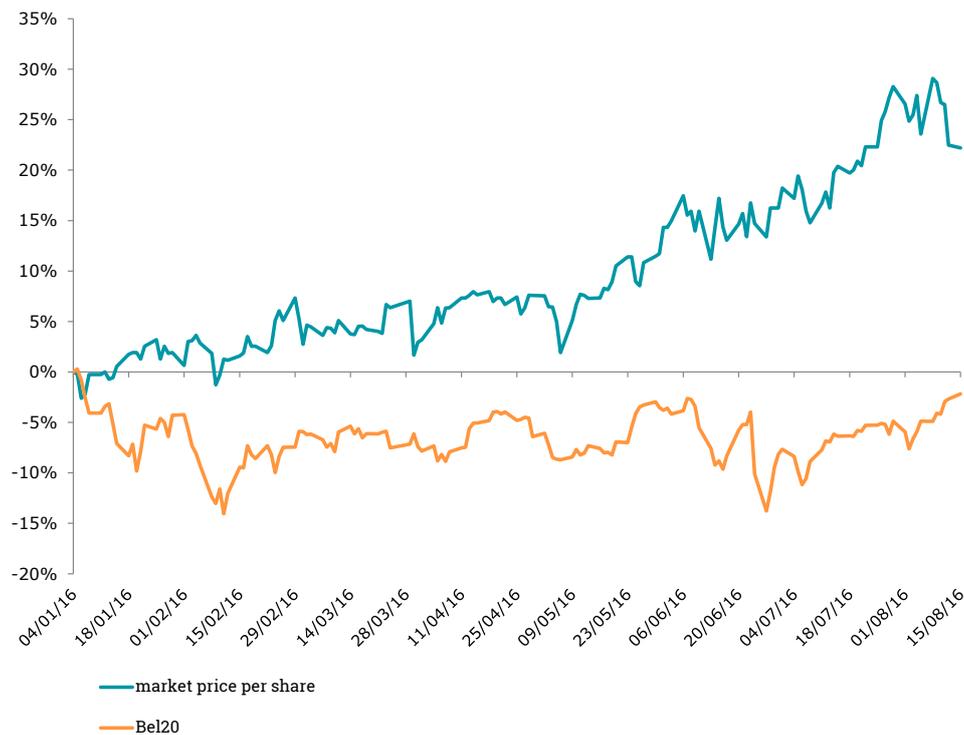
Value of shares	30 June 2016	31 December 2015
Stock price on cut-off date	18.25	15.20
Market capitalisation	240,621,140	200,407,744
Net value per share	7.50	7.62
Free float	98.86%	98.86%
Average daily volume	8,276.72	5,282.77

Care building  
in complete confidence.

**MOVEMENTS IN THE SHARE PRICE IN RELATION TO THE NET VALUE (OR NET ASSET VALUE) OF THE SHARE**



**COMPARISON OF MARKET PRICE OF SHARES**



Care building  
in complete confidence.

## Financial calendar

Half-yearly financial report 30 June 2016	22 September 2016
Interim statement 3rd quarter 2016	17 November 2016
Annual press release financial year 2016	9 March 2017
Annual Financial Report 2016	14 April 2017
Interim statement 1st quarter 2017	11 May 2017
Ordinary General Meeting	17 May 2017
Dividend: listing ex-coupon	24 May 2017
Payment of dividends	Starting from 26 May 2017
Half-yearly financial report 30 June 2017	7 September 2017

These dates may be subject to changes

## Financial information

### Key figures consolidated income statement

Amounts shown in euros.

