

HALF-YEARLY FINANCIAL REPORT

for the period from 1 January 2016 to 30 June 2016
AUDITED

REGULATED INFORMATION

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BNP PARIBAS FORTIS - BELFIUS BANK - KBC BANK - BANK DEGROOF PETERCAM

*This half-yearly financial report is also available in Dutch and French.
The translations are drawn up under the responsibility of Care Property Invest.
The Dutch version prevails.*

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I. Half-yearly report of the Board of Directors

1. Business profile

Residential carebuilding in complete confidence

Care Property Invest, founded on 30 October 1995, was the first listed real estate investor in the housing sector for senior citizens. It intends to use the expertise and know-how that it has since acquired during the realisation of 1,988 service flats to create affordable, high quality and attractive care infrastructure and housing for the elderly and people with disabilities.

Care Property Invest has expanded its activities and will continue to focus in the future on broader care real estate (housing assistance, residential care centres, centres for short stays, property for people with disabilities, etc.). The original geographical boundary was also extended to include the whole of the European Economic Area. To this end the purpose of the Company was changed in 2013 and 2014, followed by a name change and rebranding that reflect the new strategy.

The following activities are planned in the context of care real estate:

- establishing projects for local authorities (OCMWs) and charitable non-profit organisations: the supply of Design Build and Finance ("DBF") contracts will remain available for this, as in the past. A "Maintain" component could possibly be added to DBF ("DBFM").
- renovation of buildings for local authorities and charitable non-profit organisations: possibility of modernising old buildings that are due for renovation.
- development of health care real estate for local authorities and charitable non-profit organisations at the expense of Care Property Invest: this involves constructing buildings that are leased to a care partner on provisional acceptance.
- development of health care real estate (construction/renovation) for Care Property Invest and new acquisitions: after developing the property, Care Property Invest makes it directly available to local health care actors

Care Property Invest actively participates as a real estate developer and aims to make quality projects available to care providers. The investment projects for both new acquisitions and new project developments are analysed in detail. Both the real estate project and the future operator are thoroughly assessed by the Board of Directors on the basis of a detailed investment dossier and the feasibility of the business plan for the project.

Care Property Invest aims for a balanced, diversified portfolio that can generate stable income within its statutory purpose. The affordability of its "recognised" projects and the operation of these by professional, solvent and specialised care providers should ensure this.

The management of the Company also ensures ongoing compliance with all requirements of the RREC Law and the RREC Decree in the continued pursuit of the strategy.

2. Introduction

This half-yearly report of the Board of Directors is an update of the report of the Board of Directors of 31 December 2015 that is included in the annual financial report for the financial year of 2015. It can be consulted on the website of the Company, www.carepropertyinvest.be. For general information concerning the Company, we refer to the Permanent Document that can be found further in the report, for definitions of technical terms and the explanation of abbreviations used in this report, we refer to the Lexicon as referred to in the annual financial report 2015. Alterations made since the publication of the financial report 2015, are discussed in the current report.

3. Activities during the 1st semester of 2016

3.1 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: establishment 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.

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:

name	function
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.

3.3 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

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.

4. 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.

Besides this, Care Property Invest focuses on the completion and isation 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.

5. Property

See chapter III. Real Estate Report, point 2. Property on page 46 of this report

6. Care Property Invest on the stock market

6.1 Share price and volume

Care Property Invest's shares have been listed on the Euronext Brussels continuous trading market since 7 February 1996. A brief history:

- 16 May 2001: capital increase of €565.69 through incorporation of a reserve for the conversion of the capital from Belgian francs to euros.
- 24 March 2014: share split by a factor of 1,000. From this date, the share capital of the Company was represented by 10,210,000 shares rather than 10,210 shares.
- 20 June 2014: capital increase in kind of €889,004.04 in capital and share premium of €1,191,440.24 through the issuance of 149,425 new shares in connection with the optional dividend for the 2013 financial year¹. From this date, the share capital of the Company was represented by 10,359,425 shares
- 25 November 2014: buy-back of 17,030 Care Property Invest ordinary shares by the Company following the exercise of withdrawal rights by certain shareholders pursuant to the change to RREC status, for an amount of €273,331.50, or €16.05 per share.
- 22 June 2015: capital increase in cash with irrevocable allocation right. The offering of 2,825,295 new shares was fully subscribed at an issue price of €13.45 per share. The gross proceeds of the capital increase amounted to €38,000,217.75. As of 22 June 2015, the share capital was represented by 13,184,720 shares.
- 11 August 2015: 2,000 of the treasury shares were awarded to the CEO as a one-time special bonus, subject to the statutory condition of inalienability for 2 years.
- 18 November 2015: the extraordinary general meeting of 18 November 2015 resolved to sell the remaining 15,030 treasury shares within a period of two years on arm's length terms, at a minimum price of the average share price of the last 30 days before the sale.
- 30 November 2015: the Board of Directors decided to pay an interim dividend for 2015 of €0.63 per share, amounting to €0.5355 net (after deduction of 15% withholding tax) to persons who were in possession of both coupon No. 3 and coupon No. 5. The interim dividend was made payable on 21 December 2015.

6.1.1. 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.

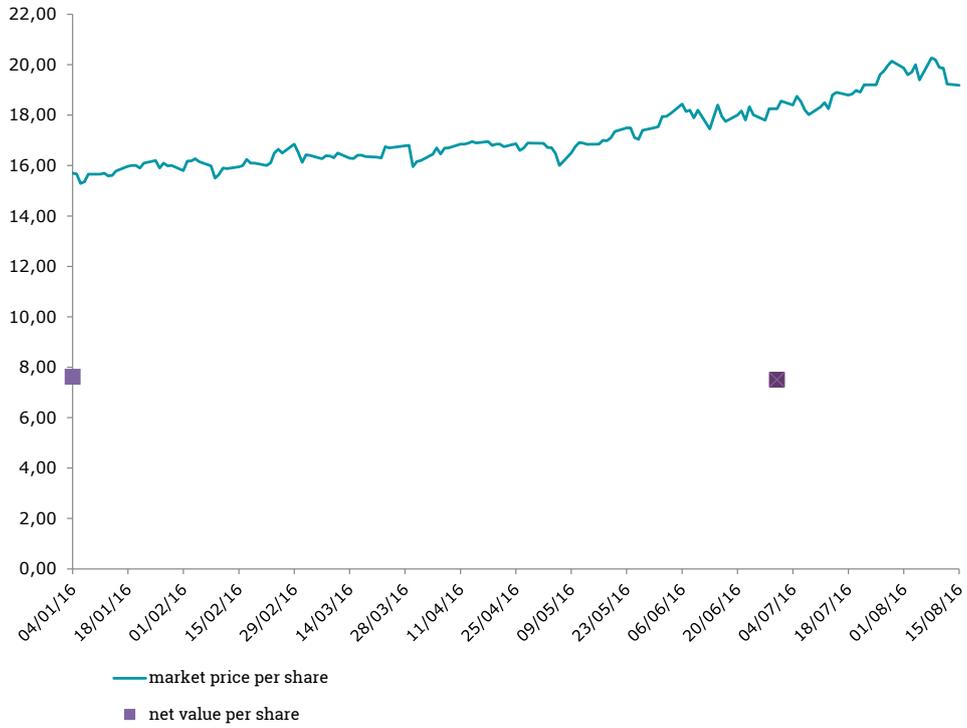
Number of ordinary and special shares on	30 June 2016	31 December 2015
Total number of shares	13,184,720	13,184,720
of which:		
- number of ordinary shares	13,034,720	13,034,720
- number of special shares	150,000	150,000

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

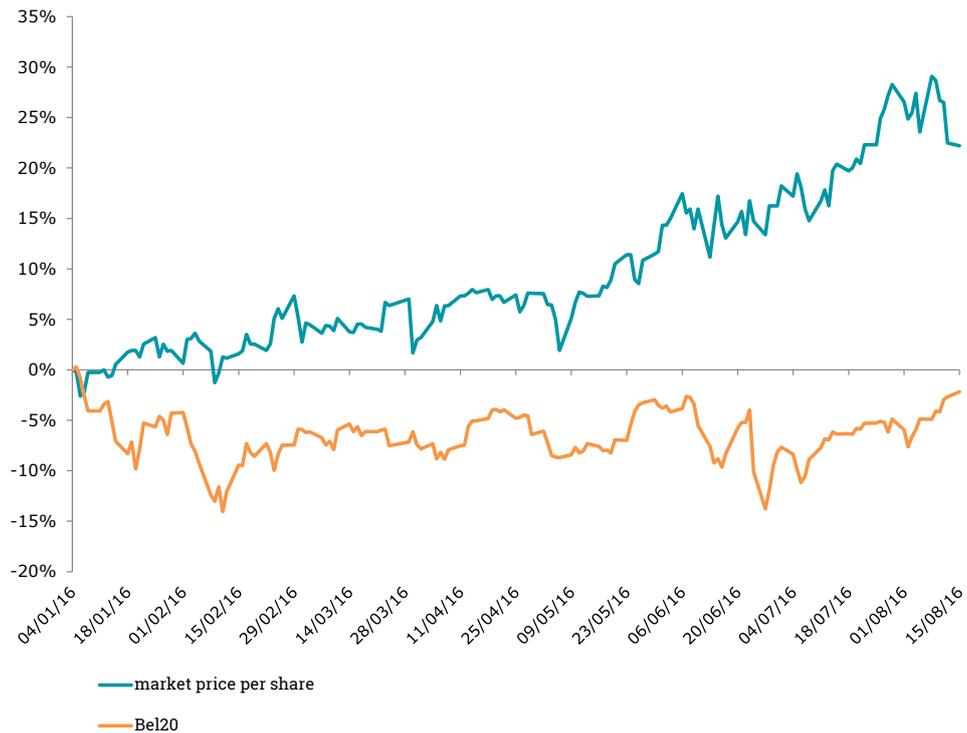
number of registered and dematerialised shares on	30 June 2016	31 December 2015
Total number of shares	13,184,720	13,184,720
of which:		
- number of registered ordinary and special shares	237,826	237,826
- number of dematerialised ordinary shares	12,946,894	12,946,894
- number of treasury shares	15,030	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

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



6.1.3. COMPARISON OF MARKET PRICE OF SHARES



6.2 Shareholding structure

The Company has no knowledge of any shareholders holding more than 5% of the voting rights. The Company also opted in its articles of association for the possibility granted by law¹ to introduce lower thresholds in the articles of association than the statutory ones (i.e. thresholds of 5%, 10%, 15%, 20% etc., in blocks of 5 per cent). Article 15 of the articles of association provides that when voting rights attached to securities with voting rights held directly or indirectly reach, exceed or fall below the limit of three percent (3%) of the total voting rights, the person concerned must issue a transparency notice (to the Company or the FSMA).

To date, the Company has not received any transparency notices and, therefore, has no knowledge of any shareholders holding more than 3% of the voting right

¹ Article 18 of the Law of 2 May 2007 concerning the publication of significant participating interests in issuers whose shares are admitted for trading on a regulated market and containing various provisions

Share distribution as at 30 June 2016	% of the total capital
Special shareholders	1.14%
BNP PARIBAS FORTIS NV/SA	0.23%
BELFIUS BANK NV/SA	0.61%
KBC BANK NV/SA	0.23%
BANK DEGROOF PETERCAM NV/SA	0.07%
Ordinary shares	98.86%
Registered ordinary shares	0.67%
Dematerialised ordinary shares	98.20%

The above table shows the identity of the four special shareholders and the high percentage of free float, representing the ordinary shares (98.86%). Of these ordinary shares, the vast majority are dematerialised. The special shareholders all hold registered shares.

