SPACE
FOR
GROWTH

MONTEA
SPACE FOR GROWTH

PRESS RELEASE

INTERIM STATEMENT FROM THE STATUTORY MANAGER
RELATING TO THE PERIOD FROM 01/07/2016 TO 30/09/2016

REGULATED INFORMATION
EMBARGO UNTIL 10/11/2016 – 08.30 am

→ **NET OPERATING RESULT FOR THE FIRST 9 MONTHS OF 2016 WAS € 19.8 MILLION (OR € 1.99 PER SHARE), AN INCREASE OF € 5.0 MILLION, OR 34% COMPARED WITH THE SAME PERIOD LAST YEAR**

- NET LEASE RESULT ROSE BY 25% TO € 30.6 MILLION
- OPERATING MARGIN WAS AN AVERAGE OF 90.6% OVER THE FIRST 9 MONTHS OF 2016

→ **FAIR VALUE OF THE PROPERTY PORTFOLIO WAS € 582 MILLION COMPARED WITH € 579 MILLION AT THE END OF Q2 2016**

- OCCUPANCY RATE OF 97.3%
- AVERAGE LEASE TERM UNTIL FIRST BREAK OPTION OF 7.3 YEARS

→ **DEBT RATIO WAS 55.4% COMPARED WITH 56.2% AT THE END OF Q2 2016**

→ **EXPECTATIONS FOR THE 2016 FINANCIAL YEAR:**

- PROPERTY PORTFOLIO TO GROW TO € 600 MILLION
- OCCUPANCY RATE TO REMAIN AT LEAST 95% - AVERAGE LEASE TERM MORE THAN 7 YEARS
- OPERATING MARGIN OF 88% ON AN ANNUAL BASIS
- NET OPERATING RESULT PER SHARE TO GROW BY 5% (FROM € 2.29 PER SHARE IN 2015 TO € 2.40 PER SHARE IN 2016)

Summary

- Montea's net operating result for the first 9 months of 2016 was € 19.8 million (€ 1.99 per share), an increase of € 5.0 million or 34% compared with € 14.8 million in the same period last year (€ 1.60 per share), due mainly to a 25% increase in the net rental result.

  The operating result for the first 9 months of the financial year was 90.6% compared with 85.0% for the same period last year.

- The fair value[1] of the property portfolio was € 582 million, an increase of € 65 million (+13%) compared with 31/12/2015. This increase was due mainly to the handover of 3 built-to-suit projects (CdS in Vorst, Movianto in Erembodegem and the DSV extension in Ghent), the acquisition of the site in Willebroek – MG Park De Hulst (leased to Federal Mogul) and the acquisition of the 46,000 m² of land in Bornem for the development of a built-to-suit project in Belgium, as well as the purchase of the site in Eindhoven, De Keten (leased to Jan De Rijk) in the first quarter of 2016 and the development of the largest bakery in Europe at Aalsmeer in the Netherlands for Bakkersland. At 31/12/2016, the fair value of the property portfolio will rise further to € 600 million as the result of the continuation of the build-to-suit projects already announced and ongoing.

  The occupancy rate[2] was 97.3% compared with 97.0% at the end of 2016, including the severance compensation received in 2016 from the cancellation of the Neovia Logistics lease. If this is disregarded, the occupancy rate was 94.7% and the aim continues to be to keep the occupancy rate above 95% at year end.

  The average lease term (including the lease signed for the project development at Aalsmeer with Bakkersland) until their first break option was 7.3 years compared with 7 years at the end of Q2 2016.

- The debt ratio was 55.4% compared with 56.2% at the end of June 2016.

- Taking account of the results at 30/09/2016, the outlook for Montea for the final quarter of 2016 is as follows:
  - Property portfolio to grow to € 600 million
  - Occupancy rate to be kept above 95%, as well as to keep the average lease term until the first break option at more than 7 years
  - Operating margin on an annual basis to be kept above 88%
  - Net operating result per share to grow by 5% from € 2.29 per share in 2015 to € 2.40 per share in 2016.

1 The fair value consists of the Property investments, excluding those for own use. Other tangible fixed assets excluding those for own use and Assets intended for sale.
2 The occupancy rate is calculated based on the occupied m² compared with the total m². Projects under development have not been included in either the denominator or the numerator.