Half year as closed on	30 June 2016	30 June 2015
I. Rental income (+)	7,800,084.54	6,562,553.92
<i>rent</i>	1,250,422.68	5,311.00
<i>rental discounts</i>	-465.00	-1,115.00
<i>income from finance lease and other similar leases</i>	7,662,404.71	6,558,357.92
<i>provision reimbursement withholding tax (-)</i>	-1,112,277.85	0.00
<b>NET RENTAL RESULT</b>	<b>7,800,084.54</b>	<b>6,562,553.92</b>
<b>REAL ESTATE OPERATING RESULT</b>	<b>7,800,084.54</b>	<b>6,562,553.92</b>
XIV. General expenses of the Company (-)	-1,228,669.47	-1,200,227.55
XV. Other operating income and charges (+/-)	67,678.72	-51.26
<i>Other operating charges relating to the projects</i>	-501,470.02	-20,011.82
<i>Other operating income relating to the projects</i>	569,148.74	19,960.56
<i>Other operating income and charges</i>	0.00	0.00
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>6,639,093.79</b>	<b>5,362,275.11</b>
XVIII. Changes in the fair value of investment properties (+/-)	-47,347.07	52,136.97
<i>Negative changes fair value investment properties</i>	-273,508.06	0.00
<i>Positive changes fair value investment properties</i>	226,160.99	52,136.97
<b>OPERATING RESULT</b>	<b>6,591,746.72</b>	<b>5,414,412.08</b>
XX. Financial income (+)	76.24	12,762.03
XXI. Net interest charges (-)	-2,075,276.06	-1,778,410.69
XXII. Other financial charges (-)	-2,263.18	-1,142.04
XXIII. Changes in fair value of financial assets/liabilities (+/-)	-5,785,699.55	3,451,398.34
<b>FINANCIAL RESULT</b>	<b>-7,863,162.55</b>	<b>1,684,607.64</b>
<b>RESULT BEFORE TAXES</b>	<b>-1,271,415.83</b>	<b>7,099,019.72</b>
XXV. Corporate tax (-)	-318,504.73	-12,506.71
<b>TAXES</b>	<b>-318,504.73</b>	<b>-12,506.71</b>
<b>NET RESULT</b>	<b>-1,589,920.56</b>	<b>7,086,513.01</b>

Care building  
in complete confidence.

## Consolidated net result per share

Amounts shown in euros.

Half year as closed on	30 June 2016	30 June 2015
<b>NET RESULT</b>	<b>-1,589,920.56</b>	<b>7,086,513.01</b>
<b>net result per share</b>	<b>-0.12059</b>	<b>0.53809</b>
<i>gross yield compared to issue price on incorporation in 1996</i>	-2.03%	9.04%
<i>gross yield compared to stock market price on closing date</i>	-0.66%	3.84%
<b>net result per share, based on the weighted average number of shares</b>	<b>-0.12059</b>	<b>0.67592</b>
<i>gross yield compared to issue price on incorporation in 1996</i>	-2.03%	11.36%
<i>gross yield compared to stock market price on closing date</i>	-0.66%	4.82%

## Adjusted net result on consolidated basis

Amounts shown in euros.

Half year as closed on	30 June 2016	30 June 2015
<b>NET RESULT</b>	<b>-1,589,920.56</b>	<b>7,086,513.01</b>
<b>NON-CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>6,082,405.50</b>	<b>-3,314,056.23</b>
<i>depreciation, impairments and reversals of impairments</i>	44,460.18	42,519.77
<i>changes in fair value of investment properties</i>	47,347.07	-52,136.97
<i>changes in fair value of authorised hedging instruments</i>	5,785,699.55	-3,481,909.24
<i>changes in fair value of financial assets</i>	0.00	30,510.90
<i>projects' profit or loss margin attributed to the period</i>	1,358.33	13,696.59
<i>decrease in trade receivables (profit or loss margin attributed to previous periods)</i>	203,540.37	133,262.72
<b>NET RESULT EXCLUDING NON-CASH ELEMENTS INCLUDED IN THE RESULT</b>	<b>4,492,484.94</b>	<b>3,772,456.78</b>
<b>net result per share, excluding non-cash elements included in the result, attributable to all shares of the Company based on the weighted average number of shares</b>	<b>0.3407</b>	<b>0.3598</b>
<i>gross yield compared to issue price</i>	5.73%	6.05%
<i>gross yield compared to stock market price on closing date</i>	1.87%	2.57%

## Notes to the consolidated income statement

### **Net rental income**

The rental income of the first six months of 2016 has risen by 18.86% in respect of that of the past six months of last year. This is the result of new acquisitions the Company has made in the second half of 2016 and the project in Gullegem that was made available to the Wevelgem OCMW as of 1 June 2015.

