

HALF-YEARLY FINANCIAL REPORT
Regulated information

10 June 2016
Embargoed until 5.40 p.m.

HALF-YEARLY FINANCIAL REPORT OF THE STATUTORY MANAGER
FIRST HALF OF THE FINANCIAL YEAR 2015-2016

- Further portfolio growth:
Fair value of investment property €578 million, up by €57 million compared with 30 September 2015, including a first acquisition on the Spanish market.
- Operating profit €16.2 million (up by 12.1%) and profit before non-recurring items €12.4 million (up by 16.6%).
- EPSE€1.95¹(€1.72 for six months to 31 March 2015).
- Occupancy rate of 98.2% as at 31 March 2016.
- Consolidated debt ratio of 44.4% as at 31 March 2016.

1. Presentation

Ascencio SCA is a Public Regulated Real Estate Company (*Société Immobilière Réglementée Publique* or "SIRP", hereinafter referred to in the English translation as a "public B-REIT" (Belgian real estate investment trust)). It specialises in investment in commercial premises located mainly in outlying urban areas. Its portfolio currently comprises 120 properties in Belgium, France and Spain with a total area of 434,182 m² and a fair value of €578 million.

Some ten sectors of activity are represented, but with a predominance of the food sector with chains such as the Mestdagh group, Carrefour, Grand Frais (France), Delhaize and Lidl. Other major tenants include Brico/Brico Plan It, Decathlon, Worten, Krëfel, Hubo, Orchestra, Casa, Blokker and Conforama (France).

Ascencio SCA is listed on Euronext Brussels. Its stock market capitalisation amounted to €374 million as at 31 March 2016 (share price at that date: €58.82).

¹ Comparison of earnings per share data is affected by the 181,918 new shares issued on 26 February 2016 in the context of the optional dividend.

2. Interim management report

2.1. Analysis of results

Consolidated income statement – analytical form

Consolidated results (000 EUR)	31/03/2016	31/03/2015	Δ
Rental income	18.890	17.156	10,1%
Write-downs on receivables	-37	-73	
Charges not recovered	-113	-137	
Property result	18.740	16.946	
Other income and operating costs	2	-29	
Property charges	-1.003	-1.018	
Corporate overheads	-1.569	-1.478	
Operating result before portfolio income	16.170	14.421	12,1%
<i>Operating margin</i>	85,6%	84,1%	
Financial income (excl. impact of IAS 39)	0	1	
Interest charges	-3.580	-3.288	
Other financial charges (excl. impact of IAS 39)	-103	-148	
Taxes on current income	-75	-346	
Net current result (1)	12.412	10.641	16,6%
Gains (or losses) on disposals of investment properties	229	0	
Changes in the fair value of investment properties	16.477	-940	
Other portfolio result	0	90	
Portfolio result	16.706	-850	
Revaluation of derivatives financial instruments (IAS 39)	-172	280	
Deferred taxes	-261	-203	
Exit Tax	50	-43	
Net result	28.736	9.825	192,5%
Consolidated result per share (EUR)	31/03/2016	31/03/2015	Δ
Net current result per share (euros)	1,95	1,72	13,3%
Net result per share	4,51	1,59	184,1%
Number of shares	31/03/2016	31/03/2015	Δ
Total number of shares issued	6.364.686	6.182.768	2,9%

(1) Net result excl. impact of IAS 39 and IAS 40

Rental income for the first half of the financial year was up by 10.1% compared with the first half of financial year 2014/2015 at €18.9 million.

This increase was the result of the significant investments made

- during the previous financial year: acquisition of a retail park in Couillet and four commercial properties in Belgium and France in March 2015;
- during the current financial year: acquisition of three commercial properties in France on 22 December 2015 and three commercial properties in Spain on 1 March 2016.

On a like-for-like basis, rental income was stable (up by 0.3%).

The following table shows rental income by country :

Rental income (000 EUR)	31/03/2016		31/03/2015		Δ
Belgium	12.414	66%	11.793	69%	5,3%
France	6.328	33%	5.363	31%	18,0%
Spain	148	1%	0	0%	-
TOTAL	18.890	100%	17.156	100%	10,1%

The property result amounted to €18.7 million.

After deduction of property charges and general expenses, operating profit before portfolio income was €16.2 million (€14.4 million for the first six months of the previous financial year), or an increase of 12.1%. The operating margin came to 85.6%.

The investments in the current year have been financed by bank debt. Therefore interest expense amounted to €3.6 million for the half year, compared with €3.3 million for the half year to 31 March 2015.

The average cost of borrowing (3.29% including margins and the cost of hedging instruments) was lower than for the first half of financial year 2014/2015 (3.73%).

After deduction of the corporate income taxes applicable in France and Spain, net income before non-recurring items for the half-year to 31 March 2016 was €12.4 million, up 16.6% on the same period of the previous financial year. Net income per share before non-recurring items came to €1.95 (€1.72/share in the first half of the previous financial year).

Non-cash items in the income statement amounted to:

- a positive €16.5 million representing the change in fair value of the investment property (IAS 40), resulting from the increased valuation of the properties by the experts, linked to the use of a slightly lower capitalisation rate and a slightly higher ERV;
- a €0.2 million increase in the fair value of interest rate hedging instruments (IAS 39);
- €0.3 million of deferred taxation relating to the deferred taxation (5% withholding) of unrealised capital gains on French assets.

Net income for the first six months of the financial year came to €28.7 million versus €9.8 million for the six months to 31 March 2015.

2.2. Investments during the first half-year

During the first half of the financial year, Ascencio made three acquisitions in France and three in Spain, for a total investment amount of €44.4 million:

- on 22 December 2015 Ascencio acquired three stores operated under the Grand Frais banner (6,600 m²), by acquiring the shares of three French SCIs (property companies). The stores are located in Guyancourt (to the South-west of Paris), La Teste de Buch (Gironde) and Viriat (to the north of Bourg-en-Bresse). On an annual basis these three commercial properties generate rental income of €1.0 million.
- on 1 March 2016 Ascencio made its first investment in Spain by acquiring three stores operated under the Worten banner with a total area of 11,828 m². The stores are located in the best retail parks of Madrid, Barcelona and Valencia. On an annual basis these three commercial properties generate rental income of €1.8 million.

Ascencio also extended its Caen retail park in order to allow its tenant Intersports to expand by occupying an additional area of 1,340 m².