6.3 Purchase of own shares

Following the approval of the RREC status by the Extraordinary General Meeting of 25 November 2014, with shareholders being given the opportunity to exercise their withdrawal rights, the Company bought back 17,030 shares at a market value of €16.05 per share. The total amount of €273,331.50 was recorded as a reserve with the Company's equity.

The Company awarded 2,000 shares to the CEO as part of the payment of a bonus. The extraordinary general meeting of 18 November 2015 granted its approval, within the meaning of Article 622 §2, 2° of the Companies Code, to sell the remaining 15,030 treasury shares within a period of two years on an arm's length basis, with the minimum price being the average share price during the last 30 days before the sale. On 30 June 2016, the shares are still owned by the Company.

Consequently, the reserve for the shares amounts to €241,231.50.

The capital value of €89,420.99 represents 0.11% of the total share capital in issue as at 30 June 2016. The value of the shares, based on the market price of €18.25 as at 30 June 2016, amounts to €274,297,50.

7. 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

8. Financial information

8.1 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
NET RENTAL RESULT	7,800,084.54	6,562,553.92
REAL ESTATE OPERATING RESULT	7,800,084.54	6,562,553.92
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
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	6,639,093.79	5,362,275.11
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
OPERATING RESULT	6,591,746.72	5,414,412.08
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
FINANCIAL RESULT	-7,863,162.55	1,684,607.64
RESULT BEFORE TAXES	-1,271,415.83	7,099,019.72
XXV. Corporate tax (-)	-318,504.73	-12,506.71
TAXES	-318,504.73	-12,506.71
NET RESULT	-1,589,920.56	7,086,513.01

The Company has no "other comprehensive income" within the meaning of IAS 1, so that the Company's net income is equal to the overall result.

8.2 Consolidated net result per share

Amounts shown in euros.

Half year as closed on	30 June 2016	30 June 2015
NET RESULT	-1,589,920.56	7,086,513.01
net result per share	-0.12059	0.53809
<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%
net result per share, based on the weighted average number of shares	-0,12059	0,67592
<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%

8.3 Adjusted net result on consolidated basis

Amounts shown in euros.

Half year as closed on	30 June 2016	30 June 2015
NET RESULT	-1,589,920.56	7,086,513.01
NON-CASH ELEMENTS INCLUDED IN THE NET RESULT	6,082,405.50	-3,314,056.23
<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
NET RESULT EXCLUDING NON-CASH ELEMENTS INCLUDED IN THE RESULT	4,492,484.94	3,772,456.78
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	0.3407	0.3598
<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.

¹ 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.

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 the 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.

8.4 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
Total assets (denominator to calculate the debt ratio)	235,201,629.30	230,278,227.84
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
Total equity and liabilities	235,201,629.30	230,278,227.84

8.5 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
NET ASSETS	98,709,824.12	100,299,744.76
net value per share	7.50	7.62
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
NET ASSETS, NOT INCLUDING "AUTHORISED HEDGING INSTRUMENTS" (IAS 39)	123,961,184.12	119,609,279.76
net value per share, not including "authorised hedging instruments"	9.41	9.08
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
NET ASSETS, NOT INCLUDING "AUTHORISED HEDGING INSTRUMENTS", INCLUDING THE "FAIR VALUE OF THE LEASE RECEIVABLES" (IAS 17)	198,369,739.48	172,239,425.85
net value per share, not including "authorised hedging instruments" and including the "fair value of the lease receivables"	15.06	13.08

8.6 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

8.7 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
calculation of debt burden in accordance with article 13 § 1 of the RREC Decree.		
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
	110,278,792.96	105,466,068.03
assets taken into account to calculate the debt ratio in accordance with article 13 § 1 of the RREC Decree.		
total assets	235,201,629.30	230,278,227.84
DEBT RATIO OF THE COMPANY	46.89%	45.80%

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 in 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 the 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.

9. 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.

10. 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..

11. Transactions with related parties

The transactions with related parties, as determined by IAS 24 and the Company Code, are the subject of the notes to the half yearly figures further down this document (see paragraph 7 "Transactions with related parties" on page 36 of this report).

These transactions include the remuneration of the executive (managing) directors and the non-executive directors of the Company.

No transactions were conducted during the first semester of the financial year 2016 that fell outside the scope of normal commercial relations.

12. Conflicts of interest

During the first semester no transactions have been made that must be disclosed in application of Article 37 of the RREC Law and Article 8 of the RREC Decree.

In application of Article 523 of the Companies Code, a member of the Board of Directors who has a direct or indirect interest of a financial nature that conflicts with a decision or transaction that falls within the competence of the Board of Directors may not participate in the discussions of the Board. The copies of the approved minutes of the meetings were submitted to the statutory auditor. The texts of the minutes showing the decisions are listed below.

Extracts of minutes 13 April 2016: "6.3. Remuneration members Management Committee"

The board of directors wishes to discuss the proposed increase for the two managing directors, Mr Van den Broeck and Mr Willy Pintens. Mr Dirk Van den Broeck and Mr Willy Pintens declare to have a direct financial interest of a proprietary nature as referred to in Article 523 of the Companies Code, and that they've already reported this to the statutory auditor. Mr Dirk Van den Broeck and Mr Willy Pintens took no further part in the discussions and voting, and left the meeting during these, together with the Minutes Secretary Mr Filip Van Zeebroeck and Mrs Valerie Jonkers. The CEO, Peter Van Heukelom, proposes to increase the remuneration of Mr Dirk Van den Broeck and Mr Willy Pintens from €300 to €500. The board of directors has decided by consensus to increase the remuneration of Mr Dirk Van den Broeck and Mr Willy Pintens for their participation in the management board/ management committee to €500 per session".

Extracts of minutes 18 May 2016: "4. Approval concerning the bonus of Mr Peter Van Heukelom"

Heukelom declares that he had a direct financial interest of a proprietary nature, as referred to in Article 523 of the Companies Code, and that he had already reported this to the statutory auditor. Mr Peter van Heukelom took no further part in the discussions and voting, and left the meeting during these, together with the Minutes Secretaries (Mr Filip Van Zeebroeck and Ms Valerie Jonkers). The remaining members of the management board, Mr Dirk Van den Broeck and Mr Willy Pintens, discuss the bonus proposal of CEO Peter Van Heukelom. The board of directors decides by consensus to award the bonus of Mr Peter van Heukelom, being 0, 5% of the net result on a cash basis, being an amount of €39,206.75."

13. Change in the RREC legislation

Following the introduction of a new vehicle, the FIIS (Fonds d'Investissement Immobilier specialise)/GVBF (gespecialiseerd vastgoedbeleggingsfonds), the rules concerning the RREC legislation have been loosened.

Care Property Invest welcomes this loosening and is looking into the possibilities this new legislation has to offer.

14. Contingency: maximum daily rate for shareholders with priority residential rights

In accordance with the issuing prospectus, priority residential rights may be exercised from 1 January 2005 to 31 December 2020 by each shareholder who has held 10,000 shares (10 shares before the share split) for five years and has reached the age of 75. A shareholder who exercises his/her priority residential rights to an existing project waiting list also pays a maximum daily rate for his/her residence. This daily rate is adjusted annually to the consumer price index and amounted to €23.07 as at 1 July 2016.

The maximum daily rate is guaranteed for as long as the shareholder retains at least 10,000 shares and in as far as the pledge on the bare ownership of these shares remains established, as provided for in the terms of the residential priority rights.

Pursuant to the decision of the Board of Directors, from the contracting of the lease agreements after 1 August 2001, it is agreed with the OCMWs and non-profit organisations that Care Property Invest will bear any difference between the maximum daily rate for holders of residential priority rights and other residents. This measure may have a limited financial impact for the Company. The exact impact depends on the actual number of shareholders who exercise residential priority rights for the projects concerned, and calculation of a reliable provision is consequently impossible.

On 30 June 2016, two shareholders were making use of their residential priority rights, for which the Company pays contributions to the landlords concerned of €558.86 and €1,970.75, representing the difference between the maximum daily rate for holders of residential priority rights and the daily rate that the landlord charges the other residents. The maximum daily rate is not exceeded by the other shareholders who make use of residential priority rights. The Company is not required to pay any contribution for these shareholders.

All information concerning the residential priority rights can be obtained at the registered offices of the Company and can also be viewed on the website at www.carepropertyinvest.be.

15. Corporate Governance

Board of Directors

As at 30 June 2016, the Board of Directors is composed as follows:

Proposed by the special shareholders:

Mark Suykens	Non-executive director/ Chairman
Willy Pintens	Managing Director
Peter Van Heukelom	Managing Director
Myriam Lint	Non-executive director
Caroline Riské	Non-executive independent director
Kristien Van der Hasselt	Non-executive director
Lode Verstraeten	Non-executive director
Lode De Vrieze	Non-executive director

On the nomination of the ordinary shareholders:

Dirk Van den Broeck	Managing Director
Paul Van Gorp	Non-executive independent director
Brigitte Grouwels	Non-executive independent director

As defined in Article 526ter of the Companies Code, Mrs Brigitte Grouwels, Mrs Carol Riské and Mr Paul van Gorp are being regarded as independent directors.

All mandates expire after the Ordinary General Meeting in May 2018.

Committees

Because of the limited size of the Company, and given the balanced composition of the Board and frequency of meetings, no committees are established with an advisory role in relation to the powers of the Board of Directors concerning audits, appointments and remuneration; instead, the Board undertakes these tasks itself, in plenary sessions. Since Care Property Invest employed an average of 8.5 fulltime equivalents (FTEs) as at 31 December 2015 and net revenue for the 2015 financial year amounted to €13.73 million, the Company is also exempt from the obligation to establish an audit committee and remuneration committee. The tasks assigned to the audit committee and the remuneration committee pursuant to Article 526 bis, §4, and Article 526 quater, §5 of the Companies Code are performed by the Board of Directors as a whole, with Mrs Brigitte Grouwels, Mrs Carol Riské and Mr Paul Van Gorp being regarded as non-executive and independent directors within the meaning of Article 526ter of the Companies Code.

Because of its limited workforce, Care Property Invest doesn't have a Works Council (Act of 20 September 1948).

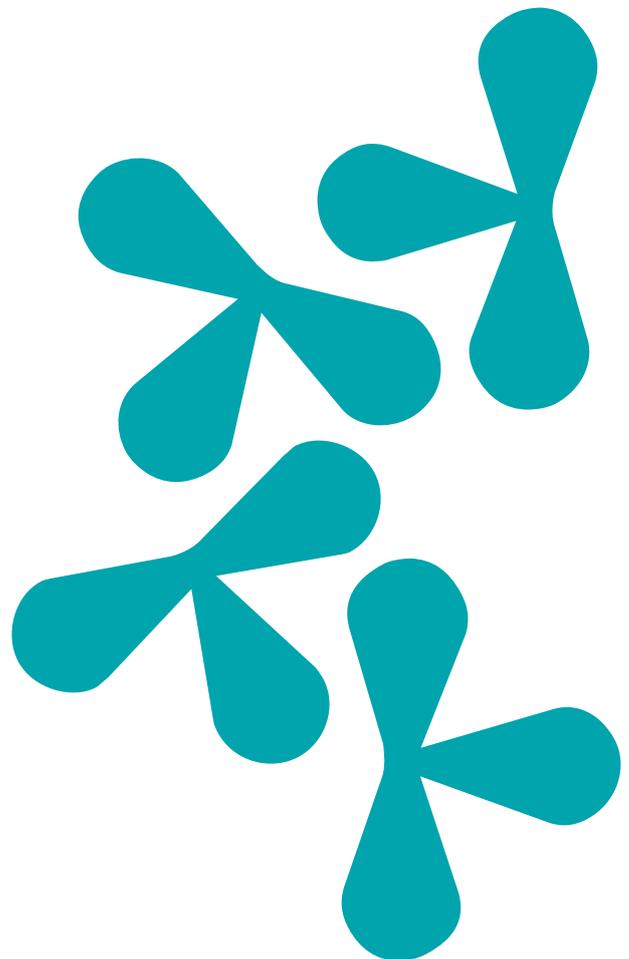
Care Property Invest has also created a Management Committee. To allow its realisation, the Articles of Association were amended on 1 July 2016. The direction committee has effectively been installed on 1 July 2016.