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1. Key figures

MONTEA		BE	FR	NL	30/09/2016 9 months	31/12/2015 12 months	30/09/2015 9 months
Real estate portfolio							
Real estate portfolio - Buildings							
Number of sites		**23**	**16**	**9**	**48**	**45**	**44**
Surface of the real estate portfolio							
Logistics and semi-industrial warehouses	M²	394.432	216.837	158.580	769.849	682.503	663.211
Offices	M²	35.567	16.008	16.106	67.681	66.506	64.953
Total surface	**M²**	**429.999**	**232.845**	**174.686**	**837.530**	**749.009**	**728.164**
Development potential	M²	136.385	75.904	18.055	230.344	119.569	119.569
Value of the real estate portfolio							
Fair value (1)	K€	268.079	135.695	140.466	544.240	480.721	459.105
Investment value (2)	K€	274.781	145.298	150.299	570.378	503.980	481.075
Occupancy rate							
Occupancy rate (3)	%	96,6%	96,8%	100,0%	97,3%	96,0%	95,9%
Real estate portfolio - Solar panels							
Fair value (1)	K€	10.094	0	0	10.094	10.369	8.256
Real estate portfolio - Solar panels							
Fair value (1)	K€	0	0	27.994	27.994	25.640	7.629
Consolidated results							
Net current result							
Net rental result	K€				30.563	34.290	24.505
Operating result before the porfolio result (4)	K€				27.704	29.437	20.819
Operating margin (5)	%				90,65%	85,85%	84,96%
Financial result (excl. IAS 39) (6)	K€				-7.588	-8.016	-5.800
Net current result (7)	**K€**				**19.768**	**21.097**	**14.764**
Number of shares entitled to the result of the period					9.951.884	9.211.701	9.211.701
Net current result / share	**€**				**1,99**	**2,29**	**1,60**
Non-current result							
Result on the real estate portfolio (8)	K€				2.703	2.475	3.070
Result on financial derivatives (9)	K€				-6.095	438	399
Net result	**K€**				**16.062**	**24.010**	**18.238**
Number of shares entitled to the result of the period					9.951.884	9.211.701	9.211.701
Net result / share	**€**				**1,61**	**2,61**	**0,80**
Consolidated balance sheet							
Equity (excl. minority participations)	**K€**				**231.632**	**208.157**	**201.575**
Debts and liabilities for calculation of debt ratio	**K€**				**339.644**	**306.564**	**272.959**
Balance sheet total	**K€**				**612.937**	**549.685**	**509.160**
Debt ratio (10)	**%**				**55,4%**	**55,77%**	**53,61%**
Net asset value / share (11)	**€**				**23,28**	**22,60**	**21,88**
Net asset value / share (excl. IAS 39) (11)	**€**				**26,32**	**25,22**	**24,51**
Share price (12)	**€**				**47,13**	**39,20**	**36,45**
Premium / (discount)	**%**				**79,1%**	**55,42%**	**48,70%**

(1) Book value according to IAS/IFRS rules, excluding property intended for own use. The fair value of the developments is recorded in the accounts in Belgium. However, here it is moved to the Netherlands provided it related to a Dutch project, Bakkersland
(2) Value of the portfolio excluding the deduction of transaction costs.
(3) Occupancy rate based on the number of m². In calculating this occupancy rate, the non-leasable m² intended for redevelopment and the land bank have not been included in either the denominator or the numerator.
(4) Operating result before the result from the property portfolio.
(5) The operating result before the result from the property portfolio divided by the net lease result.
(6) Net profit excluding profit on the property portfolio (code XVI, XVII, XVIII and XIX of the profit-and-loss account) and excluding the variation in the valuation of the financial hedging instruments (code XXIII of the profit-and-loss account).
(7) Negative and/or positive movements in the fair value of the property portfolio + any losses or gains from realising property assets.
(8) Negative and/or positive movements in the fair value of the interest rate hedging instruments according to IAS 39.
(9) Debt ratio in accordance with the RD of 13th July 2014 relative to regulated property companies.
(10) Calculated based on the total number of shares at 30/09/2016. Calculated as follows: Equity capital attributable to shareholders/total number of shares at the end of the financial year.
(11) Stock price at the end of the period.