On a like-for-like basis, the value of the portfolio grew by 2.7% as a result of the increased valuation of the properties by the experts, linked to the use of a slightly lower capitalisation rate and a slightly higher ERV;

2.3. Divestments during the first half-year

On 23 December 2015 Ascencio sold all its properties in Verviers to the municipality of Verviers.

2.4. Debt ratio as at 31 March 2016

The debt ratio stood at 44.4% as at 31 March 2016.

As at that date Ascencio had investment capacity of around €66 million with which to pursue its portfolio growth before its ratio would reach the 50% threshold.

2.5. Net Asset Value

As at 31 March 2016, NAV based on the fair value of the properties amounted to €48.18 (compared with €46.52 as at 30 September 2015 before appropriation of profit and before the increase in the number of shares resulting from the optional dividend).

Excluding the non-cash effect of IAS 39 on the fair value of hedging instruments, EPRA NAV reached €50.48 as at 31 March 2016 compared with €48.86 as at 30 September 2015.

2.6. Events after the reporting period

There have been no significant events since 31 March 2016.

2.7. Main risks and uncertainties

The basic risks to which the company is exposed remain those described in the chapter headed “Risk factors” in the Annual Report for 2014-2015. Ascencio takes care to apply the measures and procedures it has established in order to anticipate and control them.

2.8. Related party transactions

There were no related party transactions during the past six months within the meaning of Article 13 of the Royal Decree of 14 November 2007 on obligations of issuers of financial instruments admitted to trading on a regulated market.

Certain types of transaction are also covered by article 37 of the law of 12 May 2014 on SIRs (B-REITs) (with the exception of the cases explicitly referred to by Article 38 of the same law). During the first half of the current financial year 2015/2016, no transaction as referred to by said Article and not forming part of the normal framework of commercial relations between Ascencio, its statutory manager, its subsidiaries and its habitual service providers was carried out.

2.9. Outlook

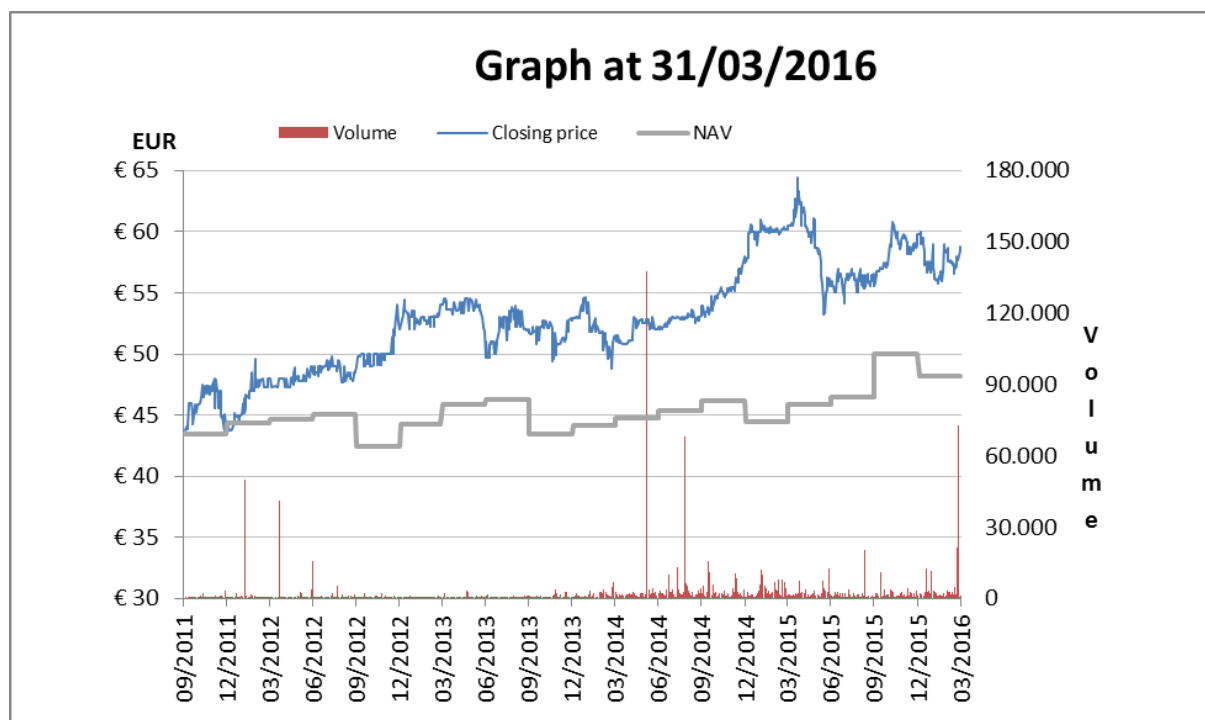
As a result of its recent acquisitions, Ascencio expects its lease income for the current financial year to amount to €38.5 million compared with €36 million for financial year 2014/2015.

Based on the current forecasts, Ascencio expects to pay a gross dividend of around 3,10 EUR per share for its 2015/2016 financial year.

Ascencio continues to study new investment projects involving quality assets. However, no specific investment targets have been defined and each opportunity is considered on the basis of the sustainability of the cash-flows and the creation of value for the shareholders.

3. Information on shares

3.1 Share performance ²



First listed on 14 February 2007, Ascencio's shares are currently listed on the Euronext Brussels continuous market.

On 31 March 2016 the closing price was €58.82. As at that date Ascencio stock was thus trading at a 22.1% premium relative to its intrinsic value. The market capitalisation at the end of the period reached 374 million.

3.2 Optional dividend payment in shares

The General Meeting of Shareholders of 29 January 2016 approved the payment of a gross dividend of €3.05 per share.

In declaring this dividend, the Company offered to its shareholders the possibility of receiving their dividend in the form of new shares ("optional dividend") in exchange for contributing their dividend receivable.

67.7% of Ascencio's shareholders opted to receive new shares instead of a cash dividend payment. Consequently Ascencio's capital was increased by €9.3 million by issuing 181,918 new shares, bringing the total number of shares to 6,364,686.

The new shares issued on 26 February 2016 in the context of the optional dividend are entitled to share in the results with effect from 1 October 2015.

² Trends in closing prices are shown up to 31 March 2016 inclusive. The NAV covers the period between two announcements of results.