The Corporate Governance Charter that has been drawn up by the Company in compliance with the Belgian Corporate Governance Code, can be consulted on the Company website at www.carepropertyinvest.be. The Company's Corporate Governance Statement is also recorded in the annual financial report of 2015 starting on page 148.

16. Participations

The Company has three subsidiaries.

- M.S.T. bvba: a 100% subsidiary of Care Property Invest. M.S.T. bvba, in turn, holds all the shares of the company Boeyendaalhof NV/SA.
- B. TURNHOUT NV/SA: Care Property Invest holds all but one of the shares in this subsidiary. One share is held by Croonenburg NV/SA, a subsidiary of Care Property Invest.
- CROONENBURG NV/SA: Care Property Invest holds all but one of the shares in this subsidiary. One share is held by B. Turnhout NV/SA, a subsidiary of Care Property Invest



II. Consolidated financial statements

The half yearly figures on 30 June 2016, have been prepared in accordance with the International Financial Reporting Standards (IFRS) in accordance with IAS 34, Interim Financial Reporting. The mid-term report was approved by the board of directors of the Company on 21 September 2016.

The mid-term report on 30 June 2016 of the board of directors has to be read together with the summarized financial statements of Care Property Invest.

1. 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
NET RENTAL RESULT	7,800,084.54	6,562,553.92
REAL ESTATE OPERATING RESULT	7,800,084.54	6,562,553.92
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
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	6,639,093.79	5,362,275.11
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
OPERATING RESULT	6,591,746.72	5,414,412.08
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
FINANCIAL RESULT	-7,863,162.55	1,684,607.64
RESULT BEFORE TAXES	-1,271,415.83	7,099,019.72
XXV. Corporate tax (-)	-318,504.73	-12,506.71
TAXES	-318,504.73	-12,506.71
NET RESULT	-1,589,920.56	7,086,513.01

The Company has no "other comprehensive income" within the meaning of IAS 1, so that the Company's net income is equal to the overall result.

1.1 Consolidated net result per share

Amounts shown in euros.

Half year as closed on	30 June 2016	30 June 2015
NET RESULT	-1,589,920.56	7,086,513.01
net result per share	-0.12059	0.53809
<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%
net result per share, based on the weighted average number of shares	-0.12059	0.67592
<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%

1.2 Adjusted net result on consolidated basis

Amounts shown in euros.

Half year as closed on	30 June 2016	30 June 2015
NET RESULT	-1,589,920.56	7,086,513.01
NON-CASH ELEMENTS INCLUDED IN THE NET RESULT	6,082,405.50	-3,314,056.23
<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
NET RESULT EXCLUDING NON-CASH ELEMENTS INCLUDED IN THE RESULT	4,492,484.94	3,772,456.78
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	0.340 7	0.3598
<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 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)

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.

¹ 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.

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 the 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.

2. Consolidated balance sheet

Amounts shown in euros.

Half year as closed on	30 June 2016	31 December 2015
ASSETS		
I, Non-current assets	222,316,788.42	221,298,315.40
C, Investment properties	50,730,311.04	49,960,748.55
D, Other tangible fixed assets	2,595,351.10	2,071,965.41
E, Financial fixed assets	3,770.00	6,270.00
F, Finance lease receivables	156,938,252.98	157,005,329.44
G, Trade receivables and other non-current assets	12,049,103.30	12,254,002.00
<i>concerning projects in progress</i>	0.00	0.00
<i>concerning delivered projects</i>	12,049,103.30	12,254,002.00
II, Current assets	12,884,840.88	8,979,912.44
D, Trade receivables	41,366.95	49,510.40
E, Tax receivables and other current assets	505,469.03	361,757.78
<i>corporate tax</i>	420,025.44	267,119.66
<i>other</i>	85,443.59	94,638.12
F, Cash and cash equivalents	12,232,801.44	8,547,845.86
G, Deferrals and accruals	105,203.46	20,798.40
TOTAL ASSETS	235,201,629.30	230,278,227.84

Half year as closed on	30 June 2016	31 December 2015
EQUITY AND LIABILITIES		
EQUITY	98,709,824.10	100,299,744.76
A, Capital	78,442,491.65	78,442,491.65
B, Share premium	20,592,745.89	20,592,745.89
C, Reserves	1,264,507.12	-3,281,714.37
D, Net result for the financial year	-1,589,920.56	4,546,221.59
LIABILITIES	136,491,805.19	129,978,483.08
I, Non-current liabilities	125,947,908.54	124,103,757.25
B, Non-current financial liabilities	100,263,959.66	100,263,959.66
C, Other non-current financial liabilities	25,251,360.00	19,309,535.00
<i>authorised hedging instruments</i>	25,251,360.00	19,309,535.00
F, Deferred taxes	432,588.88	4,530,262.59
II, Current liabilities	10,543,896.65	5,874,725.83
B, Current financial liabilities	364,218.41	718,507.47
D, Trade payables and other current liabilities	8,443,764.54	4,389,028.40
a, Exit tax	4,300,770.67	0.00
b, Other	4,142,993.87	4,389,028.40
<i>suppliers</i>	3,733,715.42	3,995,195.63
<i>tenants</i>	1,950.00	1,700.00
<i>taxes, remuneration and social insurance charges</i>	407,328.45	392,132.77
E, Other current liabilities	1,206,850.35	345,630.52
<i>other miscellaneous liabilities (provision reimbursement withholding tax)</i>	1,112,277.85	0.00
<i>dividends payable</i>	94,572.50	94,572.50
<i>acquisition of shares to be paid</i>	0.00	251,058.02
F, Deferrals and accruals	529,063.35	421,559.44
<i>prepayments of property revenue</i>	226,955.52	72,609.52
<i>accrued and not due interests and other charges</i>	138,208.49	167,315.60
<i>accrued charges</i>	163,899.34	181,634.32
TOTAL EQUITY AND LIABILITIES	235,201,629.30	230,278,227.84

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 in 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 the 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..

Debts and liabilities

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

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..

Net assets and net value per share on consolidated basis

Amounts shown in euros.

Half year as 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
NET ASSETS	98,709,824.12	100,299,744.76
net value per share	7.50	7.62
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
NET ASSETS, NOT INCLUDING "AUTHORISED HEDGING INSTRUMENTS" (IAS 39)	123,961,184.12	119,609,279.76
net value per share, not including "authorised hedging instruments"	9.41	9.08
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
NET ASSETS, NOT INCLUDING "AUTHORISED HEDGING INSTRUMENTS", INCLUDING THE "FAIR VALUE OF THE LEASE RECEIVABLES" (IAS 17)	198,369,739.48	172,239,425.85
net value per share, not including "authorised hedging instruments" and including the "fair value of the lease receivables"	15.06	13.08

In accordance with the regulated real estate companies act ("RREC Law") the shares held by the Company in its own capital are not included in the calculation of the net value per share.

3. Property

See chapter III. Real Estate Report, point 2. Property on page 46 of this report

4. Information concerning the financial debt and financial instruments

Care Property Invest has raised borrowed funds to finance new projects.

For the first 16 projects financed with borrowed funds, the floating (variable) interest rate payable by Care Property Invest payable under these financing contracts was hedged through swap transactions in order to limit the interest rate risk, as a result of which the floating interest payable was transposed into a fixed interest rate payable for the full term of the loans. These financial instruments (interest rate swaps (IRS)) hedge against economic risks relating to interest rates, as described in point B. Financial risk management on page 105 of the annual financial report 2015.

The fair value of these instruments is calculated by the banks on the basis of the discounted value of the estimated future cash flows and is recognised in the balance sheet under "financial assets" (in the case of a positive valuation) or "non-current financial liabilities" (in the case of a negative valuation). The variation of this fair value is shown in "Changes in fair value of financial assets and liabilities" in the income statement. Hedge accounting is not applied for these derivatives.

The financial instruments are regarded as "Level 2" on the scale of fair value defined by IFRS 13. This scale consists of three levels: Level 1: quoted prices in asset markets; Level 2: observable data other than quoted prices included in Level 1; Level 3: unobservable data (see also note "G.b. Other non-current financial liabilities") on page 132 of the annual financial report 2015.

Amounts shown in euros.

OVERVIEW OF FINANCING AS AT 30 JUNE 2016 - BELFIUS fixed interest rate through swap					
financing of the project at	financing amount	expiry date	fixed interest rate of the swap	remaining term (in years)	valuation on 30 June 2016
Essen - 2nd stage	1,213,164.72	03/08/26	5.190%	10.10	-551,965.00
Zaventem - Sint-Stevens-Woluwe	3,061,489.19	01/02/27	5.260%	10.60	-1,382,581.00
Waasmunster	2,067,360.12	02/11/32	4.040%	16.35	-1,157,332.00
Moorslede	1,187,486.05	01/02/33	5.100%	16.60	-871,412.00
Ekeren	1,618,798.95	02/05/33	4.620%	16.85	-1,050,591.00
Destelbergen	1,885,159.00	03/10/33	4.300%	17.27	-1,191,383.00
Kortenbergh	2,147,304.69	03/04/34	4.065%	17.77	-1,250,623.00
Achel	1,511,366.06	02/10/34	4.850%	18.27	-1,150,992.00
Dilsen-Stokkem	3,003,107.81	01/12/34	4.940%	18.43	-2,328,944.00
Tienen	2,993,023.90	01/03/35	4.650%	18.68	-2,147,171.00
Zaventem - Sterrebeek	1,667,307.15	02/05/35	4.315%	18.85	-1,127,904.00
Sint-Niklaas	1,736,652.10	02/01/36	5.050%	19.52	-1,481,566.00
Zonhoven - 2nd stage	2,406,536.94	01/08/36	4.930%	20.10	-2,094,452.00
Beringen	2,283,967.00	01/10/36	5.010%	20.27	-2,020,152.00
Tienen - 2nd stage	3,786,791.37	31/12/36	4.350%	20.52	-2,825,377.00
Bruges - Vliedberg	3,222,432.60	31/12/36	4.710%	20.52	-2,618,916.00
Total fair value confirmed by Belfius Bank					-25,251,361.00

The fair value of the hedging instruments is subject to changes in interest rates on the financial markets. This trend largely explains the variation in the fair value of the hedging instruments between 31 December 2015 and 30 June 2016. This led to a loss of €5.79 million, shown in the Company's income statement.

A rise in interest rates would have a positive effect on the income statement and a decrease in interest rates would have a negative impact on the income statement.

5. Financial debt ratio

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

Amounts shown in euros.

