

**PRESS RELEASE**  
Regulated information

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**INTERIM STATEMENT OF THE STATUTORY MANAGER**  
**THIRD QUARTER OF FINANCIAL YEAR 2017-2018**

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**SOLID OPERATING RESULTS**

- Rental income: €30.69 million, up slightly (by 0.5%)
- EPRA Earnings<sup>1</sup> €19.39 million, down by 3.0%

**EARNINGS PER SHARE**

- EPRA Earnings<sup>1</sup>: €2.94 per share

**PROPERTY PORTFOLIO**

- Sale of the Overijse semi-industrial site, in the context of the policy of disposing of non-strategic assets
- Value of the portfolio up slightly (0.60%) on a like-for-like basis (constant scope)
- Geographical diversification of the portfolio:
  - 62% in Belgium
  - 33% in France
  - 5% in Spain
- Occupancy rate: 97.4% (compared with 97.0% at 30 September 2017)

**DEBT RATIO OF 41.4% AT 30 JUNE 2018**

- Remaining investment capacity of €108 million before debt ratio reaches 50%.

**DIVIDEND FORECAST FOR THE 2017/2018 FINANCIAL YEAR**

- Barring any major unforeseen developments, progress of results allows us to envisage a moderate growth in the dividend.

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<sup>1</sup> Alternative Performance Measure (APM). See pages 7 to 10.

## Property portfolio as at 30 June 2018

The fair value of the property portfolio stood at €618.7 million at 30 June 2018, compared with €613.3 million at 30 September 2017.

(€000S)	30/06/2018	30/09/2017
<b>BALANCE AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>613,317</b>	<b>572,132</b>
Acquisitions	4,647	32,612
Disposals	-3,359	0
Transfer from assets held for sale	0	0
Change in fair value	4,068	8,573
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>618,673</b>	<b>613,317</b>

### Investments during the first six months of the financial year:

During the first nine months of the financial year, Ascencio made €4.6 million of investments, most notably the acquisition of the 1,963 m<sup>2</sup> unit in the Bellefleur retail park in Couillet, thus completing its ownership of the site.

Construction of the Carrefour Market supermarket in Anderlecht as part of the Nautilus project was completed at the end of June 2018. It will generate rental income of €0.26 million per year.

### Divestments during the first six months of the financial year:

During the first nine months of the financial year, Ascencio sold the 9,259 m<sup>2</sup> mixed (offices and warehouse) property located at Overijse, in the context of its strategy of disposal of non-strategic assets.

### Occupancy rate

At 30 June 2018, the occupancy rate of the portfolio stood at 97.4%, higher than at 30 September 2017 thanks to new leases on a number of rental vacancies in France and the sale of the Overijse site, which had been only partly occupied.

As at 30 June 2018, 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	388,978	379,481 61.3%	25,422	96.5%	6.6%
France	218,494	205,892 33.3%	13,968	98.8%	6.4%
Spain	34,421	33,300 5.4%	1,967	100.0%	5.7%
<b>TOTAL</b>	<b>641,893</b>	<b>618,673 100%</b>	<b>41,357</b>	<b>97.45%</b>	<b>6.44%</b>

## Consolidated results for the first nine months and the third quarter of financial year 2017/2018

CONSOLIDATED RESULTS (000 EUR)	30/06/2018 (9 months)	30/06/2017 (9 months)	30/06/2018 (3 months)	30/06/2017 (3 months)
<b>RENTAL INCOME</b>	<b>30,687</b>	<b>30,534</b>	<b>10,115</b>	<b>10,299</b>
Charges linked to letting	36	-172	16	-53
Taxes and charges not recovered	-26	-62	-20	-26
<b>PROPERTY RESULT</b>	<b>30,697</b>	<b>30,300</b>	<b>10,111</b>	<b>10,220</b>
Property charges	-1,918	-1,826	-647	-616
Corporate overheads	-3,507	-2,416	-1,693	-782
Other operating costs	-23	0	-1	0
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>25,249</b>	<b>26,058</b>	<b>7,770</b>	<b>8,822</b>
<i>Operating margin (*)</i>	<b>82.3%</b>	<b>85.3%</b>	<b>76.8%</b>	<b>85.7%</b>
Financial income	0	3	0	0
Net interest charges	-5,179	-5,384	-1,738	-1,782
Other financial charges	-296	-266	-110	-100
Taxes	-385	-412	-115	-234
<b>EPRA EARNINGS (*)</b>	<b>19,389</b>	<b>19,999</b>	<b>5,807</b>	<b>6,706</b>
Net gains and losses on sales of investment property	-15	0	0	0
Changes in the fair value of investment property	4,068	9,440	2,028	522
Other portfolio result	0	0	0	0
<b>Portfolio result</b>	<b>4,053</b>	<b>9,440</b>	<b>2,028</b>	<b>522</b>
<b>Changes in fair value of financial assets and liabilities</b>	<b>2,197</b>	<b>6,016</b>	<b>-73</b>	<b>1,454</b>
<b>Exit Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Taxes on net gains and losses on disposals</b>	<b>0</b>	<b>-40</b>	<b>0</b>	<b>0</b>
<b>Deferred tax</b>	<b>-135</b>	<b>-166</b>	<b>-55</b>	<b>-4</b>
<b>NET RESULT</b>	<b>25,504</b>	<b>35,289</b>	<b>7,707</b>	<b>8,678</b>
<b>EPRA EARNINGS per share (euros) (*)</b>	<b>2.94</b>	<b>3.08</b>	<b>0.88</b>	<b>1.03</b>
<b>Earnings per share (EPS) (euros)</b>	<b>3.87</b>	<b>5.43</b>	<b>1.17</b>	<b>1.34</b>
<b>Number of shares</b>	<b>6,595,985</b>	<b>6,497,594</b>	<b>6,595,985</b>	<b>6,497,594</b>