2. Significant events and transactions during the third quarter of 2016 in Belgium, France and the Netherlands

2.1. Investment activity during the third quarter of 2016

No new investments were made during the third quarter of 2016.

2.2. Development activity during the third quarter of 2016

- **7th July 2016 – The municipality of Oss and Montea sign agreement for the future development of logistics land at Vorstengrafdonk (NL)**[3]

Alderman Frank den Brok and Hylcke Okkinga, director of Montea Netherlands signed an agreement for a 5-hectare plot of land at Vorstengrafdonk. Once leased, Montea will erect a build-to-suit distribution centre on this land. Montea Netherlands will implement this project with construction company Van der Maazen.

Montea "Space for Growth" - Artist's impression distribution centre at Vorstengrafdonk - Oss (NL)

Montea Netherlands and Bouwbedrijf Van der Maazen are developing a construction plan for the land. They will run the plan past the local council to ensure it provides the required image quality and to obtain an environmental permit. The construction plan complies with the latest logistical requirements and is ready for the end-user. The building can then be erected in a very short space of time.

The marketing plan has already begun. Montea and Van der Maazen have an option to purchase the land and are looking for potential tenants. A built-to-suit distribution centre will then be built.

- **15/09/2016 – Montea develops a new built-to-suit cross-dock centrum of approximately 8,000 m² for Mainfreight in Genk (BE)**

Mainfreight (Wim Bosman Group) and Montea have signed a collaborative agreement (subject to the usual conditions precedent) for the development of a new built-to-suit cross-dock centre consisting of approximately 8,000 m² of warehousing and approximately 800 m² of office space at Genk-Zuid. Mainfreight has signed a lease with a fixed term of 9 years.

[3] For more information, please see our press release of 07/07/2016 or visit www.montea.com.

The Wim Bosman Group (the European part of the worldwide Mainfreight network) is a 3PL+ service-provider with a strong network for customer-specific and preferably integrated warehousing, transport and distribution solutions with offices in the Netherlands, Belgium, France, Poland, Romania and Russia. Mainfreight is a worldwide logistics service-provider with locations in Australia, New Zealand, Asia, America and Europe (www.mainfreight.com).

Montea's investment in this built-to-suit project is approximately € 7.3 million and will generate an initial yield of 7.3% from Q2 2017. Around 150 people will be employed at this new location.

Montea "Space for Growth" – Artist's impression Mainfreight cross-dock centre - Genk (BE)

2.3. Divestment activity during the third quarter of 2016

➢ **18th July 2016 – Montea sells site in Herentals to Kemin Europe NV (BE)**

On 30th June, Kemin Europe NV exercised its purchase option for € 6.1 million. The actual sale took place on 13th July 2016. The site encompasses land of approximately 20,253 m², 11,068 m² of warehousing, 1,782 m² of office space and a 1,800 m² mezzanine.

2.4. Lease activity during the third quarter of 2016

On 20th July, a lease was signed with Stylelabs for the redevelopment of the old station building at the site in Vorst. The project involves renovating a building of approximately 2,000 m². Stylelabs will lease the building from March 2017, based on a 9-year lease with an initial break option after year 6. The annual rent for the property is € 281,000.

3. Value and composition of the property portfolio at 30/09/2016

➢ **Montea's total property assets are € 582 million, consisting of the valuation of the property portfolio (buildings) (€ 544 million), current developments (€ 28 million) and the value of the solar panels (€ 10 million).**