Half year as closed on	30 June 2016	31 December 2015
calculation of debt burden in accordance with article 13 § 1 of the RREC Decree.		
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
	110,278,792.96	105,466,068.03
assets taken into account to calculate the debt ratio in accordance with article 13 § 1 of the RREC Decree.		
total assets	235,201,629.30	230,278,227.84
DEBT RATIO OF THE COMPANY	46.89%	45.80%

6. Events subsequent to closure

These events are referenced to in point 4 "Events subsequent to closure" on page 8 of this half-yearly financial report.

7. Transactions with related parties

The transactions with related parties (within the meaning of IAS 24 and the Companies Code) relate only to the costs included in the remuneration of directors paid to the Managing Directors of the Company, as well as the fees paid to the CEO (through a permanent contract of management for the performance of his mandate as a Managing Director).

The directors, except for the Managing Director, receive an annual flat fee of €7,000.00 per year and an additional remuneration in the form of an attendance fee of €300.00 per meeting of the Management Board. This last remuneration will be augmented as at 1 July 2016 to €500, pursuant to the creation of and participation in the Management Committee.

The Managing Directors also receive a representation fee of €150 per month and the reimbursement of actual travel expenses at the statutory rate.

The directors received the following total (gross) fees during the first semester of 2016: €82 328,79, including representation and travel expenses.

The remuneration of the CEO, Peter Van Heukelom, for the performance of his mandate as Managing Director of the Company amounts to a total of €392,142.75 for the full year of 2016, including bonus scheme and group insurance, excluding additional advantages.

No transactions were conducted during the first semester of the financial year 2016 that fell outside the scope of normal commercial relations.

8. Main risks and uncertainties.

The Company operates in an economic climate that entails risks. The main risk factors (which are the subject of a separate section of the annual financial report 2015) that Care Property Invest faces are the subject of regular monitoring by both the management and the Board of Directors; they have defined a prudent policy in this respect, which they will update regularly if necessary.

It is the opinion of the board of directors that the risk factors described on page 8 to 18 of the annual financial report 2015 remain valid for the remaining months of the financial year.

9. Statement of changes in consolidated equity

Amounts rounded off to full euros.

	CAPITAL	SHARE PREMIUM	reserves for the net changes in the fair value of real estate		reserves for impact of swaps (*)
			reserves for the net changes in the investment value of real estate	reserve for the impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-)	
1 January 2015	61,633,399	1,191,440	0	0	-11,941,155
appropriation of net result financial year 2014					-10,215,012
dividends					
treasury shares					
result for the period					
interim dividend					
capital increase	16,809,093	19,401,171			
30 June 2015	78,442,492	20,592,612	0	0	-22,156,167
1 January 2016	78,442,492	20,592,746	0	0	-22,156,167
appropriation of net result financial year 2015			1,772,676	-82,620	2,846,632
dividends					
treasury shares					
result for the period					
interim dividend					
capital increase					
30 June 2016	78,442,492	20,592,746	1,772,676	-82,620	-19,309,535

	<i>other reserves</i>	<i>reserve for treasury shares</i>	<i>results carried forward from previous financial years</i>	RESERVES	RESULT FOR THE FINANCIAL YEAR	TOTAL EQUITY
1 January 2015	11,283,515	-273,332	7,438,498	6,507,527	-3,305,633	66,026,734
appropriation of net result financial year 2014		62,611	393,671	-9,758,731	9,821,341	62,611
dividends					-6,515,709	-6,515,709
treasury shares						0
result for the period					7,086,513	7,086,513
interim dividend						0
capital increase						36,210,264
30 June 2015	11,283,515	-210,721	7,832,169	-3,251,203	7,086,513	102,870,413
1 January 2016	11,283,515	-241,232	7,832,169	-3,281,715	4,546,222	100,299,745
appropriation of net result financial year 2015			9,534	4,546,222	-4,546,222	0
dividends						0
treasury shares						0
result for the period					-1,589,921	-1,589,921
interim dividend						0
capital increase						0
30 June 2016	11,283,515	-241,232	7,841,703	1,264,507	-1,589,921	98,709,825

(* Reserve for the net changes in the fair value of permitted hedging instruments that are not subject to hedge accounting as defined in IFRS (+/-)

No distinction is made between capital changes that do and those that do not result from transactions with shareholder-owners, as the Company has no minority interests.

10. Cash flow table

Amounts rounded off to full euros

Half year as closed on	30 June 2016	30 June 2015
CASH AND CASH EQUIVALENTS AT START OF THE HALF YEAR	8,547,846	9,316,647
1. CASH FLOW FROM OPERATING ACTIVITIES	6,680,991	3,194,233
Result before tax	-1,271,416	7,099,020
Tax payments	-318,505	-12,507
Net result for the financial year	-1,589,921	7,086,513
+ interest paid (included in financing activities)	2,075,276	1,778,411
Net result for the year (excluding paid interest)	485,356	8,864,924
Non-cash elements added to/deducted from the result	6,082,406	-3,314,056
changes in fair value of swaps	5,785,700	-3,481,909
changes in fair value of investment properties	47,347	-52,137
changes in fair value of financial fixed assets (treasury shares)	0	30,511
depreciation, impairments and impairment reversals of tangible fixed assets	44,460	42,520
real estate lease - profit or loss margin on projects attributed to the period	1,358	13,697
real estate lease - decrease in trade receivables (profit or loss margins attributed to earlier periods)	203,540	133,263
Change in working capital requirement		
Movement of assets	-968,682	-57,420
project developments (projects in progress/in preparation)	0	0
finance lease receivables	67,076	0
trade receivables	8,143	19,264
recoverable taxes	-152,906	-167,078
other current assets	9,195	100,997
deferred charges and accrued income	-900,191	-10,603
Movements in liabilities	1,081,912	-2,299,214
trade payables	599,990	-2,643,317
taxes, social insurance charges and liabilities relating to remuneration	218,293	-62,781
deferrals and accruals	263,629	406,884

Amounts rounded off to full euros

Half year as closed on	30 June 2016	30 June 2015
2. CASH FLOW FROM INVESTMENT ACTIVITIES	-566,470	-555,661
investment properties	-1,365	-304,863
tangible fixed assets	-567,846	-250,830
financial fixed assets	2,741	32
3. CASH FLOW FROM FINANCING ACTIVITIES	-2,429,565	27,958,955
Cash elements included in the result	-2,075,276	-1,778,411
paid interest charges	-2,096,694	-997,307
received interests (swap)	21,418	52,619
fixed interest rate	0	-833,723
Changes in financial liabilities and financial debts	-354,289	0
increase (+) of financial debts	-354,289	0
Changes in equity	0	-6,472,899
buy-back/sale of treasury shares	0	32,100
dividend payments on founder shares	0	-80,325
dividend payments on registered shares	0	-40,563
dividend payments on other ordinary shares	0	-5,406,754
payment of withholding tax on dividends	0	-977,356
Changes in equity: capital and issue premium	0	36,210,264
increase in capital and issue premium	0	16,809,093
increase optional dividend	0	19,401,171
TOTAL CASH FLOWS (1) + (2) + (3)	3,684,956	30,597,527
CASH AND CASH EQUIVALENTS AT END OF THE HALF YEAR	12,232,801	39,914,174

The division of the Investment Properties but has changed compared to the half-year report of 2015, but it is in conformity with the annual report of 2015 in order to have a better presentation of the current reality.

11. Participations

The Company has three subsidiaries:

- M.S.T. bvba: a 100% subsidiary of Care Property Invest. M.S.T. bvba, in turn, holds all the shares of the company Boeyendaalhof NV/SA.
- TURNHOUT NV/SA: Care Property Invest holds all but one of the shares in this subsidiary. One share is held by Croonenburg NV/SA, a subsidiary of Care Property Invest
- CROONENBURG NV/SA: Care Property Invest holds all but one of the shares in this subsidiary. One share is held by B. Turnhout NV/SA, a subsidiary of Care Property Invest.

12. Auditor's report

FREE TRANSLATION OF THE STATUTORY AUDITOR'S REPORT ON REVIEW OF CONSOLIDATED CONDENSED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2016

Introduction

We have reviewed the accompanying consolidated condensed statement of financial position of Care Property Invest NV/SA and its subsidiaries as of 30 June 2016 and the related consolidated condensed statement of profit and loss and other comprehensive income, changes in consolidated equity and consolidated cash flows for the 6 month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this consolidated condensed financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." 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 International Standards on Auditing 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.

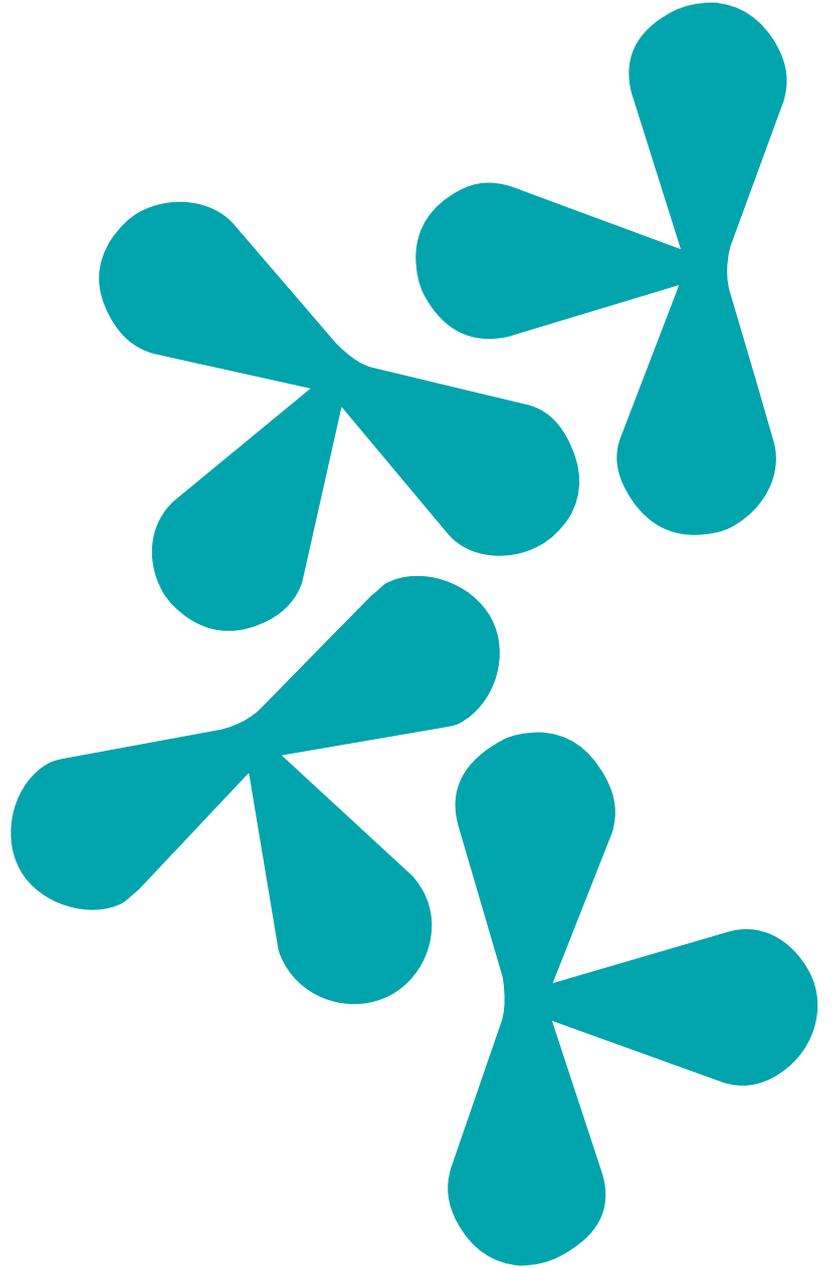
Conclusion

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

Sint-Stevens-Woluwe, 22 September 2016

The statutory auditor
PwC Reviseurs d'Entreprises scrl / Bedrijfsrevisoren bcvba
Represented by

Damien Walgrave
Statutory auditor



III. Real estate report

1. Status of the property market in which the Company operates

Care Property Invest distinguishes itself in the market by its specialisation within the market segment of housing for the elderly and people with disabilities. The growing demand for specific infrastructure for these residents with a social added value is one of the factors that shapes the Company's strategy. The demographic changes that the Federal Planning Bureau expects, with population ageing reaching a peak in 2050, is also one of the main themes. At the same time, Care Property Invest meets the expectations of the operators in this market by focusing on long term contracts.

