

**PRESS RELEASE**  
Regulated information

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**INTERIM STATEMENT OF THE STATUTORY MANAGER**  
**THIRD QUARTER OF FINANCIAL YEAR 2016-2017**

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**SOLID, GROWING OPERATIONAL RESULTS**

- Rental income: €30.53 million, up by 5.7%
- Value of the portfolio up slightly (1.6%) on a like-for-like basis.

**EARNINGS PER SHARE**

- Net result of key activities<sup>1</sup>: €3.07 per share, up by 4.0% for the nine months to 30 June 2016, despite the 5% increase in the number of shares
- Net result: €5.43 per share

**INVESTMENTS MADE DURING THE FIRST NINE MONTHS OF THE FINANCIAL YEAR**

- Acquisition of stores located in the Papeteries de Genval complex, 22 December 2016
- As a result of this investment, the portfolio has passed the €600 million mark

**DEBT RATIO OF 42.8% AS AT 30 JUNE 2017**

- Remaining investment capacity of €90 million before debt ratio reaches 50%.

**DIVIDEND FORECAST FOR THE 2016/2017 FINANCIAL YEAR**

- Barring any unforeseen events that may arise, the positive results of the first nine months should allow to continue the growth of the dividend.

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

## Real estate portfolio as at 30 June 2017

The fair value of the real estate portfolio stood at €612.0 million as at 30 June 2017, compared with €572.1 million as at 30 September 2016.

(€000S)	30/06/2017	30/09/2016
<b>BALANCE AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>572.132</b>	<b>520.974</b>
Acquisitions	30.483	57.413
Disposals	0	-21.261
Transfer from assets held for sale	0	0
Change in fair value	9.439	15.005
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>612.054</b>	<b>572.132</b>

The increase posted since the beginning of the financial year is due mainly to the acquisition, on 22 December 2016, of a 99-year emphyteotic lease on the commercial premises in the Papeteries de Genval complex. This retail complex, with an area of 10,007 m<sup>2</sup>, 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 Genval complex generates total annual rental income of €1.5 million (net of the annual emphyteotic rent). It has contributed to the results since 1 January 2017. This investment was financed by borrowing.

Ascencio also acquired a Carrefour Market supermarket located in Anderlecht, in the Nautilus project which is currently under construction. It will be operated by the Mestdagh Group and is expected to open in July 2018. It will generate rental income of €0.26 million per year.

As at 30 June 2017, the occupancy rate of the portfolio stood at 98.2%, slightly down from its 30 September 2016 level due to the current rental vacancy on the Papeteries de Genval complex, where the occupancy rate presently stands at 90%.

As at 30 June 2017, the breakdown of the portfolio among the three countries in which Ascencio operates was as follows:

COUNTRY	Investment value (€000S)	Fair value (€000S) (%)	Contractual rents (€000S)	Occupancy rate (%)	Gross yield (%)
Belgium	390.540	380.351 62,1%	26.047	97,5%	6,7%
France	215.140	202.780 33,1%	14.011	99,1%	6,5%
Spain	29.646	28.923 4,7%	1.823	100,0%	6,1%
<b>TOTAL</b>	<b>635.327</b>	<b>612.054 100%</b>	<b>41.881</b>	<b>98,20%</b>	<b>6,6%</b>