In accordance with the provisions of the prospectus and the lease contracts concluded in relation to the original portfolio, the Company has passed on the increase in the withholding tax (Act of 26 December 2015) from 15% to 27% payable by shareholders on dividend payments from 1 January 2016 to the OCMWs/ non-profit organisations-leaseholders.

*"Minister van Financiën Johan Van Overtveldt zal aan de regering voorstellen om de wet van 26 december 2015 aan te passen. Die aanpassing moet er voor zorgen dat GVV's die voor minstens 60% van hun investeringen richten op gebouwen uitsluitend of hoofdzakelijk gebruikt voor ge-zondheidszorg opnieuw kunnen genieten van een verlaagd tarief voor de roerende voorheffing op dividenden. Men keert dus niet terug naar de notie van residentieel vastgoed zoals voorheen (zie hoger). Het is voortaan enkel de bedoeling om vastgoedinvesteringen in de gezondheidszorg te stimuleren door een verlaagde roerende voorheffing op de opbrengsten uit aandelen van deze gespecialiseerde GVV's. De aanpassing zal van kracht worden vanaf 01/01/2017. (1)*

Care property Invest will reverse the passed on increased withholding tax with retroactive effect from 1 January 2016, if the legislation concerning the change to the withholding tax will take effect on 1 January 2017. As at 30 June 2016, a provision of €1.11 million has been entered, causing a lower rental income for the second quarter of 2016 than for the first quarter of 2016. The amount of rental income, as stated in the income statement as at 30 June 2016, only takes an indexation into account.

### **Operating result**

The Company's operating result rose by 23.8% compared to the first half of 2015. This increase was primarily recorded due to the strong increase in rental income. The general operational expenses are almost equal to those of the first half of 2015.

### **Financial result**

The financial result was, as during the first quarter of 2016, affected negatively due to the inclusion of the fair value of financial instruments. As a result of the prevailing low (negative) interest rates, a loss amounting to € 5,941,825 had to be recorded again in the Company's income statement on 30 June 2016, bringing the total negative impact to date to € 25,251,360.

Investment loans from the Company's subsidiary companies are also responsible for additional interest costs, which are also putting pressure on the financial result.

<sup>1</sup> This is a fragment from the official press release from minister Van Overtveldt. In order to avoid misinterpretation, the fragment of the press release has been documented above in one of the original languages it has been published in (Dutch). A French translation of this press release can be found on our website [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

### Taxes

The Company's subsidiaries are subject to corporate tax. Consequently the estimated taxes of these companies are causing an increase of the total taxes as compared to 30 June 2015.

### Net result

The statutory net result of the Company, excluding non-cash elements included in the result such as negative variation from hedging instruments, amounts to €4,492,484.94 on a consolidated basis on 30 June 2016, compared to €3,772,456.78 on 30 June 2015. This represents an increase of 19.09%. The net result per share on 30 June 2015 decreased from €0.3598 to €0.3407 on 30 June 2016. This decrease is explained by the capital increase of 22 June 2015. The weighted average shares outstanding represented 10,484,299.92 shares on 30 June 2015, compared to 13,184,720.00 on 30 June 2016.

## Keyfigures of consolidated balance sheet

Amounts shown in euros.

Closed on	30 June 2016	31 December 2015
Investment properties	50,730,311.04	49,960,748.55
Finance lease receivables	168,987,356.28	169,259,331.44
<i>finance lease receivables</i>	<i>156,938,252.98</i>	<i>157,005,329.44</i>
<i>trade receivables (concerning projects)</i>	<i>12,049,103.30</i>	<i>12,254,002.00</i>
Cash and cash equivalents	12,232,801.44	8,547,845.86
Other assets	3,251,160.54	2,510,301.99
<b>Total assets (denominator to calculate the debt ratio )</b>	<b>235,201,629.30</b>	<b>230,278,227.84</b>
Equity	98,709,824.10	100,299,744.76
Debts and liabilities (numerator to calculate the debt ratio)	110,278,792.96	105,466,068.03
Other liabilities	26,213,012.23	24,512,415.05
<b>Total equity and liabilities</b>	<b>235,201,629.30</b>	<b>230,278,227.84</b>

Care building  
in complete confidence.