Care Property Invest focuses still, but not solely on local authorities and charitable organisations where the need for affordable quality residential accommodation for the elderly and people with disabilities has been further exacerbated by the economic crisis. On the other, Care Property Invest also focuses on the private market and private operators.

The senior housing market¹

The total number of rest home beds in Belgium increased by 3,519 in units between 8 October 2014 and 6 November 2015 to reach a capacity of 139,278 units. However, according to several studies, this increase remains below the real annual incremental need. Many of these studies are based on growth forecasts for the number of persons over 65 years, which will rise from 17 % to 22 % of the population between 2013 and 2030. However, within this category, the portion of seniors who are still autonomous is growing and the number of dependant persons is increasing less sharply. According to a Dutch study (CBS), life expectancies have increased between 1980 and 2010, increasing from 72.5 to 79 years for men and from 79 to 83 years for women. The number of years during which elderly people suffer from health problems has remained stable since 1990 for men (approx. 15 years) and since 1998 for women (approx. 20 years). Moreover, domestic technologies and homecare also play an increasing role. The average duration of stay remains relatively stable. Over the last 5 years, the number of beds has increased by 9,700 units. Private not-for-profit organisations operate the lion's share of these units, representing 60 % of the market. It is notable as well that the number of rest home beds showed consistent decrease between 1997 (93,056 beds) and 2012 (62,545 beds). Since 2012 however, it has risen to 67,354 units.

As a long-term investment, health care real estate is attracting more and more interest. The investment market has rapidly extended toward insurers and pension funds for whom (very) long-term and indexed contracts present attractive features. This also corresponds to operators' desire to pursue a long-term strategy. Financial ratios, such as the debt to turnover, are of greater concern to operators than to real estate investors. For investors, a debt that is eight times the turnover (rental income) is easily acceptable, whereas, for operators, debt generally amounts to only one quarter of the turnover. The separation between operational activities and real estate, which is also found in the hotel segment, is therefore a logical consequence. However, these two aspects remain linked, with profits split between the two parties: they are thus dependent on one another. For the operator, the building represents a "real estate machine" that cannot be defective at any time. Like in the hotel segment, triple net contracts are logically established in the healthcare sector as well. It is essential for operators that the quality of the asset is maintained and that

¹ Written by Stadim CVBA, and reproduced with permission.

they can intervene quickly if action is needed. This type of contract might be misleading for investors who think they are fully relieved of all matters relating to building management given the long-term contracts in place with the operators. Operational sustainability and technical requirements of the building, as well as compliance with constantly changing regional regulations, are the Achilles heel of relations between investors and operators. What value will remain if a building is not up to code. If the establishment were located in collective community services zone ("blue zone"), what alternative use would be possible. If operations become insufficiently profitable due to a reduction in state/public subsidies, change in regulation, or excessive rent, a downward rent revision may be required if the operations are to continue. It is crucial for the investor to monitor all changes and trends of either technical or regulatory nature and as well as those affecting operations.

Various authorities are taking initiatives to limit the possibility to offer individual rooms in a rest home for sale as investment properties. Co-ownership in the health care sector, while permitted in the apartment sector, has fortunately reached an impasse. In addition, it will be impossible to impose significant investments on co-owners at the same time, except for justified social reasons. Hopefully, this legislation will be adopted in other Belgian regions, and also be extended to other types of operational properties. How would it be possible to maintain, under co-ownership, the quality requirements of a hotel, a student residence or even a house transformed into an apartment building.

Given the increasing trend toward professionalisation among rest home operators, the attractiveness to investors, and reduced interest rates, gross rental yields are decreasing. Certain transactions (based on long-term triple net contracts) are already being established at rental yields lower than 5%. In this context, the necessity of quality and versatility and the overall sustainability of the investment is even more important: with current yields, there is no room for error. Attempts are being made to capitalise on the experience accumulated in the senior care segment by combining or expanding residences to serve other types of dependent persons, such as youth with disabilities. Ancillary services such as welcoming, catering, etc. could also be combined which could serve to improve the complementarity and flexibility of real estate assets. In some cases, independent operators are not profitable due to their small size but, as targets for acquisition, offer new possibilities to pursue these types of projects, including projects at the local level.

2. Property

Amounts shown in euros.

Half year as closed on 30 June	2016	2015
Investment properties		
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
Leasing activities (projects made available through long leases)		
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

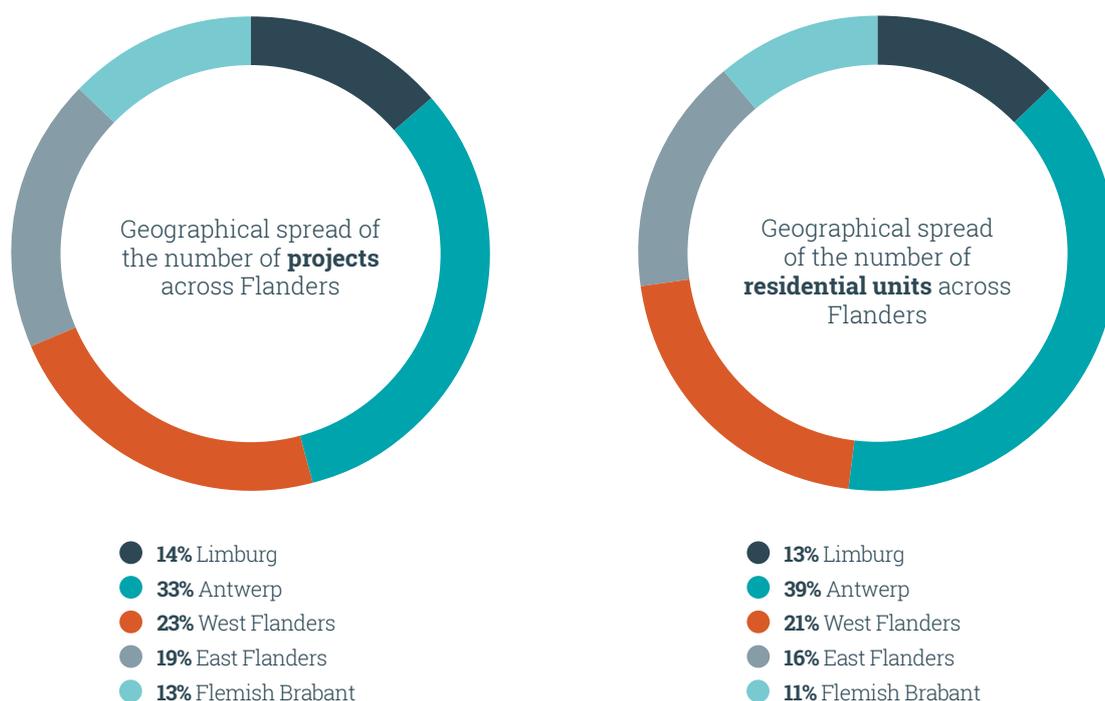
The finance leases are shown in accordance with IAS 17 at the nominal value of the investment in the category "finance lease receivables". The difference between the nominal value and the fair value is recognised under the heading "receivables". This fair value is determined on the commencement of the 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%.

3. Analysis of the full consolidated property portfolio as at 30 June 2016

3.1 Geographical distribution

At present, all projects are located on the territory of the Flemish Region. The 80 completed projects are geographically spread throughout the five Flemish provinces, as follows:



In both the Brussels-Capital and Walloon region, no projects have been realised yet..

3.2 Distribution of the number of projects per operator

	30 June 2016	30 June 2015
OCMWs/CPASs	89%	93.50%
Senior Living Group	1%	0%
Vulpia Care Group	4%	0%
Charitable non-profit organisations	6%	6.50%
Total	100%	100%

The OCMWs account for 85.1% of the Company's total revenue as at 30 June 2016. The remaining revenue (14.9%) results from the eight projects run by non-profit organisations. (the projects Kapellen, Deinze, Nijlen, Assenede (Bassevelde), Zulte, Herenthout (Boeyendaalhof), De Nieuwe Kaai Turnhout and Aan de Kaai Turnhout).

3.3 Breakdown of the projects depending on the remaining term of the lease contracts or rental period

	Number of projects	Balance (1)
end between 10 and 15 years	32	€ 47.08 million
end between 15 and 20 years	16	€ 32.83 million
end > 20 years	32	€ 154.49 million
Total	80	

(1) The balance comprises the remaining ground rent and rental payments on 1 January 2016, based on the non-indexed ground rent for the full remaining term of the contract (expiry dates not split up) and, in respect to the project where the Company bears the risk of inoccupancy (Gullegem), taking into account an occupancy rate of 100%.

The first building right (of the initial investment programme) will expire in 2026, i.e. within 10.01 years.

The average remaining term of the contracts is 17.9 years. This period includes the remaining term of the building right, which is equal to the remaining leasehold period and the remaining rental period for the contracts in the initial investment programme. For the new projects only the rental or leasehold period has been taken into account.

3.4 Breakdown of the projects depending on the age of the buildings

number of projects with first occupation in 2016	0
number of projects with first occupation between 1 and 5 years ago	19
number of projects with first occupation between 5 and 10 years ago	14
number of projects with first occupation more than 10 years ago	47
Total	80

3.5 Occupancy rate

Due to the increasing demand for adapted forms of residential accommodation for the elderly, the buildings have few, if any voids. However, the contracts are "triple net" contracts, as a result of which the ground rent is due in full, regardless of occupancy. Any voids of residential units therefore have no impact on the revenues generated by the Company from the initial investment programme, except for the project in Gullegem where the Company incurs the risk of in occupancy. At the time of drawing up this report, the occupancy rate of this project was 100%.

4. New projects

Care Property Invest further deploys the expertise and know-how that it gained in the realization of 1,988 service flats in the initial investment programmer to create affordable, high quality and attractive care infrastructure and forms of residential accommodation for the elderly and people with disabilities. This includes residential care centers, service centers and groups of assisted-living apartments. Care Property Invest can develop, realize and finance these facilities itself, or can refinance existing buildings, with or without a renovation or expansion. A project is included in the property portfolio only after a thorough risk analysis and assessment by the Company's Board of Directors. The affordability of these "recognized" projects and their operation by professional and specialized care providers contributes to this. The continuation of the strategy also involves permanent compliance with the requirements of the RREC Law and the RREC Decree

Update of the projects in execution:

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.

The composition of the portfolio per subsidiary is therefore as follows:

Subsidiary	investment property
B. TURNHOUT NV/SA	De Nieuwe Kaai (Turnhout)
CROONENBURG NV/SA	Aan de Kaai (Turnhout)
BOEYENDAALHOF NV/SA	Boeyendaalhof (Herenthout)
The Company holds 100% of the shares of B. TURNHOUT NV/SA and CROONENBURG NV/SA. The Company holds 100% of the shares of M.S.T. BVBA. This company, in turn holds 100% of the shares of the company BOEYENDAALHOF NV/SA.	

