

PRESS RELEASE
Regulated information

23 February 2017
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INTERIM STATEMENT OF THE STATUTORY MANAGER
FIRST QUARTER OF FINANCIAL YEAR 2016-2017

SOLID OPERATING RESULTS

- Rental income: €9.90 million, up by 6.1%
- Value of the portfolio up slightly (0.3%) on a like-for-like basis

EARNINGS PER SHARE IN LINE WITH FORECASTS

- Net income from key activities¹: €1.00 per share, stable relative to 31 Dec. 2015 despite the number of shares having increased by 5%
- Net profit €1.85 per share

INVESTMENTS DURING THE FIRST QUARTER

- Acquisition of 10.000 m² of stores located in the Papeteries de Genval complex
- As a result of this investment, the portfolio has passed the €600 million mark

DEBT RATIO BELOW 50%

- Debt ratio² of 45.1% as at 31 Dec. 2016
- Remaining investment capacity of €46 million before debt ratio reaches 50%.

¹ Corresponds to the former heading "Net income per share before non-recurring items." See page 7 of this press release.

² Debt ratio calculated in accordance with Royal Decree of 13 July 2014 on regulated real estate companies

Property portfolio as at 31 December 2016

The fair value of the property portfolio stood at €602.2 million as at 31 December 2016, compared with €572.1 million as at 30 September 2016.

(€000s)	31 Dec. 2016	30 Sept. 2016
PORTFOLIO AT BEGINNING OF THE FINANCIAL YEAR	572,132	520,974
Acquisitions	27,322	57,413
Disposals	0	-21,261
Change in fair value	2,739	15,005
PORTFOLIO AT THE END OF THE FINANCIAL YEAR	602,193	572,132

The increase posted in the first quarter is due mainly to the acquisition, on 22 December 2016, of a 99-year emphyteotic lease on the retail space in the Papeteries de Genvall complex. This retail complex, with an area of 10,007 m², was opened in August 2015. It houses more than 30 brand names, including Carrefour Market, Espace Mode, Picard, Club, Planet Parfum and Boulangerie Louise.

The complex generates total annual rental income of €1.5 million (net of the annual emphyteotic rent). It will contribute to the results from 1 January 2017 on. This investment was financed by borrowing.

Over the last month, new lease contracts have been signed or renewed with quality tenants which explains that occupancy rate remains at very high levels.

As at 31 December 2016, the occupancy rate of the portfolio stood at 97.9%, slightly down from its 30 September 2016 level due to the current rental vacancy on the Papeteries de Genvall complex, where the occupancy rate presently stands at 90%.

As at 31 December 2016, the breakdown of the portfolio among the three countries in which Ascencio operates was as follows:

COUNTRY	Investment value (000 EUR)	Fair value (000 EUR) (%)	Contractual rents (000 EUR)	Occupancy rate (%)	Gross yield (%)
Belgium	384,191	374,205 62.1%	25,732	97.4%	6.7%
France	210,897	199,853 33.2%	13,940	98.7%	6.6%
Spain	28,838	28,135 4.7%	1,770	100.0%	6.1%
TOTAL	623,927	602,193 100%	41,442	97.90%	6.64%

Consolidated results for the first quarter of financial year 2016/2017

CONSOLIDATED RESULTS (000 EUR)	Q1 from 30/09/2016 to 31/12/2016	Q1 from 30/09/2015 to 31/12/2015
RENTAL INCOME	9,900	9,335
Charges linked to letting	-74	-27
Taxes and charges not recovered	-84	-52
PROPERTY RESULT	9,742	9,256
Other income and operating costs	0	0
Property charges	-449	-482
Corporate overheads	-811	-748
OPERATING RESULT BEFORE PORTFOLIO INCOME	8,483	8,026
Operating margin (*)	85.7%	86.0%
Financial income	3	-1
Net interest charges	-1,789	-1,769
Other financial charges	-89	-58
Taxes on current income	-128	-26
NET RESULT OF KEY ACTIVITIES (*)	6,480	6,172
Net gains and losses on sales of investment property	0	229
Changes in the fair value of investment property	2,739	14,518
Other portfolio result	0	0
Portfolio result	2,739	14,747
Changes in fair value of financial assets and liabilities (IAS 39)	2,814	655
Exit Tax	0	0
Deferred tax	-40	-142
NET RESULT	11,993	21,432
Net result of key activities per share (EUR) (*)	1.00	1.00
Earnings per share (EUR) (*)	1.85	3.47
Number of shares	6,497,594	6,182,768

Rental income was up by 6.1% at €9.90 million compared with €9.33 million for the first quarter of the previous financial year, thanks to the contribution from the investments made in 2015/2016.

As a reminder, the main investments of 2015/2016 amounted to €56 million and involved:

- the acquisition of three Grand Frais sites in France;
- the acquisition of three Worten stores in Spain;
- the acquisition of a BUT store near Nancy, in France.

Net income before non-recurring items^(*) for the first quarter came to €6.48 million, compared with €6.17 million for the quarter ended 31 December 2015, representing an increase of 5%.

After taking into account the €2.74 million increase in the fair value of the portfolio and the €2.81 million increase in the fair value of interest rate hedging instruments, **net income** for the first quarter amounted to €11.99 million.