## Net assets and net value per share on consolidated basis

Amounts shown in euros.

Closed on	30 June 2016	31 December 2015
total assets	235,201,629.30	230,278,227.84
current or non-current liabilities	-136,491,805.18	-129,978,483.08
<b>NET ASSETS</b>	<b>98,709,824.12</b>	<b>100,299,744.76</b>
<b>net value per share</b>	<b>7.50</b>	<b>7.62</b>
total assets	235,201,629.30	230,278,227.84
current or non-current liabilities (not including "authorised hedging instruments")	-111,240,445.18	-110,668,948.08
<b>NET ASSETS, NOT INCLUDING "AUTHORISED HEDGING INSTRUMENTS" ( IAS 39 )</b>	<b>123,961,184.12</b>	<b>119,609,279.76</b>
<b>net value per share, not including "authorised hedging instruments"</b>	<b>9.41</b>	<b>9.08</b>
total assets including the calculated fair value	309,610,184.66	282,908,373.93
current or non-current liabilities (not including "authorised hedging instruments")	-111,240,445.18	-110,668,948.08
<b>NET ASSETS, NOT INCLUDING "AUTHORISED HEDGING INSTRUMENTS", INCLUDING THE "FAIR VALUE OF THE LEASE RECEIVABLES" ( IAS 17 )</b>	<b>198,369,739.48</b>	<b>172,239,425.85</b>
<b>net value per share, not including "authorised hedging instruments" and including the "fair value of the lease receivables"</b>	<b>15.06</b>	<b>13.08</b>

## Keyfigures of liabilities on consolidated basis

Amounts shown in euros.

Closed on	30 June 2016	31 December 2015
average remaining term of financial debts	14.11 years	14.60 years
nominal amount of short and long term debts	100,627,428.07	100,981,717.13
weighted average interest rate	4.17%	4.17%
nominal amount of financing hedged by a financial instrument	35,791,937.59	35,791,937.59
fair value of the hedging instruments	25,251,360.00	19,309,535.00
movement in financial debts	-354,289.06	13,121,678.82

## Debt ratio

The consolidated debt ratio is determined in accordance with the RREC Decree.

Amounts shown in euros.

Closed on	30 June 2016	31 December 2015
<b>calculation of debt burden in accordance with article 13 § 1 of the RREC Decree.</b>		
total debt burden	136,491,805.18	129,978,483.08
less: (cfr. article 13 § 1 of the RREC Decree)		
<i>authorised hedging instruments</i>	-25,251,360.00	-19,309,535.00
<i>deferred taxes (liability)</i>	-432,588.88	-4,530,262.59
<i>amounts payable by the RREC for the payment of the acquisition of real estate</i>	0.00	-251,058.02
<i>deferrals and accruals</i>	-529,063.34	-421,559.44
	<b>110,278,792.96</b>	<b>105,466,068.03</b>
<b>assets taken into account to calculate the debt ratio in accordance with article 13 § 1 of the RREC Decree.</b>		
total assets	<b>235,201,629.30</b>	<b>230,278,227.84</b>
<b>DEBT RATIO OF THE COMPANY</b>	<b>46.89%</b>	<b>45.80%</b>

### [Notes to the consolidated balance sheet](#)

#### Investment properties

The fair total value, as determined by the real estate expert, amounts to €50.73 million as at 30 June 2016. This represents an increase of 1.54% compared to 31 December 2015.

The fair value is equal to the investment value (or the “deed in hand” value including all purchase costs) from which the transfer taxes were deducted at the rate of 2.5%. Given the fact that the acquisition of 3 additional operational residential complexes for the elderly, was done during the last semester of 2015, these complexes can contribute to the rental income of the financial year 2016 for a full year.