(\*) Alternative Performance Measure (APM). See pages 7 to 10.

**Rental income** was up by 0.5% at €30.69 million compared with €30.53 million for the first nine months of the previous financial year.

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

RENTAL INCOME (€000S)	30/06/2018		30/06/2017	
Belgium	18,819	61%	18,703	61%
France	10,441	34%	10,486	34%
Spain	1,427	5%	1,345	4%
<b>TOTAL</b>	<b>30,687</b>	<b>100%</b>	<b>30,534</b>	<b>100%</b>

**Property result** amounted to **€30.7 million** (up by +1.3% on the nine months to 30 June 2017).

After deduction of property costs and corporate overheads, the **operating result before result on portfolio** was €25.25 million (€26.06 million for the nine months to 30 June 2017), i.e. a decrease of 3.1%. The **operating margin**<sup>2</sup> came to 82.3%.

The decline in operating result was due to the due diligence and structuring costs of a major investment project studied during the third quarter of the financial year which did not come to fruition. These non-recurring costs amounted to €0.82 million.

**Net interest charges**, including the cash flows generated by interest rate hedging instruments amounted to €5.18 million.

The **average cost of borrowing**<sup>2</sup> (2.89% including margins and the cost of hedging instruments) was down by compared with the nine months to 30 June 2017 (2.95%).

After the maturity on 30 June 2018 of an IRS of €50 million at a fixed rate of 4.35%, the average cost of borrowing will diminish significantly from July 2018. Thanks to the interest rate hedging policy put in place, the group's hedging ratio is currently 85% and based on the current level of debt it will be above 75% for the next four financial years.

After deduction of the French tax charge on results of the French and Spanish assets, **EPRA Earnings**<sup>2</sup> amounted to €19.39 million for the nine months to 30 June 2018, which was 3% less than in the nine months ended 30 June 2017.

**EPRA Earnings per share**<sup>2</sup> came to €2.94 (€3.08 for the 9 months to 30 June 2017), down by 4.6% (impact of the above-mentioned non-recurring costs).

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

- +€4.1 million representing the change in fair value of investment properties (IAS 40) as a result of the higher appraisal values of the properties;
- +€2.2 million increase in the fair value of interest rate hedging instruments (IAS 39);
- -€0.1 million of deferred tax relating to the deferred taxation (5% withholding at source) of unrealised capital gains on the French assets.

**Net result** came to €25.50 million, compared with €35.25 million for the nine months to 30 June 2017.

<sup>2</sup> Alternative Performance Measure (APM). See pages 7 to 10.

## Consolidated balance sheet at 30 June 2018

CONSOLIDATED BALANCE SHEET (€000S)	30/06/2018	30/09/2017
<b>ASSETS</b>	<b>630,319</b>	<b>625,414</b>
Investment properties	618,672	613,317
Other non-current financial assets	1,889	2,877
Assets held for sale	0	0
Trade receivables	1,683	4,000
Cash and cash equivalents	2,268	2,919
Other current financial assets	5,807	2,301
<b>EQUITY AND LIABILITIES</b>	<b>630,319</b>	<b>625,414</b>
Equity	355,499	346,281
Non-current financial debts	191,832	185,455
Other non-current financial liabilities	7,703	10,421
Deferred taxes	3,369	3,235
Current financial debts	61,517	69,183
Other current liabilities	10,399	10,839

The **EPRA NAV** per share<sup>3</sup> stood at €55.22 at 30 June 2018, compared with €54.95 at 30 September 2017.

## Significant events and transactions arising after 30 June 2018

There have been no significant events since 30 June 2018.