3.3 Shareholder's structure at 31 March 2016

AG Finance S.A.	12.54%	798,224
Carl, Eric and John Mestdagh and Fidagh S.A.	9.83%	625,809
Capfi Delen Asset Management N.V.	5.00%	318,234
Free float	72.63%	4,622,419
	100.00%	6,364,686

4. Property report

4.1. Property experts

The quarterly valuation of the portfolio was entrusted to the following experts:

- Jones Lang LaSalle SPRL, Avenue Marnix 23, 1000 Brussels, represented by Mr Arnaud van de Werve;
- Cushman & Wakefield, Avenue des Arts 56, 1000 Brussels, represented by Ardalan Azari;
- CBRE, Avenue Lloyd George 7, 1000 Brussels, represented by Pierre Van der Vaeren;
- Cushman & Wakefield, 8 Rue de l'Hôtel de Ville, 92200 Neuilly-sur-Seine, represented by Valérie Parmentier;
- Jones Lang LaSalle Expertises SAS, 40-42 Rue de la Boétie, 75008 Paris, represented by Christophe Adam ;
- Cushman & Wakefield, José Ortega y Gasset 29, 28006 Madrid, represented by Tony Loughran.

They will establish the fair value of Ascencio SCA's assets every quarter until the end of the financial year 2017/2018.

4.2. Real estate portfolio

The fair value of the real estate portfolio at 31 March 2016 was €578 million. There were no development projects in progress at 31 March 2016.

As at 31 March 2016 the occupancy rate stood at 98.2%³.

Key figures

(000 EUR)	31/03/2016	30/09/2015
Investment value: (excl. projects in development)	597.871	538.551
Fair value (excl. projects in development)	578.022	520.974
Contractual rents	40.046	37.101
Contractual rents including estimated rental value of unoccupied properties	40.794	37.962
GROSS YIELD	6,70%	6,89%
Occupancy rate, %	98,2%	97,7%

³ Based on the estimated rental value (ERV), the occupancy rate expresses the ratio of rental income from the occupied properties to the sum of the rental income from the occupied properties and the ERV of the vacant ones.

4.3. Distribution of the portfolio (excluding development projects) by country

(000 EUR)	Surface (m ²) at 31/03/2016	Fair value (000 EUR) 31/03/2016	Fair value (000 EUR) 30/09/2015
Belgium	313.764	359.432	353.180
France	108.590	190.815	167.794
Spain	11.828	27.775	0
TOTAL	434.182	578.022	520.974

4.4 Analysis of the property portfolio as at 31 March 2016

BREAKDOWN OF PROPERTIES (1)																					
Breakdown by sector	Geographical distribution																				
<table border="1"> <tbody> <tr> <td>Retail</td> <td>98%</td> </tr> <tr> <td>Other</td> <td>2%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	Retail	98%	Other	2%	Total	100%	<table border="1"> <tbody> <tr> <td>Belgium</td> <td>62%</td> </tr> <tr> <td>▪ Wallonia</td> <td>50%</td> </tr> <tr> <td>▪ Flanders</td> <td>9%</td> </tr> <tr> <td>▪ Brussels</td> <td>3%</td> </tr> <tr> <td>France</td> <td>33%</td> </tr> <tr> <td>Spain</td> <td>5%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	Belgium	62%	▪ Wallonia	50%	▪ Flanders	9%	▪ Brussels	3%	France	33%	Spain	5%	Total	100%
Retail	98%																				
Other	2%																				
Total	100%																				
Belgium	62%																				
▪ Wallonia	50%																				
▪ Flanders	9%																				
▪ Brussels	3%																				
France	33%																				
Spain	5%																				
Total	100%																				

(1) Distribution established on the basis of fair value

BREAKDOWN OF TENANTS (2)																																					
Breakdown by sector	Major tenants																																				
<table border="1"> <tbody> <tr> <td>Food</td> <td>35%</td> </tr> <tr> <td>Textiles / Fashion</td> <td>14%</td> </tr> <tr> <td>Leisure</td> <td>11%</td> </tr> <tr> <td>DIY</td> <td>10%</td> </tr> <tr> <td>Household appliances</td> <td>9%</td> </tr> <tr> <td>Interior decorating</td> <td>7%</td> </tr> <tr> <td>Restaurants</td> <td>3%</td> </tr> <tr> <td>Other</td> <td>12%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	Food	35%	Textiles / Fashion	14%	Leisure	11%	DIY	10%	Household appliances	9%	Interior decorating	7%	Restaurants	3%	Other	12%	Total	100%	<table border="1"> <tbody> <tr> <td>Grand Frais</td> <td>11,9%</td> </tr> <tr> <td>Groupe Mestdagh</td> <td>9,3%</td> </tr> <tr> <td>Carrefour</td> <td>8,7%</td> </tr> <tr> <td>Brico Plan It / Brico</td> <td>6,7%</td> </tr> <tr> <td>Worten</td> <td>4,4%</td> </tr> <tr> <td>Top 6-10</td> <td>11,4%</td> </tr> <tr> <td>Top 11-20</td> <td>12,4%</td> </tr> <tr> <td>Others</td> <td>35,2%</td> </tr> <tr> <td>Total</td> <td>100,0%</td> </tr> </tbody> </table>	Grand Frais	11,9%	Groupe Mestdagh	9,3%	Carrefour	8,7%	Brico Plan It / Brico	6,7%	Worten	4,4%	Top 6-10	11,4%	Top 11-20	12,4%	Others	35,2%	Total	100,0%
Food	35%																																				
Textiles / Fashion	14%																																				
Leisure	11%																																				
DIY	10%																																				
Household appliances	9%																																				
Interior decorating	7%																																				
Restaurants	3%																																				
Other	12%																																				
Total	100%																																				
Grand Frais	11,9%																																				
Groupe Mestdagh	9,3%																																				
Carrefour	8,7%																																				
Brico Plan It / Brico	6,7%																																				
Worten	4,4%																																				
Top 6-10	11,4%																																				
Top 11-20	12,4%																																				
Others	35,2%																																				
Total	100,0%																																				

(2) Distribution established on the basis of rental income

4.5 Expert's report



Brussels, 31 March 2016

Dear Sirs,

In accordance with Article 47 of the Law of 12 May 2014 on *Sirs* (sociétés immobilières réglementées, regulated real estate companies or «B-REITs»), you have asked Jones Lang LaSalle, CBRE and Cushman & Wakefield to value the properties located in Belgium and France which form part of the B-REIT.

Our assignment has been carried out entirely independently.