#### Finance lease receivables

Included here are all final superficies charges that must be paid back within the context of the superficies contracts for the 76 projects from the initial investment programme. This amount has changed compared to 31 December 2015, since 2 projects (Ham and Destelbergen-Heusden) were settled finally in June 2016..

#### Trade receivables relating to the projects included in “finance lease receivables”

The difference between the nominal value of the final superficies charges (included in the section “finance lease receivables”) and the fair value at the time of posting that is calculated by discounting the future cash flows, is included in “trade receivables” and subject to annual amortisation. Since the discount rate is determined at the time of delivery, the activated amount of these receivables does not change. The decrease is only due to the depreciation of the attributed profit or loss margin by deducting this from the ground rate revenue.

### **Equity**

The capital and the equity of the Company were strengthened by the capital increase of 22 June 2015 whereby 38 million euro was collected. An increase or drop in interest rates resulting in an increase, respectively a decrease in the fair value of the financial instruments has also had an impact on equity, in particular an increase, respectively a decrease of the reserves.

### **Liabilities**

On 30 June 2016, the Company's subsidiaries financing was also included in the liabilities on a consolidated basis. The Company has no undrawn credit facilities.

A provision of €1.11 million has been created for the reimbursement of the withholding tax, if the legislation concerning the change to the withholding tax will take effect on 1 January 2017. Care Property Invest will reverse the passed on increased withholding tax with retroactive effect from 1 January 2016.

## **Outlook and dividends policy**

Given the current interest rates, Care Property Invest will pay for future investments from external resources, after having used the existing own resources. The outlook concerning the debt ratio are thus an increase of the debt ratio in comparison with the current state on 30 June 2016. Care Property Invest is currently examining the options to do this financing with external resources at the best possible conditions.

Considering that Care Property Invest generates indexed long-term rental income and/or ground rents from long term lease agreements, that existing leasing activities have a term of 18 years on average, and that the lease agreements for investment properties have a term of 24 years on average, Care Property Invest has a good understanding of its long-term future income. On this basis, it expects to be able to pay a steady dividend.

The solvency of the Company is supported by the stable value of its real estate projects. Based on a debt ratio of 46.89% as of 30 June 2016 (which is well below the legal maximum for regulated real estate companies of 65%), Care Property Invest has a balance sheet structure that enables it to carry out the projects under development that it has undertaken, as well as to investigate new investment opportunities.

## Principal risks and uncertainties for the remaining months of the financial year

The Board of Directors is of the opinion that the risk factors and uncertainties described on pages 8 to 18 of the 2015 annual financial report will continue to apply to the remaining months of the 2016 financial year.

Care Property Invest will reverse the passed on increased withholding tax with retroactive effect from 1 January 2016, if the legislation concerning the change to the withholding tax will take effect on 1 January 2017. As at 30 June 2016, a provision of €1.11 million has been included in the numbers..

The Auditor has confirmed that the accounting information included in this press release has not given rise to any reservations on his behalf, and that it corresponds to the condensed financial statements established by the Board of Directors.

### *Caution relating to prospects*

*This press release contains prospects implying risks and insecurities, among others statements about plans, targets, expectations and intentions of Care Property Invest. Readers are advised that such prospects imply known and unknown risks, and that they are subject to important company, economic and competitive insecurities, which Care Property Invest does not control for the most part. If one or more of these risks or insecurities were to produce or if the basic assumptions prove incorrect, there may be a serious discrepancy with the envisaged, expected, estimated or extrapolated results. Care Property Invest therefore accepts no responsibility whatsoever for the exactness of these prospects.*

The complete version of the Half-yearly Financial Report 2016 is available on the website of the Company.

For all additional information:



**Peter Van Heukelom**  
General Director /Managing Director  
E [peter.vanheukelom@carepropertyinvest.be](mailto:peter.vanheukelom@carepropertyinvest.be)  
M +32 495 59 82 67

**Care Property Invest NV/SA**  
Horstebaan 3  
2900 Schoten  
T +32 3 222 94 94  
F +32 3 222 94 95  
E [info@carepropertyinvest.be](mailto:info@carepropertyinvest.be)  
[www.carepropertyinvest.be](http://www.carepropertyinvest.be)