Table summarising the new projects

PROPERTY IN THE PORTFOLIO											
Project	Year of construction/ (most recent) renovation	In operation since	Occupancy rate	Total lettable residential floor area (m ²)	Number of residential units	Contractual rents	Contractual rents + estimated rental value (ERV) on voids	Estimated rental value (ERV)	Fair value in millions of euros	Contractual value in millions of euros	
Tilia (8560 Gullegem)	2015	2015	100%	1,454	15	128,115	125,752	129,345	2.68	2.75	
Aan de Kaai (2300 Turnhout)	2012	2012	100%	7,950	84	825,000	825,000	921,812	16.34	16.75	
De Nieuwe Kaai (2300 Turnhout)	2005	2005	100%	7,806	99	862,840	862,840	939,744	16.52	16.93	
Boeyendaalhof (2270 Herenthout)	2011	1992	100%	7,139	118	750,000	750,000	799,160	15.19	15.56	
Total			100%	24,349	316	2,565,955	2,563,592	2,790,061	50.73	51.99	

The occupancy rate of the investment properties stands at 100%.

For the hypotheses and principles taken into account for the estimation of the rental value reference is made to point 6. Report of the real estate expert on page 55 of this report. For the investment property "Aan de Kaai" the real estate expert based its calculation of the rental value on the assumption that the day care center will/can be transformed into 10 extra rooms.

PROJECTS IN PROGRESS			
Project	Estimated amounts still to be invested, in millions of euros	Planned delivery	Description
Drie Eiken (3620 Lanaken)	19	end of 2016	residential care centre with 122 licensed nursing beds to be acquired through a share deal
Herfstvrede (9180 Moerbeke)	3.6	spring 2017	realisation of 22 assisted-living apartments for OCMW Moerbeke
Huis Driane (2270 Herenthout)	3.1	spring 2018	realisation of 22 assisted-living apartments for OCMW Herenthout
Total	25.70		

The "Drie Eiken" project concerns the acquisition of a company. The "Huis Driane" and "Herfstvrede" projects were awarded in 2015 after the company participated in the public tenders.

For a full description of the real estate in the portfolio and its development, we refer to information recorded in the real estate report of the annual financial report 2015, starting from page 72 and the press releases of the Company.

5. Initial investment programme of 2,000 service flats

To date, the Company has 1,988 completed service flats in its portfolio, all of which were realized within the initial investment programme of 2,000 service flats planned on the incorporation of the Company. For these projects, the cooperation between the Company and the OCMWs or non-profit organizations was always laid down in a real estate leasing contract. In this structure, leasing is based on a “triple net” leasehold on the building which takes effect after the provisional delivery of the project on the land made available to the Company by the OCMW or non-profit organisation via building rights. After the 30-year building rights period, the OCMW or the non-profit organisation owe Care Property Invest a final building rights fee equal to the nominal amount of the initial investment costs, in order for the OCMW or the non-profit organisation to become the owner of the service flats. The amount of the final building rights fee is not reviewed or indexlinked. Once a building is ready for use, i.e. from the provisional delivery of the service flat building, on average 14 months after the commencement of the building right, a leasehold period of 27 years commences, during which the OCMW or the non-profit organisation enjoys full use of the building and is fully responsible for its operation as a service flat building, for payment of monthly ground rent instalments for each service flat. The ground rent represents the interest paid on the capital invested by Care Property Invest and is indexed annually. This ground rent is independent of the occupancy of the building.

During the transitional period after the termination of the leasehold period until the end of the 30-year building right, a tenancy agreement will apply, during which the OCMW or the non-profit organisation will owe rent in line with the prevailing market interest rates at that time. The first right of lease of these contracts will end in 2024.

The Flemish Community provided an 18-year subsidy for the benefit of the OCMW or non-profit organisation for the 2,000 service flats in the initial investment programme, commencing on the date of the final approval of the service flats by the Flemish government (which is confirmed by the Flemish Community about one year after the delivery of a project).

The Company records the investment costs of these projects in its accounts in accordance with the IAS/IFRS standards as long-term receivables (more specifically, as “finance lease receivables”). The profit or loss margin allocated in accordance with the IAS/IFRS on the conclusion of these contracts is recorded in “trade receivables” and is activated via the income statement.

The net present value (positive or negative) is calculated by discounting the future cash flows arising from these contracts at a rate equal to the interest rate applying on the contracting date of the lease agreement. (Further details on this calculation are provided in the “Accounting Policies”, included in chapter “VII. Financial statements «of the annual financial report 2015, on page 94 and following). In accordance with the RREC regulations, these rights in rem on which the contracts were based do not need to be valued by a real estate expert.

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
Total activated amount of the lease contracts	168,987,356.28	169,259,331.44

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
Total	77	2,000

5.1 Overview of completed projects from the initial investment programme

Amounts shown in euros.

PROVINCE/MUNICIPALITY	No. of flats	Start leasehold	Ground rent received (1)	Insured value (2)	Acquisition value (a)
ANTWERP					
ZWIJNDRECHT – Dorp	26	October 1997	227,791.20	1,429,613.34	1,651,929.65
ZOERSEL – Sint-Antonius	24	June 1998	181,244.16	1,283,194.93	1,491,391.73
HOOGSTRATEN – Loenhoutseweg	23	January 1999	202,898.64	1,323,036.05	1,591,192.89
ARENDONK – Horeman	20	December 1998	173,580.00	1,050,613.98	1,258,806.57
DEURNE – Boterlaar	24	February 2000	226,434.24	1,318,387.38	1,642,136.89
KAPELLEN – Hoogboom	22	February 2000	191,175.60	1,288,259.07	1,386,416.23
KONTICH – Altena	25	December 2003	287,196.00	895,224.58	2,128,076.52
ESSEN – Maststraat	20	January 2001	198,477.60	1,165,628.20	1,439,363.34
ESSEN – Maststraat (expansion phase 1)	10	April 2010	96,982.80	428,752.46	1,114,374.84
RETIE – Kloosterhof	24	November 2001	230,869.44	621,127.08	1,674,319.74
MERKSEM – De Brem	42	January 2002	373,277.52	871,697.37	2,707,138.69
VOSELAAR – Woestenborghsllaan	17	June 2002	167,551.32	430,284.58	1,215,136.97
ANTWERP – Grisarstraat	28	January 2003	338,326.08	718,280.65	2,453,562.72
HEMIKSEM – Sint-Bernardusabdij	24	May 2004	227,448.00	2,191,183.00	1,685,377.26
RAVELS – Mgr, Paapsstraat	25	August 2004	247,821.00	561,881.56	1,836,289.37
BRECHT – Gasthuisstraat	25	April 2005	216,336.00	1,216,910.79	1,903,193.13
EKEREN – Geestenspoor	19	July 2006	165,010.44	527,990.35	1,735,239.29
NIJLEN – Ten Velden	21	January 2011	113,649.48	892,763.63	2,419,420.86
BRECHT – Sint-Job	36	December 2011	148,651.20	1,400,089.88	4,215,610.62
SCHILDE – Molenstraat	22	December 2012	136,369.20	690,359.98	2,471,297.09
VORSELAAR – Nieuwstraat	22	October 2012	161,119.20	1,146,274.12	2,613,329.68
BEERSE – Boudewijnstraat	37	April 2012	264,579.60	2,458,167.86	4,151,001.06
MOL – Jakob Smitslaan	50	January 2013	163,620.00	4,165,828.54	5,622,718.60
			4,740,408.72	28,075,549.38	50,407,323.74

Amounts shown in euros.

PROVINCE/MUNICIPALITY	No. of flats	Start leasehold	Ground rent received (1)	Insured value (2)	Acquisition value (a)
WEST FLANDERS					
HOOGLEDE – Hogestraat	22	February 1999	198,195.36	1,492,469.64	1,437,339.01
LICHTERVELDE – Statiesstraat	19	February 1999	169,638.84	1,132,407.67	1,230,240.98
TORHOUT – K, de Goedelaan	21	February 1998	180,197.64	1,185,172.32	1,306,796.30
LO-RENINGE – Reninge	10	March 1999	91,032.00	551,543.46	698,604.38
ROESELARE – Centre	30	October 2000	262,184.40	1,551,196.33	1,901,389.12
ZEDELGEM – Loppem	14	September 2009	132,096.72	375,604.58	995,172.10
WAREGEM – Zuiderlaan	63	April 2002	669,347.28	3,795,305.31	4,854,264.93
WERVIK – Gasstraat	17	March 2002	160,019.64	671,264.07	1,215,889.38
BRUGES – Sint-Andries	36	December 2002	338,381.28	944,635.21	2,718,417.54
BRUGES – De Vliedberg	35	January 2011	188,428.80	n,v,t	4,536,254.77
BRUGES – 7-torentjes	33	November 2012	121,718.52	1,144,970.90	4,267,463.75
BRUGES – Ten Boomgaarde	38	July 2012	202,090.08	2,232,706.76	6,427,227.13
MENEN – Lauwe	19	March 2003	191,089.08	555,425.10	1,385,782.73
MOORSLEDE – Marktstraat	17	January 2006	123,940.20	477,856.61	1,411,631.96
HOOGLEDE, Gits – Singellaan	20	October 2011	170,162.40	1,066,588.22	2,631,140.86
BREDENE – Duinenzichterf	48	December 2011	341,072.64	1,517,187.59	5,152,687.38
KORTEMARK – Hospitaalstraat	33	December 2011	264,524.04	1,166,696.74	3,850,618.15
			3,804,118.92	19,861,030.51	46,020,920.47
EAST FLANDERS					
NINOVE – Denderwindeke	20	November 1997	167,215.20	1,044,505.81	1,212,658.83
ASSENEDE – Bassevelde	15	June 1998	122,518.80	811,548.10	888,510.01
AALST – Moorsel	47	Sept,+Nov, 1998	403,211.28	2,284,370.71	2,924,145.95
NINOVE – Burchtstraat	17	January 2000	158,499.84	912,921.50	1,149,451.51
ASSENEDE – Oosteeklo	16	June 2000	144,291.84	1,169,194.69	1,046,421.43
DE PINTE – Bommelstraat	20	August 2000	186,950.40	1,097,897.81	1,355,767.48
HAMME – Roodkruisstraat	20	January 2001	187,792.80	1,238,490.80	1,361,852.97
DEINZE – Ten Bosse	19	March 2002	166,095.72	906,005.00	1,204,571.93
HAMME – Moerzeke	11	May 2004	132,621.72	300,819.65	996,160.25
ZULTE – Pontstraat	26	June 2005	143,223.60	595,814.12	1,920,143.59
WAASMUNSTER – Molenstraat	24	December 2005	180,077.76	697,046.93	2,064,529.27
DESTELBERGEN – Steenvoordestraat	20	November 2006	179,280.00	600,629.30	1,998,805.04
DESTELBERGEN – Heusden	20	January 2015	192,012.00	1,473,551.85	3,074,689.54
SINT-NIKLAAS – Zwijgershoek	36	February 2009	169,646.40	1,631,812.54	3,382,787.41
SINT-NIKLAAS – Priesteragie	60	January 2013	215,114.40	2,967,983.15	9,663,258.24
			2,748,551.76	17,732,591.96	34,243,753.45

Amounts shown in euros.