As is customary, our assignment has been carried out on the basis of the information provided to us by Ascencio as regards tenancy schedules, charges and taxes to be borne by the landlord, works to be carried out and any other factors that might affect the value of the properties. We assume that this information is correct and complete. As explicitly stated in our valuation reports, they do not in any way include an assessment of the structural or technical quality of the properties or an analysis of the possible presence of harmful substances. This information is well known to Ascencio, which manages its properties in a professional manner and performs technical and legal due diligence before acquiring each property.

All the properties were visited by the experts. The details of our calculations, our comments on the property market and the terms of our engagement are attached hereto. The experts work with the Circle Investment Valuer software application and Excel.

The investment value may be defined as the amount most likely to be obtained in normal conditions of sale between willing and duly informed parties as at valuation date before deduction of transaction costs and taxes.

The experts adopted two methods: the term and reversion method and the hardcore method. They also carried out a check in terms of price per square metre.

Under the term and reversion method, the capitalisation of revenues first takes account of current revenue until the end of the current lease agreement and then takes the estimated rental value (ERV) in perpetuity. Under the hardcore method, the estimated rental value is capitalised in perpetuity, after which adjustments are made to take account of the areas let above or below their rental value, future void periods, etc.

The yield used for both methods represents the yield expected by investors on this type of asset. It reflects the risks intrinsic to the asset and the sector (future void periods, credit risk, maintenance obligations, etc.) To determine this yield, the experts based their estimates on the most comparable transactions and on transactions currently under way in their investment departments.

When there are unusual factors specific to the asset, corrections are applied (major renovations, non-recoverable costs, etc.)

The sale of a property is in theory subject to stamp duty. This amount depends on, inter alia, the method of sale, the type of buyer and the geographical location of the property. This amount is not known until the sale has been completed. As independent property experts we can state that, based

on a representative sample of transactions in the market between 2002 and 2005, the weighted average transaction cost was 2.5% for properties with a value of more than €2.5 million before costs.

The assets are considered as a portfolio.

For properties valued in France, the transfer rate is generally 1.8% when the property is less than five years old and 6.2% in all other cases.

Based on the observations made in the preceding paragraphs, we confirm that the investment value of Ascencio's property assets as at 30 September 2015 amounted to:

598 346 000 EUR
(Five hundred and ninety-eight million, three hundred and forty-six thousand euros)

this amount including the value attributed to the properties valued by CBRE, Jones Lang LaSalle and Cushman & Wakefield.

After deduction of 2.5% (1.8%/6.2% for properties held in France) as per the recommendations of the BEAMA and your instructions for transactions costs, from the total amount, this gives us a fair value of:

578 023 000 EUR
(Five hundred and seventy-eight million and twenty-three thousand euros)

this amount including the value attributed to the properties valued by CBRE, Jones Lang LaSalle and Cushman & Wakefield.

Yours faithfully,



Ardalan Azari
Account Manager
Valuation & Advisory

Cushman & Wakefield Belgique



Tony Loughran MRICS
Partner - Head of Valuation & Advisory

Cushman & Wakefield Espagne



Arnaud van de Werve
Associate Director
Valuations and Consulting

Jones Lang LaSalle



Valérie Parmentier MRICS
Director - Valuation France

Cushman & Wakefield France



Pierre van der Vaeren MRICS
Director
Valuation Services

CBRE



Christophe Adam MRICS
Directeur des Régions

Jones Lang LaSalle Expertises
France

5. Consolidated financial statements

5.1. Consolidated balance sheet

CONSOLIDATED BALANCE SHEET	31/03/2016 (000 EUR)	30/09/2015 (000 EUR)
ASSETS		
I NON-CURRENT ASSETS		
A Goodwill	0	0
B Intangible assets	101	121
C Investment properties	578.022	520.974
D Other tangible assets	1.222	873
E Non-current financial assets	509	72
F Finance lease receivables	0	0
G Trade receivables and other non-current assets	0	0
H Deferred tax assets	0	0
TOTAL NON-CURRENT ASSETS	579.854	522.040
II CURRENT ASSETS		
A Assets held for sale	0	0
B Current financial assets	0	0
C Finance lease receivables	0	0
D Trade receivables	1.308	4.234
E Tax receivables and other current assets	1.395	1.513
F Cash and cash equivalents	2.853	3.153
G Deferred charges and accrued income	4.283	324
TOTAL CURRENT ASSETS	9.839	9.225
TOTAL ASSETS	589.693	531.265

CONSOLIDATED BALANCE SHEET		31/03/2016	30/09/2015
		(000 EUR)	(000 EUR)
EQUITY AND LIABILITIES			
I	EQUITY		
A	Capital	37.271	36.180
B	Share premium account	242.240	234.055
C	Reserves	-1.567	-5.162
	<i>a. Legal reserve</i>	0	0
	<i>b. Reserve for changes in fair value of properties</i>	3.429	5.591
	<i>c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties</i>	-10.240	-9.786
	<i>e. Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied</i>	-14.489	-16.854
	<i>m. Other reserves</i>	19.733	15.888
D	Net result for the financial year	28.736	22.547
	TOTAL EQUITY	306.679	287.620
II	LIABILITIES		
	Non-current liabilities		
A	Provisions	352	652
B	Non-current financial debts	209.760	160.830
	<i>a. Credit institutions</i>	207.061	158.131
	<i>b. Finance leases</i>	2.699	2.699
C	Other non-current financial liabilities	16.380	15.912
D	Trade debts and other non-current debts	428	856
F	Deferred tax liabilities	496	2.731
	<i>a. Exit tax</i>	0	2.496
	<i>b. Other</i>	496	235
	Non-current liabilities	227.416	180.981
	Current liabilities		
A	Provisions	0	0
B	Current financial debts	43.358	53.733
	<i>a. Credit institutions</i>	42.960	52.998
	<i>b. Finance leases</i>	398	735
C	Other current financial liabilities	0	0
D	Trade debts and other current debts	6.515	7.286
	<i>a. Exit tax</i>	2.873	428
	<i>b. Other</i>	3.642	6.858
E	Other current liabilities	0	0
F	Accrued charges and deferred income	5.724	1.644
	Current liabilities	55.597	62.664
	TOTAL LIABILITIES	283.013	243.645
TOTAL EQUITY AND LIABILITIES		589.693	531.265