## Consolidated results for the first nine months and the third quarter of financial year 2016/2017

CONSOLIDATED RESULTS (000 EUR)	30/06/2017 (9 months)	30/06/2016 (9 months)	30/06/2017 (3 months)	30/06/2016 (3 months)
<b>RENTAL INCOME</b>	<b>30.534</b>	<b>28.876</b>	<b>10.299</b>	<b>9.986</b>
Charges linked to letting	-172	-38	-53	-1
Taxes and charges not recovered	-227	-223	-26	-110
<b>PROPERTY RESULT</b>	<b>30.135</b>	<b>28.615</b>	<b>10.220</b>	<b>9.875</b>
Property charges	-1.661	-1.644	-616	-641
Corporate overheads-Other operating costs	-2.416	-2.323	-782	-756
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>26.058</b>	<b>24.648</b>	<b>8.822</b>	<b>8.478</b>
<b>Operating margin (*)</b>	<b>85,3%</b>	<b>85,4%</b>	<b>85,7%</b>	<b>84,9%</b>
Financial income	3	0	0	0
Net interest charges	-5.384	-5.464	-1.782	-1.884
Other financial charges	-266	-145	-100	-42
Taxes on result of key activities	-452	-236	-234	-161
<b>NET RESULT OF KEY ACTIVITIES (*)</b>	<b>19.959</b>	<b>18.804</b>	<b>6.706</b>	<b>6.391</b>
Net gains and losses on sales of investment property	0	354	0	125
Changes in the fair value of investment property	9.440	15.816	522	-661
Other portfolio result	0	0	0	0
<b>Portfolio result</b>	<b>9.440</b>	<b>16.171</b>	<b>522</b>	<b>-535</b>
<b>Changes in fair value of financial assets and liabilities</b>	<b>6.016</b>	<b>-404</b>	<b>1.454</b>	<b>-232</b>
<b>Exit Tax</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>0</b>
<b>Deferred tax</b>	<b>-166</b>	<b>-261</b>	<b>-4</b>	<b>0</b>
<b>NET RESULT</b>	<b>35.249</b>	<b>34.360</b>	<b>8.678</b>	<b>5.624</b>
<b>Net result of key activities per share (euros) (*)</b>	<b>3,07</b>	<b>2,95</b>	<b>1,03</b>	<b>1,00</b>
<b>Earnings per share (EPS) (euros) (*)</b>	<b>5,43</b>	<b>5,40</b>	<b>1,34</b>	<b>0,88</b>
<b>Number of shares</b>	<b>6.497.594</b>	<b>6.364.686</b>	<b>6.497.594</b>	<b>6.364.686</b>

(\*) Alternative Performance Measure (APM). See pages 7 and 8.

**Rental income** was up by 5.7% at €30.53 million compared with €28.88 million for the first nine months of the previous financial year.

The following table shows **rental income by country**:

RENTAL INCOME (€000S)	30/06/2017		30/06/2016	
Belgium	18.703	61%	18.606	64%
France	10.486	34%	9.680	34%
Spain	1.345	4%	590	2%
<b>TOTAL</b>	<b>30.534</b>	<b>100%</b>	<b>28.876</b>	<b>100%</b>

This improvement was due to the investments made

- over the course of the previous financial year: acquisition of three Grand Frais stores in France on 22 December 2015, three commercial properties in Spain on 1 March 2016 and a BUT store near Nancy, France on 16 September 2016;
- in the current financial year: acquisition of stores located in the Papeteries de Genval complex in December 2016.

On a like-for-like basis, rental income was up by 1.2% YoY.

**Property result** amounted to **€30.13 million** (up by 5.3% on the nine months to 30 June 2016).

After deduction of property costs and corporate overheads, the **operating result before result on portfolio** was €26.06 million (€24.65 million as at 30 June 2016), i.e. an increase of 5.7%. The **operating margin**<sup>2</sup> came to 85.3%.

**Net interest charges**, including the cash flows generated by interest rate hedging instruments amounted to €5.38 million.

The **average cost of borrowing**<sup>2</sup> (2.95% including margins and the cost of hedging instruments) was down compared with 30 June 2016 (3.09%).

After deducting taxes on result from properties acquired in Spain in March 2016 and the French tax charge on the results from French assets, **net result of key activities**<sup>(\*)</sup> amounted to €19.96 million as at 30 June 2017, i.e. an increase of 6.1% on 30 June 2016.

**Net result of key activities expressed as EPS**<sup>2</sup> amounted to €3.07 (€2.95 as at 30 June 2016), a rise of 4.0% in spite of the increased number of shares.

**Non-monetary items in the income statement** amounted to:

- +€9.4 million representing the change in fair value of investment properties (IAS 40) as a result of higher appraisal values associated with the adoption of lower capitalisation rates;
- +€6.0 million increase in the fair value of interest rate hedging instruments (IAS 39);
- -€0.2 million of deferred taxes relating to the deferred taxation (5% withheld at source) of unrealised capital gains on French assets.

<sup>2</sup> Alternative Performance Measure (APM). See pages 7 and 8.

**Net result** reached €35.25 million, compared with €34.36 million as at 30 June 2016.

Expressed in per share terms, net result of key activities<sup>3</sup> was €3.07 per share, compared with €2.95 as at 30 June 2016.