PROVINCE/MUNICIPALITY	No. of flats	Start leasehold	Ground rent received (1)	Insured value (2)	Acquisition value (a)
FLEMISH BRABANT					
OPWIJK – Kloosterstraat	13	March 1998	112,500.96	696,568.88	815,873.14
OPWIJK – Kloosterstraat (phase 2)	32	February 2014	350,592.00	1,544,717.58	4,592,315.29
KORTENBERG – Leuvensestnwg	24	June 2007	199,837.44	742,522.02	2,398,855.72
ZAVENTEM – Sterrebeek	15	September 2008	159,755.40	549,923.76	1,827,654.52
ZAVENTEM – Sint-Stevens-Woluwe	18	December 2010	261,202.32	1,154,168.59	2,965,085.01
TIENEN – Houtemstraat	31	April 2008	314,328.84	1,010,999.74	3,382,906.85
TIENEN – Houtemstraat (phase 2)	31	April 2010	263,085.84	1,249,237.58	3,455,560.46
LENNIK – Stationsstraat	16	September 2011	149,548.80	944,697.97	1,843,166.78
LIEDEKERKE – Fabriekstraat	36	March 2012	142,827.84	1,718,342.13	4,522,250.48
MEISE – Godshuisstraat	43	September 2012	197,297.76	2,258,463.25	6,170,316.20
			2,150,977.20	11,869,641.50	31,973,984.45
LIMBURG					
HAMONT – De Kempkens	16	November 2000	148,744.32	972,542.97	1,078,707.46
LEOPOLDSBURG – Heppen	19	November 2003	193,758.96	470,860.10	1,435,709.20
ZONHOVEN – Rozenkransweg	31	October 2001	297,120.12	754,824.79	2,154,751.95
LEOPOLDSBURG – Centre	31	September 2004	306,814.44	833,141.60	2,304,535.76
AS – Dorpstraat	18	October 2005	190,728.00	400,884.21	1,457,524.43
HAMONT-ACHEL – Achel	25	November 2000	154,320.00	1,104,605.75	3,144,985.21
DILSEN-STOKKEM – Langs de Graaf	28	May 2008	325,355.52	1,100,841.53	3,330,436.58
ZONHOVEN – Dijkbeemdenweg	40	August 2009	184,324.80	2,360,844.65	5,633,460.79
BERINGEN – Klitsbergwijk	24	October 2009	179,838.72	1,071,539.26	2,979,192.56
HEUSDEN-ZOLDER – Hesdinstraat	28	March 2012	185,226.72	981,277.63	3,004,334.33
HAM – Speelstraat	37	May 2013	142,288.68	1,297,972.72	3,969,442.96
			2,308,520.28	11,349,335.21	30,493,081.23
76 projects	1,988		15,752,576.88	88,888,148.56	193,139,063.34

(a) activated costs relating to the creation of the service flats, inclusive of VAT (contractual prepayments of €36,200,810.35 have not yet been deducted from this and will be deducted from the termination of building rights fees still due)

(1) ground rent owed from 1 January 2016 to 31 December 2016 this ground rent is independent of the occupancy of the building

(2) In principle, liability cover is provided by the principal contractor of the relevant project for 10 years, but in order to hedge against default by that contractor, the Company has itself contracted additional 10-year liability insurance for the entire project the insured values relate only to the buildings subject to 10-year liability, for the following projects: Lichtervelde, including the administrative center; Hooglede, including the municipal center; Hamme, including the foundations; Kapellen, including the relaxation area and the connecting building; Hamont, including the connecting building and link to flat No. 12; Oosteeklo, including the parsonage; Hemiksem, including the subsidisable part comprising 70.25% of the general contract; Kontich: including renovation of the castle; Zulte, including walkway; Lennik, including community facilities; Hooglede (Gits), including the day care center; Sint-Niklaas (Priesteragie), including foundations; Meise, including walkway, and Mol, including the 39 flats. As contractually agreed, all other insurance must be contracted by the lessees.

More information about the projects realised can be found on the Company's website: www.carepropertyinvest.be.

6. Report of the real estate expert

Dear Sir or Madam,

According to the statutory provisions, we have the honour of expressing our view on the value of the real estate portfolio of the public regulated real estate company (public RREC) Care Property Invest as at 30 June 2016

Both Stadim cvba and the natural persons that represent Stadim confirm that they have acted as independent experts and hold the necessary relevant and recognised qualifications.

The valuation was performed on the basis of the market value, as defined in the International Valuation Standards published by the Royal Institution of Chartered Surveyors (the 'Red Book'). As part of a report that complies with the International Financial Reporting Standards (IFRS), our estimates reflect the fair value. The fair value is defined by the IAS 40 standard as the amount for which the assets would be transferred between two wellinformed parties, on a voluntary basis, without special interests, mutual or otherwise. IVSC considers that these conditions have been met if the above definition of market value is respected. The market value must also reflect the current rental agreements, the current gross margin for self-financing (or cash flow), the reasonable assumptions concerning the potential rental income and the expected costs.

The costs of deeds must be adjusted in this context to the current situation in the market. Following an analysis of a large number of transactions, the real estate experts acting in a working group at the request of listed real estate companies reached the conclusion that, as real estate can be transferred in different forms, the impact of the transaction costs on large investment properties in the Belgian market with a value in excess of €2.5 million is limited to 2.5%. The value with no additional costs payable by the buyer therefore corresponds to the fair value plus deed costs of 2.5%. The fair value is therefore calculated by dividing the value with no additional costs payable by the buyer by 1.025. The property below the threshold of €2.5 million and the foreign property are subject to the customary registration laws and their fair value therefore corresponds to the value with costs payable by the buyer.

Both the current lease contracts and all rights and obligations arising from these contracts were taken into account in the estimates of the property values. Individual estimates were made for each property. The estimates do not take account of any potential added value that could be realised by offering the portfolio as a whole in the market. Our valuation does not take account of selling costs or taxes payable in relation to a transaction or development of real estate. These could include estate agents' fees or publicity costs, for example. In addition to an annual inspection of the relevant real estate, our estimates are also based on the information provided by Care Property Invest in relation to the rental situation, the floor areas, the drawings or plans, the rental charges and taxes in connection with the properties concerned, conformity with laws and regulations and environmental pollution. The information provided was deemed to be accurate and complete. Our estimates assume that elements that were not reported are not of a nature that would influence the value of the property. This valuation reflects the value in the market on the valuation date.

On 30 June 2016, the fair value amounted to €50,730,300 and the market value "deed in hand" (or the investment value, before deduction of transfer tax) to €51,998,600.



Katrien Van Grieken, MRE
Consultant Surveyor

STADIM cvba



Philippe Janssens, FRICS
Managing Director

STADIM cvba

IV. Permanent Document

1. General information

1.1 Company name

The Company has the status of a public limited liability company. It is subject to the statutory system of public regulated real estate companies, legally abbreviated to “public RREC”. It bears the name “CARE PROPERTY INVEST”, abbreviated to “CP Invest”.

The corporate name of the Company and all of the documents that it produces (including all deeds and invoices) contain the words “public regulated real estate company” or are immediately followed by these words. The company name must always be preceded or followed by the words “public limited liability company” or the abbreviation “nv”.

The Company raises its financial resources, in Belgium or elsewhere, through a public offering of shares, and thus makes a public demand on the savings system within the meaning of Article 438(1) of the Companies Code. The Company’s shares have been admitted for trading on a regulated market, Euronext Brussels.

The Company is subject to the regulations currently applicable to RRECs and in particular to the provisions of the Law of 12 May 2014 concerning regulated real estate companies (the “RREC Law”) and the Royal Decree of 13 July 2014 with respect to regulated real estate companies (the “RREC Decree”).

The Company is also subject to Article 2.7.6.0.1 of the Flemish Tax Code (VCF) in respect of exemption from inheritance rights pertaining to the social rights in companies incorporated within the framework of the realization and/or financing of investment programmes for service flats, as amended from time to time.

1.2 Registered office location

With effect from 12 January 2015, the Company’s registered office is located at Horstebaan 3, 2900 Schoten and it can be contacted by telephone on the number +32 3 222 94 94, by fax on the number +32 3 222 94 95 or by e-mail at the address info@carepropertyinvest.be.

The Board of Directors may relocate the Company to any other location in the Flemish Region. It must arrange for the publication of any change in the registered office of the Company in the Annexes to the Belgian Official Gazette.

The Board of Directors is also authorised to establish offices, registered business offices, branches and subsidiaries in Belgium and abroad.

1.3 Incorporation and notification

The public limited liability company Care Property Invest was incorporated on 30 October 1995 under the name "Serviceflats Invest" pursuant to a deed executed before notary Jan Boeykens in Antwerp and published in the Annexes to the Belgian Official Gazette of 21 November 1995 under number 1995-11-21/176. The Articles of Association were last amended on 22 June 2016, published in in the annexes to the Belgian State Gazette (Staatsblad) of 14 July under number 20160714/0098793. The Articles of Association are available on the website of the Company.

1.4 Registration number

The Company is registered in the Trade Register (RPR) of Antwerp (Antwerp branch) under the number 0456.378.070.

1.5 Purpose

The sole objects of the Company are, (a) to make real estate available to users directly or through a company in which they have a shareholding, in accordance with the provisions of the RREC Law and its implementing decisions and regulations; and (b) to own real estate within the limits of the RREC Law, as stated in Article 2, 5°, vi to x of the RREC Law. Real estate is defined as real estate within the meaning of the RREC Law, as well as all other property, shares or rights defined as real estate by regulations applicable to regulated real estate companies.

The activity, as described in the preceding paragraphs, must relate to the financing and realization of (i) with regard to the Flemish Region, only projects concerning (a) the realization of service flats as referred to in Article 88, §5, of the Residential Care Decree of 13 March 2009 (as amended from time to time) or (b) real estate for facilities in relation to the Residential Care Decree of 13 March 2009, or (c) real estate for persons with disabilities, (ii) with regard to the European Economic Area, with the exception of the Flemish Region, projects equivalent to the projects referred to in (i) or (iii) other projects which are approved from time to time under the applicable legislation on exemption from inheritance tax, without withdrawal of recognition under that legislation (hereinafter jointly referred to as "Projects").

In the context of the provision of real estate, the Company may, in accordance with regulations applicable to RRECs and within the aforementioned limits, perform all activities related to the establishment, construction (without prejudice to the prohibition to act as a property developer, except in the case of occasional transactions), refurbishment, renovation, furnishing and fitting, development, acquisition, disposition, lease, sublease, exchange, contribution, transfer, parcelling, placement under a system of co-ownership or joint ownership of real estate as described above, the provision or acquisition of building rights, usufruct, leasehold or other real or personal rights to real estate as described above, the management and operation of real estate. The Company may, in accordance with the regulations applicable to RRECs and within the aforementioned limits:

- act as the lessee for real estate, with or without a purchase option;
- as a principal or secondary activity, lease real estate, with or without granting a purchase option, (with the proviso that leasing real estate with a purchase option may only be the main activity in cases as

referred to in and subject to compliance with the provisions of Article 17(3) of the RREC Decree); and

- develop activities within the framework of public-private partnerships, transferred to an institutional RREC or otherwise;
- in a secondary or temporary capacity, invest in securities which are not property securities within the meaning of the regulations applicable to RRECS. These investments will be carried out in accordance with the risk management policy adopted by the Company and will be diversified so that they ensure adequate risk diversification. The Company may also own unallocated cash and cash equivalents. The cash assets may be held in any currency, in the form of deposits on demand or term deposits, or any readily available monetary instrument;
- provide mortgages or other securities, or issue guarantees in the context of the funding of the real estate activities of the Company or its group, within the limits of the regulations applicable to RRECs;
- grant credit, within the limits of the legislation applicable to RRECs;
- conduct transactions in permitted hedging instruments (as defined in the regulations applicable to RRECs), where such operations form part of a policy adopted by the Company to cover financial risks, with the exception of speculative transactions..