5.2 Consolidated statement of comprehensive income for the six months ended 31 March 2016

CONSOLIDATED RESULTS (000 EUR)		31/03/2016	31/03/2015
I	Rental income	18.890	17.156
III	Rental-related expenses	-37	-73
	Net rental result	18.853	17.083
IV	Recovery of property charges	0	0
V	Recovery of rental charges and taxes normally payable by tenants on let properties	4.944	1.184
VII	Charges and taxes normally payable by tenants on let properties	-5.070	-1.353
VIII	Other revenue and charges for letting	13	32
	Property result	18.740	16.946
IX	Technical costs	-287	-321
X	Commercial costs	-64	-55
XII	Property management costs	-524	-509
XIII	Other property charges	-128	-132
	Property charges	-1.003	-1.018
	Property operating result	17.737	15.929
XIV	Corporate overheads	-1.569	-1.478
XV	Other operating income and charges	2	-29
	Operating result before result on portfolio	16.170	14.421
XVI	Net gains and losses on disposals of investment properties	229	0
XVIII	Changes in the fair value of investment properties	16.477	-940
XIX	Other result on the portfolio	0	90
	Operating result	32.876	13.572
XX	Financial income	0	1
XXI	Net interest charges	-3.580	-3.288
XXII	Other financial charges	-103	-148
XXIII	Changes in fair value of financial assets and liabilities	-172	280
	Financial result	-3.855	-3.155
	Pre-tax result	29.021	10.416
XXV	Corporate tax	-335	-549
	<i>Corporate tax</i>	-75	-346
	<i>Deferred tax French branch</i>	-261	-203
XXVI	Exit Tax	50	-43
	Taxes	-285	-592
	Net result	28.736	9.825
	- Net result - group share	28.736	9.825
	- Net result - Non-controlling interests	0	0
	Net result per share	4,51	1,59

STATEMENT OF GLOBAL INCOME (000 EUR)		31/03/2016	31/03/2015
I	Net result	28.736	9.825
II	Other comprehensive income recyclable under the income statement		
A.	Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-454	-1.483
B.	Other elements of global income	356	0
Total global income for the year		28.638	8.342
Attributable to - Group share		28.638	8.342
- Non-controlling interests		0	0

5.3 Consolidated statement of cash flows

Consolidated cash flow statement (000 EUR)		31/03/2016	31/03/2015
Cash and cash equivalents at the beginning of the financial year		3.153	2.671
Net result for the financial year		28.736	9.825
+ Financial result		3.855	3.155
+ Income tax expense (- tax income)		285	592
Income statement items without treasury impact		-16.404	1.038
- Increase (+ decrease) in the fair value of investment properties		-16.477	940
+ Goodwill on acquisition of real estate companies		0	0
+ Other non-cash charges and income		70	153
+/- Other non-monetary items		3	-55
Changes in working capital requirement		-51	500
Asset items (trade receivables, deferred charges and accrued income, etc.)		-915	1.620
Liability items (trade debts, indirect tax liabilities, accrued charges and deferred income, etc.)		864	-1.119
Net capital gains realised on disposal of assets		-229	0
Taxes paid		-428	-13515
Net cash flow from operating activities (A)		15.764	1.595
- Acquisition of investment properties		-29.156	-12.242
- Acquisition of completed development projects		0	0
- Projects in course of development		0	-824
- Acquisition of real estate companies		-14.689	-11439
- Acquisition of other assets		0	0
- Disposals of investment properties		4.079	2.910
- Change in other current and non-current liabilities		-300	-25
Net cash flow from investment activities (B)		-40.066	-21.620
Capital increase		0	0
New borrowings		38.555	43.458
Repayment of bank borrowings/finance-lease debts		0	-13.664
Other changes in financial assets and liabilities		-1.330	202
Gross dividends paid		-9.541	-7.372
Finance charges paid		-3.683	-3.435
Financial income received		0	1
Net cash flow from financing activities (C)		24.001	19.190
Cash and cash equivalents at the end of the financial year		2.853	1.836

5.4 Condensed consolidated statement of changes in equity

(000 EUR)	Capital	Share premium account	Reserves				Net result for the financial year	Total equity
			Net change in fair value of properties	Impact of transaction costs on fair value	Net changes in fair value of non-IFRS hedging instruments	Other reserves		
Balance at 30/09/2014	35.306	226.932	5.735	-8.107	-13.301	13.408	14.170	274.143
Distribution of dividends							-7.372	-7.372
Appropriation to reserves			-152		-3.553	2.480	1.225	0
Capital increase	873	7.123					-8.023	-27
Net result (*)							9.825	9.825
Other elements recognised in the global result			8	-1.487				-1.479
Adjustment to reserves								0
Balance at 30/09/2015	36.180	234.055	5.591	-9.594	-16.854	15.888	9.825	275.090

(000 EUR)	Capital	Share premium account	Reserves				Net result for the financial year	Total equity
			Net change in fair value of properties	Impact of transaction costs on fair value	Net changes in fair value of non-IFRS hedging instruments	Other reserves		
Balance at 30/09/2015	36.180	234.055	5.591	-9.786	-16.854	15.888	22.547	287.620
Distribution of dividends							-9.541	-9.541
Appropriation to reserves			-2.518		2.365	3.842	-3.690	0
Capital increase	1.091	8.185					-9.316	-40
Net result (*)							28.736	28.736
Other elements recognised in the global result			356	-454				-98
Adjustment to reserves						2		2
Balance at 31/03/2016	37.271	242.240	3.429	-10.240	-14.489	19.732	28.736	306.679

5.5. Notes to the condensed consolidated financial statements

NOTE 1 General information on and accounting methods applied to the condensed consolidated financial statements

General information

Ascencio SCA (hereinafter “Ascencio SCA” or “the Company”) is a Public Regulated Real Estate Company (*Société Immobilière Réglementée Publique* or “SIRP”, hereinafter referred to in the English translation as a “public B-REIT” (Belgian real estate investment trust)) incorporated under Belgian law. Its financial year runs from 1 October to 30 September. The Company’s consolidated financial statements to 31 March 2016 cover the period from 1 October 2015 to 31 March 2016. They were approved by the Board of Directors of the Statutory Manager on 9 June 2016.

Basis of preparation and accounting methods

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the provisions of the Royal Decree of 13 July 2014 on regulated property companies.

They are presented in thousands of euros unless otherwise stated.

The bases of preparation and accounting methods are identical to those set out in the Annual Report for 2014/2015 (pages 68 to 72), available on the Company’s website (www.ascencio.be).

Some new standards come into force in 2016 but they do not affect the accounting and valuation principles.