## Outlook

Ascencio, a specialist in retail, pursues its investment strategy centred on retail parks on the outskirts of towns, quality stand-alone stores and downtown shopping centres.

Ascencio focuses its attention more particularly on the Belgian, French and Spanish markets where it is already present, while at the same time studying certain opportunities in new markets.

Ascencio has significant investment capacity given its debt ratio of 41.4 %.

The diversification of its portfolio, both geographically and in terms of the various retail sectors, as well as the resilient and defensive nature of its assets in the food segment, constitute a solid basis for the future results of the portfolio.

Based on current assumptions and barring any major unforeseen developments, progress of results allows us to envisage a moderate growth in the dividend.

<sup>3</sup> Alternative Performance Measure (APM). See pages 7 to 10.

## Financial calendar

Press release on results for the year to 30 September 2018

3 December 2018

Ordinary general meeting of shareholders

31 January 2019

For any additional information:

**Stéphanie Vanden Broecke**

General Secretary & General Counsel  
Tel. 071.91.95.00  
stephanie.vandenbroecke@ascencio.be

**Michèle Delvaux**

Chief Financial Officer  
Tel. 071.91.95.00  
michele.delvaux@ascencio.be

**Vincent Querton**

Chief Executive Officer  
Tel. 071.91.95.00  
vincent.querton@ascencio.be

## 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), 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 2016/2017 Annual Report, which is available on Ascencio's website ([www.ascencio.be](http://www.ascencio.be)).

### Operating margin

		30/06/2018	30/06/2017
Operating result before result on portfolio (€000S)	= A	25,249	26,058
Rental income (€000S)	= B	30,687	30,534
<b>OPERATING MARGIN</b>	<b>= A / B</b>	<b>82.3%</b>	<b>85.3%</b>

### Average cost of borrowing

		30/06/2018	30/06/2017
Net interest charges (heading XXI) (€000S)		5,179	5,384
Commissions on undrawn balances under credit facilities		237	208
Opening commission and charges for credit facilities		27	25
Change in fair value of caps		59	0
<b>TOTAL COST OF FINANCIAL DEBTS</b>	<b>= A</b>	<b>5,503</b>	<b>5,617</b>
<b>WEIGHTED AVERAGE DEBT FOR THE PERIOD</b>	<b>= B</b>	<b>253,970</b>	<b>254,116</b>
<b>AVERAGE COST OF BORROWING</b>	<b>= (Ax4/3)/B</b>	<b>2.89%</b>	<b>2.95%</b>

### Hedging ratio

(€000S)		30/06/2018	30/09/2017
Fixed-rate financial debts		55,454	56,784
Variable-rate financial debts converted into fixed-rate debts by means of IRS		120,000	120,000
Variable-rate financial debts converted into capped-rate debts by means of caps.		40,000	40,000
<b>TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS</b>	<b>= A</b>	<b>215,454</b>	<b>216,784</b>
<b>TOTAL VARIABLE RATE FINANCIAL DEBTS</b>		<b>37,894</b>	<b>37,854</b>
<b>TOTAL FINANCIAL DEBTS</b>	<b>= B</b>	<b>253,348</b>	<b>254,638</b>
<b>HEDGING RATIO</b>	<b>= A / B</b>	<b>85.0%</b>	<b>85.1%</b>

## EPRA

EPRA (the European Public Real Estate Association) is the voice of Europe's publicly traded real estate sector, representing more than 250 members and over €430 billion in real estate assets.

EPRA publishes recommendations for defining the main performance indicators applicable to listed real-estate companies. These recommendations are included in the report entitled "EPRA Reporting: Best Practices Recommendations Guidelines" ("EPRA Best Practices"). This report is available on the EPRA website ([www.epra.com](http://www.epra.com)).

Ascencio subscribes to this move to standardise financial reporting with a view to improving the quality and the comparability of the information for investors.

## EPRA KEY PERFORMANCE INDICATORS

		30/06/2018	30/06/2017
1	<b>EPRA Earnings (000 EUR)</b>	19,389	19,999
	<b>EPRA Earnings per share</b>	2.94	3.08
7	<b>EPRA Cost Ratio (including direct vacancy costs)</b>	17.72%	14.66%
	<b>EPRA Cost Ratio (excluding direct vacancy costs)</b>	17.04%	14.12%
		30/06/2018	30/09/2017
2	<b>EPRA NAV (000 EUR)</b>	364,201	357,046
	<b>EPRA NAV per share (EUR)</b>	55.22	54.95
6	<b>EPRA Vacancy Rate</b>	2.67%	3.13%