The Company shall, in compliance with the regulations applicable to RRECs, within the above limits, carry out all immovable, movable, financial, commercial and industrial actions which are directly or indirectly related to its objects or of a basic nature to pursue their realization or to facilitate this, both domestically and abroad.

In compliance with the regulations applicable to RRECs, and within the above limits, the Company may acquire, by means of contribution in cash or in kind, merger, de-merger or other corporate law restructuring, subscription, participation, financial intervention or otherwise, a share in any existing or future companies or businesses in Belgium or abroad, whose objects are identical, similar or related to its own, or of a nature as to pursue or promote the objects of the Company

1.6 Duration

The Company is established for an indefinite period and commences operations on the date of its formation. It can be dissolved by a decision of the General Meeting, deliberating in accordance with the conditions and forms required for an amendment of the Articles of Association..

1.7 Financial year

The financial year commences on the first of January and ends on the thirty-first of December of each year. At the end of each financial year, the Board of Directors prepares an inventory and the financial statements. The directors also draw up a report in which they account for their running of the Company. This report contains a commentary on the financial statements, which includes a fair overview of the state of affairs

and the position of the Company. This report also contains the information required by the Companies Code, including a corporate governance statement, which forms a specific part of it. This corporate governance statement also contains the remuneration report, which forms a specific part of it.

As soon as the notice convening the meeting has been published, the shareholders may examine the financial statements and other documents referred to in the Companies Code (except for the first financial year, which ran from 30.10.1995 to 31.12.1996).

1.8 General Meeting

In accordance with Article 32 of the coordinated Articles of Association, the Ordinary General Meeting is convened on the third Wednesday of May.

1.9 Accredited auditor

In accordance with Article 29 of the Coordinated Articles of Association, the General Meeting of 18 May 2016 appointed bcvba PwC Bedrijfsrevisoren, with registered offices at Woluwedal 18, 1932 Sint-Stevens-Woluwe, as the statutory for a term of three years. Mr Damien Walgrave, accredited auditor (A02037), was designated as the representative authorized to represent that company and charged with the exercise of the mandate in the name and on behalf of the bcvba. The mandate expires after the Ordinary General Meeting of Shareholders convened to adopt the financial statements as at 31 December 2018

1.10 Internal audit

Mazars Bedrijfsrevisoren, represented by Mr Anton Nuttens. The mandate was renewed by the Board of Directors for a period of three years with effect from 7 September 2014.

1.11 Real estate expert

Pursuant to the RREC Law and RREC Royal Decree, the Company's real estate must be valued by a recognized, independent real estate expert. This expert must determine the "fair value" of the buildings, which is included in the financial statements of the Company. The Company uses the services of Stadim SCRL, represented by Mr Philippe Janssens, for this purpose. The fees of the real estate expert are independent of the fair value of the property to be appraised and are determined as follows.

The agreement reached with Stadim is valid until the end of the financial year 2016.

Evaluation method

Various conventional approaches are used for the purpose of the appraisal:

- First, the capitalization of the commercial rental value, with an adjustment for both revenue fluctuations in relation to this market reference and other charges or costs that must be incurred for the continued operation of real estate.
- Alternatively, a detailed calculation of the present value of the financial flows based on explicit assumptions of future developments in this revenue and the final value. In this case, the discount rate takes into account the financial interest rates in the capital markets, plus a specific risk premium for real estate investments. Interest rate fluctuations and inflation prospects will be taken into account in the evaluation, in a conservative manner.
- These evaluations are also assessed in terms of the unit prices quoted on the sale of similar buildings, after which a correction will be applied to take account of any differences between these reference properties and the properties in question.
- The development projects (construction, renovation or extension work) are valued by deducting the costs of the project on completion from its estimated value, as determined by applying the above estimates. The costs of the study phase of the construction, renovation or extension works are stated at the acquisition cost.

1.12 Financial services

Belfius Bank, BNP Paribas Fortis, KBC Bank, Bank Degroof Petercam and VDK Spaarbank

1.13 Stock market quotation

Euronext Brussels - Industry Classification Benchmark - 8673 Residential REITs

ISIN code: BE0974273055

1.14 Public information

The necessary information concerning the Company is made available to the public to ensure the transparency, integrity and proper functioning of the market, as required by the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted for trading on a regulated market. The required information is distributed and stored in accordance with this Royal Decree via the Company's website at www.carepropertyinvest.be, as well as in accordance with FSMA Circular/2012_01 dated 11 January 2012. In accordance with the aforementioned Royal Decree, the Board of Directors must ensure that the information provided is reliable, accurate and fair, and that it enables the shareholders and the public to assess the influence of the information on the position, business and results of the Company. The convening of General Meetings is published in the Belgian Official Gazette, in a financial newspaper and will also be announced via the Belga press agency and on the Company's website (www.carepropertyinvest.be), in accordance with the Companies Code.

Any interested party can register free of charge on the Company's website in order to receive press releases by e-mail.

The decisions on appointments and dismissals of members of the Board of Directors and the statutory auditor published in the Annexes to the Belgian Official Gazette. The financial statements are filed with the National Bank of Belgium.

The annual and half-yearly financial reports are sent to the registered shareholders and to any other persons on request. These reports, the Company's press releases, annual information, publications concerning the payment of dividends, all information subject to mandatory disclosure, as well as the Company's Articles of Association and the Corporate Governance Charter, are available on the Company's website at www.carepropertyinvest.com. Certain relevant articles of law, royal decrees and decisions applicable to Care Property Invest are posted on the website purely for information purposes and can be viewed there.

1.15 Analysts

Care Property Invest is monitored by:

- Bank Degroof Petercam
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1.16 Investor profile

Taking account of the legal regime of the RREC in general and that for residential RRECs in particular, Care Property Invest shares could form an attractive investment for both private and institutional investors.

1.17 Historical information included by reference

The annual financial reports and interim statements, the half-yearly financial reports and the description of the financial situation are referred to in this annual financial report and may be viewed at the head office or on the website (www.carepropertyinvest.be) of Care Property Invest.

1.18 Significant change in the financial or commercial position

The Company's financial or commercial position has not altered significantly since the end of the previous financial year for which the audited annual financial statements or interim financial statements have been published.

1.19 Change in the rights of shareholders

Pursuant to Articles 558 and 560 of the Companies Code, the rights of shareholders may only be changed by an Extraordinary General Meeting. The document containing the information on the rights of shareholders referred to in Articles 533ter and 540 of the Companies Code can be viewed on the website (www.carepropertyinvest.be) of Care Property Invest (Care Property Invest - Investments – Shareholders' rights).

1.20 Strategy or information on governmental, economic, budgetary, monetary or political policies or factors that have or may have a direct or indirect material impact on the activities of Care Property Invest

See chapter I “Main risks” on page 8 of the Annual Financial Report 2015.

1.21 History and evolution of the Company - important events in the development of the activities of Care Property Invest

The history of Care Property Invest is marked by its flotation on 7 February 1996 (see chapter V “Care Property Invest on the stock market” on page 58 and onwards of this report) which led to the creation of a portfolio of real estate investments of almost 2,000 service flats.

Following the (quasi-)completion of the investment programme, the Company underwent a restart. This included a name change, a share split and the broadening of the Company's objectives according to its Articles of Association. Since 2013, Care Property Invest has been able to invest in all forms of housing referred to in the Residential Care Decree (residential care and service centers, groups of assisted living residences, day care centers etc.) and all forms of housing for people with disabilities, in the Flemish, Walloon and Brussels-Capital Regions and throughout the European Economic Area.

Since 25 November 2014, Care Property Invest has held the status of a public regulated real estate company (public RREC) under Belgian law.

In 2015, thanks to a successful capital increase whereby gross proceeds of approximately €38 million were collected.

1.22 Voting rights of the main shareholders

The main shareholders of Care Property Invest do not have voting rights other than those arising from their participation in the share capital (within the meaning of Section 18.2 of Annex I of Regulation (EC) No. 809/2004).

2. Declarations

2.1 Persons responsible

Peter VAN HEUKELOM, Willy PINTENS and Dirk VAN DEN BROECK, Managing Directors, hereby declare that, to the best of their knowledge,

-the condensed financial statements which were prepared in accordance with the applicable accounting standards for financial statements, present a true and fair view of the assets, the financial position and the results of the Company

and

-that this half-yearly report includes a fair review of the development, performance and position of the Company and the undertakings included in the consolidation, as well as a description of the principal risks and uncertainties facing the Company and the undertakings included in the consolidation.

2.2 Third party information

Care Property Invest declares that the information provided by the experts and the recognized statutory auditor has been faithfully reproduced and is included with their permission. As far as Care Property Invest is aware and has been able to ascertain from information published by the third party concerned, no facts have been omitted that result in any error or misstatement in the information presented.

2.3 Statements relating to the future

This annual report contains statements relating to the future. Such statements are based on estimates and forecasts of the Company and naturally contain unknown risks, uncertain elements and other factors that could lead to material differences in the results, the financial position, the performance and the presentations from those expressed or implied in these forward-looking statements. Given these uncertainties, the statements relating to the future do not entail any guarantees whatsoever.

2.4 Litigation and arbitration proceedings

The Care Property Invest Board of Directors declares that no government intervention, litigation or arbitration proceedings are pending that could have a relevant impact on the financial position or profitability of Care Property Invest and that, to the best of its knowledge, there are no facts or circumstances that could give rise to such government intervention, litigation or arbitration proceedings

2.5 Statements concerning the directors (Annex I of Regulation (EC) No. 809/2004

The Board of Directors of Care Property Invest declares that, to the best of its knowledge:

- none of its directors have been convicted of fraud in the past five years, no official charge and/ or public sanction has been pronounced and no sanctions have been imposed by an authority registered by statute or regulatory authority (including professional associations);
- none of its directors have been prohibited by a court in the past five years from serving as a member of an administrative, management or supervisory body of an issuer or from involvement in the management or administration of the affairs of an issuer;
- none of its directors has been involved in a bankruptcy, sequestration or liquidation in the past five years;
- no employment contract has been concluded with the directors providing for the payment of compensation on termination of the contract.
- the following directors hold Care Property Invest shares: Willy Pintens, Peter Van Heukelom and Mark Suykens.
- to date, Care Property Invest has not granted any options on the shares of Care Property Invest;
- there are no family relationships between the directors.

3. Caution concerning forward-looking statements

This press release contains forecasts involving risks and uncertainties, amongst others statements regarding plans, objectives, expectations and intentions of Care Property Invest. Readers are cautioned that such forecasts involve known and unknown risks and are subject to significant business, economic and competitive uncertainties which are mostly beyond Care Property Invest's control. If one or more of these risks or uncertainties materialise or should, if applied, basic assumptions prove incorrect, the final results may significantly deviate from the anticipated, expected, estimated or projected results. Consequently, Care Property Invest cannot assume any responsibility for the accuracy of these forecasts.



For more information, please contact:

Care Property Invest NV/SA , Public Regulated Real Estate Company

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This half-yearly report of 30 June 2016 is also available in Dutch and French. This is a free translation, drawn up under the responsibility of Care Property Invest. The Dutch version will prevail.