Valuation method applied by the (Jones Lang LaSalle, Cushman & Wakefield and CBRE)

The valuation method applied by the property experts remains identical. It is explained in detail in the Annual Report for 2014/2015.

NOTE 2 Sector information

The breakdown of the operating result on the properties by country is as follows:

CONSOLIDATED RESULTS (000 EUR)	BELGIUM		FRANCE		SPAIN		TOTAL	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Property result	12.304	11.643	6.288	5.302	148	0	18.740	16.946
Property charges	-824	-719	-179	-299	0	0	-1.003	-1.018
Property operating result	11.480	10.925	6.109	5.004	148	0	17.737	15.930

This breakdown is in line with the company’s structure and its internal reporting.

NOTE 3 Investment property

A. Investment property

(000 EUR)	31/03/2016	30/09/2015
Balance at beginning of the financial year	520.974	476.755
Acquisitions	44.440	43.691
Transfer from development projects	0	2.342
Disposals	-3.869	-3.353
Transfer from assets held for sale	0	3.927
Change in fair value	16.477	-2.388
Level transfer	0	0
Balance at the end of the financial year (1)	578.022	520.974

(1) This amount has to be added to the fair value of the development projects in point B hereunder to obtain the total fair value of investment

There were no transfers between levels (1, 2 and 3) during the financial year.

The independent valuers carry out quarterly valuations of the investment properties in accordance with national and international valuation standards as well as their application methods, particularly as regards estimates of SIRs (B-REITs). Fair value is defined as the most likely value that may reasonably be obtained in normal selling conditions between consenting and well informed parties after deduction of selling expenses.

The fair value shown at 31 March 2016 was determined on the basis of the appraisals carried out by Jones Lang LaSalle, Cushman & Wakefield and CBRE at that date. The statutory manager is not aware of any fact or event that might lead it to believe that these values have undergone significant change since the last valuation carried out, but remains cautious in view of the current economic environment.

The main investments made during the first half of the financial year are as follows:

- on 22 December 2015, acquisition of three stores operated under the Grand Frais banner (6,600 m²), by acquiring the shares of three French SCIs (property companies). The stores are located in Guyancourt (to the South-west of Paris), La Teste de Buch (Gironde) and Viriat (to the North of Bourg-en-Bresse). The fair value of these three sites is €16.4 million. On an annual basis they generate rental income of €1.0 million.
- on 1 March 2016 acquisition of three stores in Spain operated under the Worten banner with a total area of 11,828 m². The stores are located in the best retail parks of Madrid, Barcelona and Valencia. The fair value of these three commercial units is €27.8 million. On an annual basis these three commercial properties generate rental income of €1.8 million.

Ascencio also built a 1.340 m² extension for its tenant Intersports in Caen.

On a like-for-like basis, the value of the portfolio grew by 2.7% as a result of the increased valuation of the properties by the independent valuers, linked to the use of a slightly lower capitalisation rate and a slightly higher ERV;

B. Projects under development

(000 EUR)	31/03/2016	30/09/2015
Balance at beginning of the financial year	0	592
Investments	0	0
Acquisitions	0	1.835
Transfer to investment properties	0	-2.342
Disposals	0	0
Change in fair value	0	-84
Balance at the end of the financial year (1)	0	0

(1) This amount has to be added to the fair value of the investment properties in point A above to obtain the total fair value of investment properties.

Projects under development are works in progress by way of investments in various properties. They are also appraised by the B-REIT's property experts.

As at 31 March 2016, there were no projects under development.

Fair value

Investment property was appraised as at 31 March 2016 by independent valuers (CBRE, Jones Lang LaSalle and Cushman & Wakefield) at its fair value. The fair value of a property is its investment value, i.e. its cost including registration fees and other transaction costs, minus an allowance for stamp duty (see note 1.G)

All investment properties have been classified since first adoption of IFRS 13 as level 3 in the fair value hierarchy defined in IFRS 13. This hierarchy has three levels:

- Level 1: observable prices quoted on active markets
- Level 2: observable inputs other than the quoted prices referred to in Level 1
- Level 3: unobservable inputs

Since the beginning of the financial year there have been no transfers among levels 1, 2 and 3.

Valuation methods used

Two valuation methods are used by Ascencio's independent valuers to determine the fair value of the portfolio properties: the term and reversion method and the hardcore method. They also carry out a check in terms of price per square metre.

Under the term and reversion method, the capitalisation of revenues first takes account of current revenue until the end of the current lease agreement and then takes the estimated rental value (ERV) in perpetuity. Under the hardcore method, the estimated rental value is capitalised in perpetuity, after which adjustments are made to take account of the areas let above or below their rental value, void periods, etc.

The yield used for both methods represents the yield expected by investors on this type of asset. It reflects the risks intrinsic to the asset and the sector (future void periods, credit risk, maintenance obligations, etc.). To determine this yield, the experts based their estimates on the most comparable transactions and on transactions currently under way in their investment departments.

When there are unusual factors specific to the asset, corrections are applied (major renovations, non-recoverable costs, etc.).

NOTE 4 Financial instruments

(000 EUR)	31/03/2016		30/09/2015		Classification of fair values
	Carrying amount	Fair value	Carrying amount	Fair value	
NON-CURRENT FINANCIAL ASSETS	509	509	72	72	
Deposits in guarantee lodged	461	461	72	72	Level 2
Derivative instruments (IRS) at fair value through profit and loss	48	48	0	0	Level 2
CURRENT FINANCIAL ASSETS	5.556	5.556	8.900	8.900	
Assets held for sale	0	0	0	0	Level 2
Trade receivables	1.308	1.308	4.234	4.234	Level 2
Tax receivables and other current assets	1.395	1.395	1.513	1.513	Level 2
Cash and cash equivalents	2.853	2.853	3.153	3.153	Level 2
TOTAL FINANCIAL ASSETS	6.065	6.065	8.972	8.972	

(000 EUR)	31/03/2016		30/09/2015		Classification of fair values
	Carrying amount	Fair value	Carrying amount	Fair value	
NON-CURRENT FINANCIAL LIABILITIES	226.140	227.215	176.741	177.816	
Bank borrowings	209.760	210.835	160.830	161.905	Level 2
Derivative instruments (IRS) at fair value through profit and loss	14.626	14.626	14.489	14.489	Level 2
Guarantees received	1.754	1.754	1.422	1.422	Level 2
CURRENT FINANCIAL LIABILITIES	46.949	46.949	60.319	60.319	
Bank borrowings	43.358	43.358	53.733	53.733	Level 2
Trade payables	2.378	2.378	5.183	5.183	Level 2
Other current liabilities	1.213	1.213	1.403	1.403	Level 2
TOTAL FINANCIAL LIABILITIES	273.089	274.164	237.060	238.135	

The fair value of financial instruments can be ranked according to three levels (level 1 to 3) each corresponding to a degree of observability :

- level 1 : observable prices quoted on active markets
- level 2 : observable input other than level 1, either directly (prices) or indirectly (input derived from prices)
- level 3 : based on valuation methods not related to observable market data.