Expressed in per share terms, net income before non-recurring items^(*) was €1.00 per share.

The **debt ratio (before appropriation of the dividend for financial year 2015/2016)** stood at 45.1% as at 31 December 2016. The **average cost of borrowing^(*)** (including margins and the cost of hedging instruments) amounted to 3.16% for the first quarter of the financial year, compared with 3.40% in the first quarter of the previous financial year.

New hedging instruments with deferred start dates have been put in place during the last few months on the basis of interest rates equals or lower than 0,41% for notional amounts close to € 100 million. As a result, the average cost of borrowing will decrease significantly from July 2018 on.

Consolidated balance sheet as at 31 December 2016

CONSOLIDATED BALANCE SHEET (000 EUR)	31 Dec. 2016	30 Sept. 2016
ASSETS	610,116	583,004
Investment properties	602,193	572,132
Non-current financial assets	1,879	1,698
Assets held for sale	0	0
Trade receivables	1,455	4,603
Cash	2,496	3,341
Current financial assets	2,093	1,229
EQUITY AND LIABILITIES	610,116	583,004
Equity	318,396	318,032
Non-current financial debts	206,914	186,723
Other non-current financial liabilities	13,832	16,810
Deferred tax	3,088	352
Current financial debts	59,960	48,772
Other current financial liabilities	7,926	12,315

The **intrinsic value** per share (before appropriation of the gross dividend for the previous financial year) stood at €49.00 as at 31 December 2016, compared with €49.97 as at 30 September 2016.

Significant events and transactions after 31 December 2016

There have been no significant events since 31 December 2016.

Outlook

With a debt ratio of 45% as at 31 December 2016, Ascencio still has €46 million of investment capacity before the debt ratio passes the 50% threshold.

Ascencio continues to pursue its investment strategy focused on quality sites, generally located on the outskirts of major conurbations.

Based on current assumptions, and in the absence of any major unforeseen events, Ascencio is confident of being able to distribute a dividend for the current financial year comparable to that of the previous financial year.

Financial calendar

Semi-annual financial report as at 31 March 2017	12 June 2017
Interim statement for the period ended 30 June 2017	3 August 2017
Annual press release as at 30 September 2017	27 November 2017
Ordinary general meeting of shareholders 2018	31 January 2018 at 2.30 p.m.

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Reconciliation of Alternative Performance Measures (APMs)

Following the coming into force of the ESMA (European Securities and Markets Authority) Guidelines on Alternative Performance Measures (APMs) the APMs used in this press release are identified by an asterisk (*).

The definition of the APMs and the use made of them can be found at the end of the 2015/2016 Annual Report, which is available on Ascencio's website (www.ascencio.be).

Operating margin

		31 Dec. 2016	31 Dec. 2015
Operating result before portfolio income (€000s)	= A	8,483	8,027
Rental income (€000s)	= B	9,900	9,334
OPERATING MARGIN	= A / B	85.7%	86.0%

Net income from key activities:

		31 Dec. 2016	31 Dec. 2015
Operating result before portfolio income (€000s)		8,483	8,027
Financial income (€000s)		3	0
Net interest expense (€000s)		-1,789	-1,770
Other financial charges (€000s)		-89	-59
Tax on income (€000s)		-168	-168
Deferred taxation (€000s)		40	142
NET INCOME FROM KEY ACTIVITIES (€000s)		6,480	6,173
Number of shares in circulation entitled to the dividend		6,497,594	6,182,768
NET INCOME PER SHARE FROM KEY ACTIVITIES (EUROS)		1.00	1.00

Net Asset Value (NAV) excluding value of IRS

	31 Dec. 2016	30 Sept. 2016
Net Asset Value (NAV) (€000s)	318,396	318,032
Number of shares	6,497,594	6,364,686
NAV per share (euros)	49.00	49.97
Restatements:		
Fair value of IRS (Interest Rate Swaps) (€000s)	11,441	14,231
Net Asset Value (NAV) excluding fair value of IRS (€000s) (1)	329,837	332,263
Number of shares	6,497,594	6,364,686
NAV per share excluding fair value of IRS (euros)	50.76	52.20

Average cost of borrowing

	31 Dec. 2016	31 Dec. 2015
Net interest expense (heading XXI) (€000s)	1,789	1,769
Commissions on undrawn balances under credit facilities	66	44
Opening commission and charges for credit facilities	8	8
TOTAL COST OF FINANCIAL DEBTS = A	1,863	1,821
WEIGHTED AVERAGE DEBT FOR THE PERIOD = B	235,686	214,341
AVERAGE COST OF BORROWING = (Ax4)/B	3.16%	3.40%

Hedging ratio

(€000s)	31 Dec. 2016	30 Sept. 2016
Fixed-rated financial debts	58,069	58,489
Variable-rate financial debts converted into fixed-rate debts by means of IRS	120,000	120,000
Variable-rate financial debts converted into fixed-rate debts by means of caps.	20,000	20,000
TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS = A	198,069	198,489
TOTAL VARIABLE RATE FINANCIAL DEBTS	37,006	37,006
TOTAL FINANCIAL DEBTS = B	266,874	235,495
HEDGING RATIO = A / B	74.2%	84.3%