MONTEA SPACE FOR GROWTH	Total 30/09/2016	Belgium	France	The Netherlands	Total 31/12/2015	Total 30/09/2015
Real estate portfolio - Buildings						
Number of sites	**48**	23	16	9	**45**	**44**
Warehouse space (m²)	**769.849**	394.432	216.837	158.580	**682.503**	**663.211**
Office space (m²)	**67.681**	35.567	16.008	16.106	**66.506**	**64.953**
Total space (m²)	**837.530**	429.999	232.845	174.686	**749.009**	**728.164**
Development potential (m²)	**230.344**	136.385	75.904	18.055	**119.569**	**119.569**
Fair value (K EUR)	**544.240**	268.079	135.695	140.466	**480.721**	**459.105**
Investment value (K EUR)	**570.378**	274.781	145.298	150.299	**503.980**	**481.075**
Annual contractual rents (K EUR)	**40.399**	19.414	11.140	9.845	**36.448**	**35.673**
Gross yield (%)	**7,42%**	7,24%	8,21%	7,01%	**7,58%**	**7,77%**
Gross yield on 100% occupancy (%)	**7,62%**	7,54%	8,41%	7,01%	**7,82%**	**8,02%**
Un-let property (m²)	**22.170**	14.724	7.446	0	**26.719**	**26.719**
Rental value of un-let property (K EUR)	**1.086**	810	276	0	**1.150**	**1.130**
Occupancy rate (% of m²)	**97,3%**	96,6%	96,8%	100,0%	**96,00%**	**95,9%**
Real estate portfolio - Solar panels						
Fair value (K EUR)	**10.094**	10.094	0	0	**10.369**	**8.256**
Real estate portfolio - Developments						
Fair value (K EUR)	**27.994**	0	0	27.994	**25.640**	**7.629**

The fair value of the investment in solar panels is stated in section "D" of the fixed assets in the balance sheet.
The fair value of the project developments is stated in section "C" of the fixed assets in the balance sheet.

✓ The **total floor space** of the property portfolio (buildings) was 837,530 m², spread across 23 sites in Belgium, 16 sites in France and 9 sites in the Netherlands.

✓ The **fair value of the property portfolio (buildings)** was € 544 million. Based on the valuation by the independent property assessor, the value rose by € 63 million during the first 9 months of 2016. This was due to:

- Belgium (+ € 43 million):
  - handover of the built-to-suit projects in Vorst (leased to CdS) and Erembodegem (leased to Movianto) and handover of the extension project in Ghent (leased to DSV)
  - acquisition of the site in Willebroek – De Hulst (leased to Federal Mogul)
  - acquisition of 46,000 m² of land for the development of a built-to-suit project in Bornem
  - divestment of the site in Herentals for € 6.1 million in the third quarter of 2016;

- Netherlands (+ € 19 million):
  - acquisition of the site at Eindhoven, de Keten (leased to Jan De Rijk);

- France (€ 1 million).

- ✓ The **fair value of the property portfolio (developments)** was € 28 million and consists of the fair value of the works already carried out in Aalsmeer (Europe's largest bakery, which will be leased to Bakkersland with handover scheduled for Q4 2016).

- ✓ The **gross property yield** on the total of the property investments (buildings) was 7.62% based on a fully leased portfolio, compared with 7.95% op 30/06/2016.

- ✓ **Contractual annual lease income** (excluding rental guarantees) was € 40.4 million, an increase of 10.8% compared with 31/12/2015, due mainly to the growth of the property portfolio.

- ✓ The **occupancy rate**, including the lease severance compensation received in 2016 from the cancellation of the Neovia Logistics lease was 97.3%[4]. If this is disregarded, the occupancy rate was 94.7% and the aim remains to keep the occupancy rate above 95% by the end of the year. Vacancies are mainly at the sites at Milmort (13,500 m²) in Belgium and Savigny-le-Temple (7,500 m²) in France.

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[4] The occupancy rate is calculated based on the occupied m² compared with the total m². Projects in development are not included in either the denominator or the numerator.

4. Summary of the abbreviated consolidated financial statements for the third quarter ending on 30/09/2016

4.1. Abbreviated consolidated profit-and-loss account (analytical) for the third quarter ending on 30/09/2016

ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical	30/09/2016 9 months	31/12/2015 12 months	30/09/2015 9 months
CURRENT RESULT			
NET RENTAL RESULT	**30.563**	**34.290**	**24.505**
PROPERTY RESULT	**31.353**	**34.864**	**24.723**
% compared to net rental result	102,6%	101,7%	100,9%
TOTAL PROPERTY CHARGES	**-803**	**-1.332**	**-692**
PROPERTY OPERATING RESULT	**30.551**	**33.532**	**24.031**
General corporate expenses	-2.803	-4.037	-3.177
Other operating income and expenses	-43	-58	-36
OPERATING RESULT BEFORE THE PORTFOLIO RESULT	**27.704**	**29.437**	**20.819**
% compared to net rental result	90,6%	85,8%	85,0%
FINANCIAL RESULT	**-7.588**	**-8.016**	**-5.800**
PRE-TAX NET CURRENT RESULT (*)	**20.116**	**21.421**	**15.019**
Taxes	-348	-324	-255
NET CURRENT RESULT	**19.768**	**21.097**	**14.764**
per share	**1,99**	**2,29**	**1,60**
NON-CURRENT RESULT			
Result on disposals of investment properties	-315	5	5
Result on disposals of other non-financial assets	0	0	0
Changes in fair value of investment properties	2.703	2.470	-3.070
Other portfolio result	0	0	0
PORTFOLIO RESULT	**2.388**	**2.475**	**-3.065**
Changes in fair value of financial assets and liabilities	-6.095	438	399
RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**-6.095**	**438**	**399**
NET RESULT	**16.062**	**24.010**	**18.238**
per share	**1,61**	**2,61**	**1,98**