## EPRA EARNINGS

(€000s)	30/06/2018	30/06/2017
<b>EARNINGS (OWNERS OF THE PARENT) PER IFRS INCOME STATEMENT</b>	<b>25,504</b>	<b>35,249</b>
<b>ADJUSTMENTS TO CALCULATE EPRA EARNINGS</b>	<b>-6,115</b>	<b>-15,250</b>
(i) Change in value of investment properties, development properties held for investment and other interests	-4,068	-9,440
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	15	0
(iii) Profits or losses on disposal of trading properties including impairment charges in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	0	40
(v) Negative Goodwill / Goodwill impairment	0	0
(vi) Change in fair value of financial instruments and associated close-out costs	-2,197	-6,016
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	0	0
(viii) Deferred tax in respect of EPRA adjustments	135	166
(ix) Adjustments (i) to (viii) above in respect of joint ventures	0	0
(x) Non-controlling interests in respect of the above	0	0
<b>EPRA EARNINGS (OWNERS OF THE PARENT)</b>	<b>19,389</b>	<b>19,999</b>
Number of shares	6,595,985	6,497,594
<b>EPRA EARNINGS PER SHARE (EPRA EPS - €/SHARE)</b>	<b>2.94</b>	<b>3.08</b>

## EPRA NET ASSET VALUE (NAV)

(€000s)	30/06/2018	30/09/2017
<b>NAV PER THE FINANCIALS STATEMENTS (OWNERS OF THE PARENT)</b>	<b>355,499</b>	<b>346,281</b>
Number of shares	6,595,985	6,497,594
<b>NAV PER THE FINANCIALS STATEMENTS (€/SHARE) (OWNERS OF THE PARENT)</b>	<b>53.90</b>	<b>53.29</b>
Effect of exercise of options, convertibles and other equity interests (diluted basis)	0	0
<b>DILUTED NAV, AFTER THE EXERCISE OF OPTIONS, CONVERTIBLES AND OTHER EQUITY INTERESTS</b>	<b>355,499</b>	<b>346,281</b>
<b>Include :</b>		
(i) Revaluation of investment properties	0	0
(ii) Revaluation of investment properties under construction	0	0
(iii) Revaluation of other non-current investments	0	0
<b>Exclude :</b>		
(iv) Fair value of financial instruments	5,333	7,530
(v.a) Deferred tax	3,369	3,235
(v.b) Goodwill as a result of deferred tax	0	0
<b>Include/exclude :</b>		
Adjustments (i) to (v) in respect of joint venture interests	0	0
<b>EPRA NAV (OWNERS OF THE PARENT)</b>	<b>364,201</b>	<b>357,046</b>
Number of shares	6,595,985	6,497,594
<b>EPRA NAV PER SHARE (€/SHARE) (OWNERS OF THE PARENT)</b>	<b>55.22</b>	<b>54.95</b>

## EPRA VACANCY RATE

(€000s)	30/06/2018			
	Belgium	France	Spain	TOTAL
Estimated rental value (ERV) of vacant space	909	174	0	1,083
Estimated rental value (ERV) of total portfolio	24,824	13,818	1,976	40,617
<b>EPRA VACANCY RATE (%)</b>	<b>3.66%</b>	<b>1.26%</b>	<b>0.00%</b>	<b>2.67%</b>

(€000s)	30/09/2017			
	Belgium	France	Spain	TOTAL
Estimated rental value (ERV) of vacant space	818	466	0	1,285
Estimated rental value (ERV) of total portfolio	25,201	13,880	1,938	41,020
<b>EPRA VACANCY RATE (%)</b>	<b>3.25%</b>	<b>3.36%</b>	<b>0.00%</b>	<b>3.13%</b>

## EPRA COST RATIOS

(€000s)	30/06/2018	30/06/2017
<b>ADMINISTRATIVE/OPERATING EXPENSE LINE PER IFRS STATEMENT</b>	<b>-5,438</b>	<b>-4,476</b>
Rental-related charges	36	-172
Recovery of property charges	0	0
Rental charges and taxes normally paid by tenants on let properties	-76	-56
Other revenue and expenditure relating to rental	50	-6
Technical costs	-467	-627
Commercial costs	-120	-59
Charges and taxes on unlet properties	-210	-165
Property management costs	-869	-776
Other property charges	-252	-199
Corporate overheads	-3,507	-2,416
Other operating income and charges	-23	0
<b>EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)</b>	<b>-5,438</b>	<b>-4,476</b>
Charges and taxes on unlet properties	210	165
<b>EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)</b>	<b>-5,228</b>	<b>-4,311</b>
<b>GROSS RENTAL INCOME</b>	<b>30,687</b>	<b>30,534</b>
<b>EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (%)</b>	<b>17.72%</b>	<b>14.66%</b>
<b>EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (%)</b>	<b>17.04%</b>	<b>14.12%</b>