### Consolidated balance sheet as at 30 June 2017

CONSOLIDATED BALANCE SHEET (€000S)	30/06/2017	30/09/2016
<b>ASSETS</b>	<b>624.778</b>	<b>583.004</b>
Investment properties	612.054	572.132
Other non-current financial assets	2.946	1.698
Assets held for sale	0	0
Trade receivables	1.225	4.603
Cash and cash equivalents	2.483	3.341
Other current financial assets	6.070	1.229
<b>EQUITY AND LIABILITIES</b>	<b>624.778</b>	<b>583.004</b>
Equity	340.391	318.032
Non-current financial debts	185.566	186.723
Other non-current financial liabilities	11.133	16.810
Deferred taxes	3.214	352
Current financial debts	74.906	48.772
Other current liabilities	9.568	12.315

The **net asset value** per share<sup>(\*)</sup> stood at €52.39 as at 30 June 2017, compared with €49.97 as at 30 September 2016.

### Significant events and transactions arising after 30 June 2017

There have been no significant events since 30 June 2017.

### Outlook

With a debt ratio of 42.8% as at 30 June 2017, Ascencio still has €90 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.

Barring any unforeseen events that may arise, the positive results of the first nine months should allow to continue the growth of the dividend.

<sup>3</sup> Alternative Performance Measure (APM). See pages 7 and 8.

## Financial calendar

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.

For any additional information:

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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](http://www.ascencio.be)).

### Operating margin

		30/06/2017	30/06/2016
Operating result before result on portfolio (€000S)	= A	26.058	24.648
Rental income (€000S)	= B	30.534	28.876
<b>OPERATING MARGIN</b>	<b>= A / B</b>	<b>85,3%</b>	<b>85,4%</b>

### Net result of key activities:

	30/06/2017	30/06/2016
Operating result before result on portfolio (€000S)	26.058	24.648
Financial income (€000S)	3	0
Net interest charges (€000S)	-5.384	-5.464
Other financial charges (€000S)	-266	-145
Corporate tax (€000S)	-618	-497
Deferred tax (€000S)	166	261
<b>NET CURRENT RESULT (€000S)</b>	<b>19.959</b>	<b>18.804</b>
Number of shares in circulation entitled to the dividend	6.497.594	6.364.686
<b>NET CURRENT RESULT PER SHARE (EUR)</b>	<b>3,07</b>	<b>2,95</b>

## Net Asset Value (NAV) excluding value of IRS

	30/06/2017	30/09/2016
Net asset value (NAV) (€000S)	340.391	318.032
Number of shares	6.497.594	6.364.686
<b>NAV per share (euros)</b>	<b>52,39</b>	<b>49,97</b>
Restatements:		
Fair value of financial instruments (IRS & CAP) (€000S)	8.100	14.231
<b>NAV excluding the fair value of IRS &amp; CAP (€000S)</b>	<b>348.491</b>	<b>332.263</b>
Number of shares	6.497.594	6.364.686
<b>NAV per share excluding the fair value of IRS &amp; CAP (€000S)</b>	<b>53,63</b>	<b>52,20</b>

## Average cost of borrowing

		30/06/2017	30/06/2016
Net interest charges (heading XXI) (€000S)		5.384	5.464
Commissions on undrawn balances under credit facilities		208	96
Opening commission and charges for credit facilities		25	25
<b>TOTAL COST OF FINANCIAL DEBTS</b>	<b>= A</b>	<b>5.617</b>	<b>5.585</b>
<b>WEIGHTED AVERAGE DEBT FOR THE PERIOD</b>	<b>= B</b>	<b>254.116</b>	<b>240.465</b>
<b>AVERAGE COST OF BORROWING</b>	<b>= (Ax4/3)/B</b>	<b>2,95%</b>	<b>3,09%</b>

## Hedging ratio

(€000S)		30/06/2017	30/09/2016
Fixed-rate financial debts		57.207	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
<b>TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS</b>	<b>= A</b>	<b>197.207</b>	<b>198.489</b>
<b>TOTAL VARIABLE RATE FINANCIAL DEBTS</b>		<b>63.265</b>	<b>37.006</b>
<b>TOTAL FINANCIAL DEBTS</b>	<b>= B</b>	<b>260.472</b>	<b>235.495</b>
<b>HEDGING RATIO</b>	<b>= A / B</b>	<b>75,7%</b>	<b>84,3%</b>