4.2. Notes to the abbreviated consolidated profit-and-loss account (analytical) for the third quarter ending on 30/09/2016

➢ **33% increase in the operating result before the result on the property portfolio**

The **operating result before the result on the property portfolio** (operating margin) was € 27.7 million, an increase of € 6.9 million of 33% compared with the same period last year.

This increase is the result of:

- The one-off receipt of € 1.5 million received in Q1 2016 following the termination of the lease with Neovia Logistics
- The € 4.5 million increase in the net lease result, excluding the severance compensation from Neovia Logistics, from € 24.5 million at the end of September 2015 to € 29.0 million at the end of September 2016. This new lease income is a direct consequence of the investments made and the handover of built-to-suit projects in the previous financial year and the new investments and handover of new projects in 2016.
- The recovery of lease charges and “and other lease-related income” having a positive impact of € 0.6 million, due mainly to an increase in the occupancy rate.
- A € 0.3 million fall in the company’s general overheads.

As a result, the **operating margin**[5] was 90.6% for the first 9 months of 2016 compared with 85.0% for the same period last year.

➤ **The net negative financial result (excl. valuation of the hedging instruments) was € 7.6 million for the first 9 months of 2016, an increase of € 1.8 million compared with the same period last year**

The **net negative financial result** at 30/09/2016 was € 7.6 million, an increase of € 1.8 million compared with the same period last year. This was as the result of a € 70.4 million increase in the average financial debt burden[6] for investments in Vorst (leased to CdS), Erembodegem (leased to Movianto) and Aalsmeer (leased to Bakkersland). The purchases in Eindhoven (leased to Jan De Rijk) and Bornem were financed with borrowed capital.

The average financial debt burden rose by 26.8% while the net negative financial result rose by 30.9%. As a result, the average financial cost for the first 9 months rose to 3.04% (compared with 2.95% in the first 9 months of last year). The financial cost calculated on the total financial debt burden, excluding the negative value of the hedging instruments at 30/09/2016, was 3.02%.

➤ **The net result was € 16.1 million and, in addition to the net operating result of € 19.8 million, was strongly determined by the positive variation in value of the property portfolio of € 2.4 million and the negative variation in value of the hedging instruments of € 6.1 million**

The **net result** for the third quarter was € 16.1 million (€ 1.61 per share) compared with € 18.2 million for the same period in 2015. The result was heavily influenced by the negative change in the fair value of the hedging instruments (€ 6.1 million), partly offset by the positive variation in the fair value of the property portfolio (€ 2.4 million).

➤ **Net operating result of € 19.8 million (€ 1.99 per share)**

The **net operating result** for the first 9 months of 2016 was € 19.8 million, which is an increase of € 5 million of 34% compared with the same period last year. The net operating result per share was € 1.99 per share, an increase of € 0.39 per share of 24% compared with last year.

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5 The operating result before the result on the property portfolio compared with het net lease result.

6 The average financial debt burden is determined by the average of all Montea's financial debts, including credit lines, the bond loans and leasing debts. The average financial debt burden takes no account of the negative value of the hedging instruments. The average cost is the full financial cash cost (disregarding variations in the hedging instruments) compared with this average financial debt.