There has been no transfer since the start of the financial year.

The fair value of the financial instruments has been determined in the following manner :

- for short term financial instruments, such as trade receivables and trade payables, the fair value is not significantly different from the book value loans ;
- for bank loans with variable interest rates, the fair value is not significantly different from the book value ;
- for bank loans with fixed interest rates, the fair value corresponds to the actualized value of capital and interest flows ;
- for the hedging instruments (IRS and CAP) the fair value is determined by actualizing the estimated future flows based on the interest rates curve.

NOTE 5 Financial debt

(000 EUR)	31/03/2016	30/09/2015
Non-current financial debt	209.760	160.830
- Credit institutions	207.061	158.131
- Finance leases	2.699	2.699
Current financial debt	43.358	53.733
- Credit institutions	42.960	52.998
- Finance leases	398	735
Balance at the end of the financial year	253.118	214.564

As at 31 March 2016 financial debt amounted to €253.1 million. It is divided into three types of financing:

- credit lines available in the form of fixed term advances: €237.5 million
- liabilities under finance leases: €3,097,000
- investment loans: €12,521,000

The average maturity of Ascencio's credit lines was 3.4 years at 31 March 2016.

During the first half of the financial year, the average cost of debt (including margins and the cost of interest rate hedging instruments) stands at 3.29% versus 3.73% for the same period of the previous financial year.

Lines of credit available in the form of fixed term advances

At 31 March 2016, Ascencio had €251 million credit lines with six Belgian financial institutions, available in the form of fixed term advances, with maturities ranging from 2016 to 2023.

As at 31 March 2016, the undrawn portion on these credit lines amounted to €13.5 million.

The maturity schedule of these credit lines is as follows:

- 2015/2016: €31 million
- 2016/2017: €40 million
- 2017/2018: €20 million
- 2018/2019: €75 million
- 2019/2020: €30 million
- 2020/2021: -
- 2021/2022: €25 million
- 2022/2023: €30 million

Investment loans

As at 31 March 2016, Ascencio had €12.5 million in investment loans with French financial institutions, with maturities ranging from 2016 to 2027. The majority of these investment loans are at fixed rates.

NOTE 6 Interest rate hedging

The Company's current indebtedness is mainly in the form of floating rate loans. With a view to limiting the interest rate fluctuation risk associated with this type of financing, the Company has put in place a policy for hedging interest rate risk.

As at 30 September 2015, the hedging consisted of eight IRS (interest rate swap) contracts, one of them callable, for an overall notional amount of €120 million, of which €72.5 million maturing between 30 June 2018 and 28 February 2019.

Since the beginning of the financial year, Ascencio has entered into ten new hedging contracts (IRS and CAP), nine of them with rate setting delayed until after 30 June 2018, guaranteeing it significantly lower financing rates than those of current hedges.

On 31 March 2016, the hedging ratio was 74%.

The following table shows the hedges in place on 9 June 2016.

Type	Notional amount at 30/09/2015 (000 EUR)	Start date	End date	Interest rate at worst	Floating reference rate	Fair value (000 EUR)	
						30/09/2015	30/09/2015
CAP	20.000	31/12/2015	31/12/2017	0,25%	3-mth. EURIBOR	2	0
callable IRS	50.000	30/06/2008	30/06/2018	4,35%	3-mth. EURIBOR	-5.285	-6.056
IRS	7.500	12/08/2011	12/08/2018	2,39%	3-mth. EURIBOR	-507	-545
IRS	10.000	29/02/2012	28/02/2019	1,80%	3-mth. EURIBOR	-624	-617
IRS	5.000	29/02/2012	28/02/2019	1,81%	3-mth. EURIBOR	-313	-311
IRS	10.000	30/06/2013	30/06/2020	1,50%	3-mth. EURIBOR	-723	-623
IRS	10.000	3/07/2013	3/07/2020	1,50%	3-mth. EURIBOR	-761	-660
IRS	7.500	12/08/2011	12/08/2021	2,76%	3-mth. EURIBOR	-1.192	-1.165
IRS	20.000	28/07/2007	30/09/2022	3,70%	3-mth. EURIBOR	-4.840	-4.512
IRS	20.000	29/06/2018	30/06/2020	0,38%	3-mth. EURIBOR	-174	0
IRS	10.000	29/06/2018	30/06/2020	0,29%	3-mth. EURIBOR	-68	0
IRS	20.000	29/06/2018	30/06/2019	0,19%	3-mth. EURIBOR	-65	0
IRS	30.000	30/06/2019	30/06/2020	0,28%	3-mth. EURIBOR	-73	0
IRS	15.000	31/12/2019	31/12/2022	0,34%	3-mth. EURIBOR	0	0
CAP	20.000	31/12/2017	31/12/2018	0,45%	3-mth. EURIBOR	13	0
CAP	15.000	30/06/2018	31/12/2019	0,45%	3-mth. EURIBOR	33	0
CAP	10.000	31/12/2018	31/12/2019	0,25%	3-mth. EURIBOR	0	0
CAP	10.000	31/12/2018	30/09/2019	0,25%	3-mth. EURIBOR	0	0

The callable IRS entered into with ING is composed of an IRS allowing the Company to obtain a fixed rate until 30 June 2018 subject to an option allowing ING to cancel the IRS at the end of each quarter starting from 30 June 2011.

These hedging instruments are measured at their fair value at the end of each quarter as calculated by the issuing financial institution.

Ascencio does not apply hedge accounting to the financial hedging instruments that it holds. Therefore these instruments are considered as instruments held for trading under IFRS, and changes in their market value are recognised directly and in full in profit or loss.

The market value of derivative financial instruments is communicated quarterly by the financial institutions from which these instruments were acquired.