4.3. Abbreviated consolidated balance sheet at 30/09/2016

CONSOLIDATED BALANCE SHEET (EUR)	30/09/2016 Conso	31/12/2015 Conso	30/09/2015 Conso
NON-CURRENT ASSETS	**583.205.770**	**517.685.997**	**475.917.002**
CURRENT ASSETS	**29.731.100**	**31.999.167**	**33.243.384**
TOTAL ASSETS	**612.936.870**	**549.685.164**	**509.160.386**
SHAREHOLDERS' EQUITY	**231.750.393**	**208.256.437**	**201.675.328**
Shareholders' equity attributable to shareholders of the parent company	231.631.909	208.156.528	201.575.419
Minority interests	118.483	99.909	99.909
LIABILITIES	**381.186.477**	**341.428.727**	**307.485.058**
Non-current liabilities	344.465.317	291.353.554	271.187.372
Current liabilities	36.721.160	50.075.173	36.297.686
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**612.936.870**	**549.685.164**	**509.160.386**

4.3.1. Notes to the consolidated balance sheet at 30/09/2016

- At 30/09/2016, **total assets** (€ 612.9 million) consisted mainly of the investment property (89% of the total), solar panels (2% of the total) and developments (5% of the total). The remainder of the assets (4% of the total) consists of intangible, other tangible and financial fixed assets, including assets intends for own use and current assets that include cash investments, trading and tax receivables.

- **Total liabilities** consist of equity capital of € 231.7 million and total debt of € 381.2 million.

  This **total debt** consists of:
  - a total of € 223.5 million in drawndown lines of credit with 6 Belgian financial institutions. Montea has currently contracted € 235 million in credit lines with 6 Belgian financial institutions and has an available capacity of € 9 million. This means that after the balance sheet date, an amount of € 2.5 million has been raised. The credit lines to be refinanced in 2016 were all extended in July 2016.
  - a total of € 109.2 million in bond loans (4 in total) concluded by Montea in 2013, 2014 and 2015.
  - a total leasing debt of € 0.9 million for the continued financing of the site in Milmort.
  - the combined negative value of the current hedging instruments of € 30.3 million.
  - other debts and accruals amounting to € 17.3 million. Accruals are made up mainly of rent invoiced in advance for the next quarter.

- The **debt ratio**[7] was 55.4%. The fall in the debt ratio compared with 30/06/2016 (56.2%) is attributable mainly to the result realised in Q3 2016 offset partly by the financing of current investments (mainly the project in Aalsmeer leased to Bakkersland) with bank debts.

[7] Calculated in accordance with the RD of 13th July 2014 relative to regulated property companies.

Montea complies with all covenants entered into with its financial institutions, based on which Montea may not have a debt ratio in excess of 60%.

- The **net asset value** excluding IAS 39 at 30/9/2016 was € 26.32 per share. If the net negative variation in the fair value of the hedging instruments (IAS 39) is excluded, the net asset value would be € 23.28 per share.

Based on the closing price on 30/09/2016 (€ 47.13), Montea shares were trading at 79% above the value of the net asset per share (excluding IAS 39).

5. Significant events after 30/09/2016

24th October 2016 – The municipality of Tholen and Montea signed a covenant for the future development of the "Welgelegen" business park (NL)

On 24th October 2016, alderman Frank Hommel and Hylcke Okkinga, director Montea Netherlands, signed a covenant for 100,000 m² of land at the "Welgelegen" business park in Tholen. Once it is leased, Montea will construct a built-to-suit distribution centre. Montea will implement this project with Sprangers Bouwbedrijf as main contractor.

The municipality, Montea, Rewin and Invest in Zeeland will together handle the marketing of the land. Montea has a purchase option on the land and will develop a construction plan on the land. After examining the require image quality and obtaining an environmental permit, Montea will seek a user for the distribution centre and be responsible for its development with Sprangers Bouwbedrijf.

New tenant and 100% occupancy rate at the Erembodegem site (BE)

At the end of October 2016, Kris De Leeneer BVBA and Montea signed a new lease for 3,017 m² of warehousing, 70 m² of office space and a mezzanine area of 429 m². As a result of this transaction, the multi-tenant site is now fully leased. Kris De Leeneer BVBA will lease the unit from January 2017, based on a 9-year lease with an initial break option after year 3. The annual rent for the premises is € 128,826.

08 November 2016 - Montea leases approx. 14,000 m² to Scotch & Soda B.V. - 100% occupancy rate for the site Aalsmeer (NL)

Montea purchased 60,000 m² of land from Greenpark Aalsmeer (Schiphol Area Development Company). This new industrial development is aimed in particular at increasing the provision of logistics services in the vicinity of Amsterdam and Schiphol.

Since acquiring the site, Montea has already developed a large building of 40,000 m², of which 30,000 m² has been leased in advance to Bakkersland. The remaining 10,000 m² of high-quality logistics space has now been leased to Scotch & Soda, an internationally known fashion brand. The new lease has been signed for a term of 9 years (first break option after 5 years) and consists of 8,171 m² of warehousing, 487 m² of office space and a mezzanine area of 1,341 m². Montea will build an additional mezzanine of 4,143 m² at the request of Scotch & Soda.

Scotch & Soda will start operations at the complex during the first quarter of 2017. The site will be used to accommodate the company's logistics activities which have increased due to the worldwide expansion and success of the brand. This new lease means that Montea – exactly as planned – has now fully leased the entire complex of more than 40,000 m².

Industrial Real Estate Partners and DTZ Zadelhoff jointly advised Montea on the lease. The transaction was brokered by Van Gool ♦ Elburg Vastgoedspecialisten B.V on behalf of Scotch & Soda B.V.

6. Outlook

- Investment pipeline

  In the current climate of yield compression and taking account of the carefully considered investment policy conducted by Montea, increasing focus is given to built-to-suit projects in our investment portfolio. These projects have a longer turnaround time than pure acquisitions.

  We expect the property portfolio to grow to € 600 million before the end of the financial year.

- Occupancy rate and lease terms

  At 30th September 2016, the occupancy rate was 97.3%. The most significant vacancies are at the sites in Milmort in Belgium and at Savigny-le-Temple in France. Montea expects to see 2016 end with an occupancy rate in excess of 95%. The average lease term until the initial break option (including the lease signed for the project development at Aalsmeer with Bakkersland) is 7.3 years. Based on growth already announced, Montea expects to maintain the average term of its leases at more than 7 years by the end of the financial year.

- Operating margin

  The operating margin rose to an average of 90.6% over the first three quarters of 2016. Montea expects to be able to keep the operating margin above 88% for the full year in 2016.

- Financial cost

  At 30/09/2016, op based on the debt burden at that date, the financial cost was 3.02%. This is in line with the target for keeping recurrent financial costs under 3.5%. The cost of the hedging instruments (Montea aims to hedge 80% of its debt) is included in this percentage.

- Financing strategy

  Taking the debt ratio restriction of 60% into account, Montea still has an investment capacity of € 46.9 million. Montea makes every effort to conduct a diversified financing policy. As such, the aim is to match the term of our financing commitments (currently an average of 5.6 years) with the term of our leases (currently an average of 7.3 years). Montea analysed its debt position again in June and July 2016 and refinanced its debts prior to the maturity date of a number of credit lines on lower terms, in line with market conditions.

- Net operating result

  Based on the result for the first 9 months of € 19.8 million, the forthcoming net income from recently purchased and yet-to-be purchased projects and the leasing of current vacancies, Montea is on course to achieve a net operating result per share of € 2.40 per share, which is an increase of 5% compared with 2015.

7. Financial calendar

- 21/02/2017 Annual results at 31/12/2016
- 16/05/2017 General Meeting of Shareholders
- 16/05/2017 Interim statement – results at 31/03/2017
- 08/08/2017 Half-yearly financial report – results at 30/06/2017
- 07/11/2017 Interim statement – results at 30/09/2017

This information is also available at our website: www.montea.com.

ABOUT MONTEA "SPACE FOR GROWTH"

Montea Comm. VA is a public property investment company (PPIC – SIIC) under Belgian law, specialising in logistical property in the Benelux and France. The company is a leading player on this market. Montea literally offers its customers room to grow by providing versatile, innovative property solutions. This enables Montea to create value for its shareholders. On 8/05/2015 Montea was the first Belgian real estate investor to receive on 8th May 2015 the Lean & Green Star in recognition for showing that CO2 emissions have been effectively reduced by 26% in the Belgian portfolio. As at 30/09/2016, Montea's portfolio of property represented total floor space of 837,530 m² spread across 48 locations. Montea Comm. VA has been listed on NYSE Euronext Brussels (MONT) and Paris (MONTP) since 2006.

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FOR MORE INFORMATION

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