NOTE 7 Other non-current financial liabilities

(000 EUR)	31/03/2016	30/09/2015
Authorised hedging instruments	14.626	14.489
Other	1.754	1.422
TOTAL	16.380	15.912

Other non-current financial liabilities mainly comprise the fair value of the interest rate swaps (IRS) entered into by the Company to hedge against a rise in interest rates, its borrowings being mainly at floating rates.

These hedging instruments are measured at their fair value at the end of each quarter as calculated by the issuing financial institutions.

NOTE 8 Net assets and earnings per share

	31/03/2016	30/09/2015
IFRS net asset value (NAV) (€000s)	306.679	287.620
IFRS NAV per share (euros)	48,18	46,52
<u>Restatements:</u>		
Fair value of financial instruments (€000s)	14.626	14.489
EPRA NAV (€000s) (1)	321.305	302.109
Number of shares	6.364.686	6.182.768
EPRA NAV per share (euros) (1)	50,48	48,86

(1) This information is provided for information purposes and is not subject to a review by the Statutory Auditor. It is calculated in accordance with the definitions contained in "EPRA Best Practices Recommendations".

	31/03/2016	31/03/2015	31/03/2014
Net current result per share (EUR)	1,95	1,72	2,18
Earnings per share (EPS) (EUR)	4,51	1,59	1,55
Weighted average number of shares entitled to dividend	6.364.686	6.182.768	4.226.061

5.6 Auditor's Report

Ascencio SCA

Report on review of the consolidated interim financial information for the six-month period ended 31 March 2016

To the manager

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of cash flows and the consolidated condensed statement of changes in equity for the period of six months then ended as at 31 March 2016, as well as selective notes 1 to 8.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Ascencio SCA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with IFRS as executed by the Royal Decree of 13 July 2014 relating to regulated real estate companies and in accordance with International Financial Reporting Standard IAS 34 - Interim Financial Reporting as adopted by the European Union.

The consolidated condensed statement of financial position shows total assets of 589.693 (000) EUR and the consolidated condensed income statement shows a consolidated profit for the period then ended of 28.736 (000) EUR.

The manager of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IFRS as executed by the Royal Decree of 13 July 2014 relating to regulated real estate companies and in accordance with IAS 34 - Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 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 performed in accordance with the International Standards on Auditing (ISA) 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 on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Ascencio SCA has not been prepared, in all material respects, in accordance with IFRS as executed by the Royal Decree of 13 July 2014 relating to regulated real estate companies and in accordance with International Financial Reporting Standard IAS 34 - Interim Financial Reporting as adopted by the European Union.

Antwerp, 9 June 2016

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Kathleen De Brabander

6. Declaration by persons responsible

The Statutory Manager⁴ of Ascencio SCA hereby declares that to the best of its knowledge:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, financial position and results of the Company and of the companies included in the consolidation;
- the Management Report contains a true account of the significant events and main transactions between related parties that have taken place in the first six months of the financial year and their effect on the financial statements, as well as a description of the main risks and uncertainties for the remaining months of the financial year.

7. Information on forward-looking statements

This interim financial report contains forward-looking information based on the Company's estimates and projections and its reasonable expectations in respect of external events and factors. By its very nature, such forward-looking information carries with it risks and uncertainties that could lead to actual results, the financial situation, performance and actual achievements diverging. Given these factors of uncertainty, statements about the future cannot be guaranteed.

8. Information to shareholders

8.1 Corporate governance

Investment committee

The investment committee was created by a resolution of the Board of Directors of the Statutory Manager on 26 November 2015.

The investment committee is an advisory committee whose mission is to advise the Board of Directors on all investment opportunities submitted to the Board of Directors.

The aim of creating an investment committee is to optimise the Company's decision-making process concerning investment and divestment opportunities.

The investment committee comprises:

- SPRL CAI, represented by Carl Mestdagh, Chairman and Secretary
- Benoît Godts, non-executive director representing AG Real Estate SA
- Jean-Luc Calonger, non-executive and independent director

and the executive managers, the real estate director and the technical director of Ascencio SCA.

Renewal of the term of office of the Auditor

The Ordinary General Meeting of Shareholders of 29 January 2016 approved the renewal of the term of office of the Auditor, Deloitte Réviseurs d'Entreprises SC s.f.d. SCRL (a civil company under the form of a limited liability co-operative company), represented by Ms Kathleen De Brabander, for a term of three years to expire upon adjournment of the 2019 Ordinary General Meeting of Shareholders.

⁴ Ascencio SA, Avenue Jean Mermoz 1 box 4, 6041 Gosselies, company number BE 0881.160.173

8.2 2016 - 2017 shareholder's calendar

Interim statement at 30 June 2016	5 August 2016
Annual press release - results at 30.09.2016	25 November 2016
Annual General Meeting	31 January 2017 at 2.30 p.m.
Dividend payment	3 February 2017

9. Fact sheet

COMPANY NAME	ASCENCIO SCA
STATUS	Public Regulated Real Estate Company (SIRP)
ADDRESS	Avenue Jean Mermoz 1 Bldg H Box 4, 6041 Gosselies, Belgium
TEL	+ 32 (71) 91 95 00
FAX	+ 32 (71) 34 48 96
E-MAIL	info@ascencio.be
WEBSITE	www.ascencio.be
REGISTERED	with the Charleroi Companies Registry
COMPANY NUMBER	BE 0881 334 476
DATE OF INCORPORATION	10 May 2006
APPROVAL AS SIR (B-REIT)	28 October 2014
DURATION	Indefinite
AUDITOR	Deloitte Réviseurs d'Entreprises, represented by Kathleen De Brabander
PROPERTY EXPERTS	Jones Lang LaSalle Cushman & Wakefield CBRE
FINANCIAL YEAR END	30 September
SHARE CAPITAL	€38,188,116
NUMBER OF SHARES	6,364,686
LISTED ON	Euronext Brussels
FAIR VALUE OF REAL ESTATE PORTFOLIO	€578 million
NUMBER OF PROPERTIES	120
TYPES OF PROPERTY	Out-of-town retail premises

For any additional information :

Marc Brisack⁵
General Director
Tel. 071.91.95.00
marc.brisack@ascencio.be

Michèle Delvaux
Finance Director
Tel. 071.91.95.04
michele.delvaux@ascencio.be

This interim report is also available in French and Dutch, but only the French version of the document has full force and effect, the Dutch and English versions being free translations. The Dutch and English versions have been prepared under the responsibility of Ascencio.

⁵ Manager of SPRL Somabri