SPACE FOR GROWTH

MONTEA SPACE FOR GROWTH

REGULATED INFORMATION – STATUTORY MANAGER'S INTERIM STATEMENT
FOR THE PERIOD FROM 01/01/2017 TO 30/06/2017
EMBARGO UNTIL 08/08/2017 – 08:45 AM

HALF-YEARLY FINANCIAL REPORT FROM 01/01/2017 TO 30/06/2017

➔ **EPRA EARNINGS OF €13 MILLION IN H1 2017 CONSISTING OF:**
  - EARNINGS ON A RECURRENT BASIS OF €10.8 MILLION
  - A ONCE-OFF SEVERANCE COMPENSATION OF € 1.3 MILLION RECEIVED FROM SAS AUTOMOTIVE
  - A ONCE-OFF FEE OF €0.9 MILLION LINKED TO THE DELIVERY OF THE BUILDING LEASED TO DHL AVIATION NV

➔ **EPRA EARNINGS PER SHARE OF €1.31 PER SHARE IN H1 2017**

➔ **OPERATING MARGIN AMOUNTS EXCEPTIONALLY TO 95.9% IN H1 2017 OR 90.9% WITHOUT THE AFOREMENTIONED ONCE-OFF COMPENSATIONS**

➔ **OCCUPANCY RATE OF 95.8% AT THE END OF Q2 2017**

➔ **AVERAGE TERM OF LEASES ON FIRST EXPIRY DATE OF 7.8 YEARS**

➔ **INCREASE OF THE FAIR VALUE OF THE PROPERTY PORTFOLIO BY 11% TO €617 MILLION COMPARED WITH €552 MILLION AT THE END OF 2016**

➔ **DEBT RATIO OF 56.9 % AT THE END OF Q2 2017 – AVERAGE TERM OF LOANS OF 5.3 YEARS – AVERAGE TERM OF INTEREST RATE HEDGING OF 7.2 YEARS**

➔ **PROSPECTS FOR 2017**
  - PROPERTY PORTFOLIO GROWS TO €650 MILLION
  - OCCUPANCY RATE ABOVE 95% - TERM OF LEASE REMAINS ABOVE 7 YEARS
  - OPERATING MARGIN OF 89% ON AN ANNUAL BASIS
  - EPRA EARNINGS 2017 INCREASE TO € 26 MILLION

Summary

- Montea's EPRA earnings[1] for the first 6 months of 2017 amount to €13 million, slightly down from the EPRA earnings for the same period in 2016 (€ 13.7 million), due mainly to a drop in the net rental income from €20.9 million at the end of Q2 2016 to €20.0 million at the end of Q2 2017, or €0.9 million as a result of a higher severance compensation received from Neovia Logistics in 2016 (€2.3 million) compared with the once-off severance compensation received from SAS Automotive in Q1 2017 as a result of the closing (€1.3 million). The loss of rent as a result of the 2 French properties at the end of 2016 and the third French property in March 2017 is offset by the rental income generated from investments made later in 2016 and the beginning of 2017. The EPRA earnings per share[2] dropped to €1.31 for H1 2017 compared to €1.45 for H1 2016.

- The fair value of the property portfolio increased by €64.9 million (11.0 %) to €617.2 million at the end of Q2 2017 compared with €552.3 million at the end of 2016. The fair value of the Belgian, French and Dutch property portfolio amounted to €326.9 million, €94.0 million and €196.3 million respectively.

  The growth in the fair value in Belgium is due chiefly to the acquisition of the Willebroek site (let to Metro Group) in Q1, the delivery of the Brucargo site, let to Saco, the purchase of the Brucargo site let to DHL Aviation and the development of the project for Mainfreight in Genk in Q2. The fair value of the existing portfolio remained stable as a whole.
  In France, the fair value of the property portfolio dropped after the sale of the third and last building (situated in Savigny-le-Temple and let to Le Piston Français) in Q1; partially offset by the acquisition of the Alfortville site (let to Brardt), the launch of the development of the buildings located in Camphin (let to DSM and GBS) in Q2, and the positive impact of an increase of the fair value of the existing portfolio.
  The increase in the real value of the property portfolio in the Netherlands is due mainly to the development of the project in Aalsmeer, let to Scotch & Soda in Q1, the launch of the enlargement project in Waddinxveen let to Delta Wines, and the acquisition of the Brakman site in Tilburg, let to NSK in Q2.

In accordance with the guidelines recently adopted by the European Securities and Markets Authority (ESMA), the Alternative Performance Measures (APM) used henceforth by Montea are indicated with an asterisk (*) the first time they are mentioned in this press release, and then defined in a footnote. The reader is thereby apprised of the definition of an APM. The performance measures stipulated by IFRS rules or by law as well as the measures which are not based on the headings of the balance sheet or the income statement are not considered as APMs.

The detailed calculation of the EPRA performance measures and of other APMs that are used by Montea, are indicated in Chapter 1.8 and 1.9 of this press release.

[1] Corresponds to the former name "Net Current Earnings." The description of Net Current Result was changed upon the entry into force of the European Securities and Market Authority (ESMA) guidelines on Alternative Performance Measures to core net earnings, i.e. the EPRA earnings. The use of the term 'current' is forbidden for the time being. The name was consequently changed to "core net earnings" and corresponds to the EPRA earnings as stipulated in the 'Best Practice Recommendations' of the European Public Real Estate Association (EPRA).

[2] The EPRA earnings per share refer to earnings based on the weighted average number of shares, which does not correspond to the former heading "net current earnings per share," since Montea has always used the number of shares entitled to dividends as a basis.

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1.1 Key figures

		BE	FR	NL	30/06/2017 3 months	31/12/2016 RESTATED (0) 12 months	30/06/2016 RESTATED (0) 3 months
Real estate portfolio							
Real estate portfolio - Buildings (1)							
Number of sites		**26**	**14**	**11**	**51**	**47**	**49**
Surface of the real estate portfolio							
Logistics and semi-industrial warehouses	sqm	473.848	118.135	220.137	812.120	715.310	782.893
Offices	sqm	42.988	13.181	19.371	75.539	67.668	69.345
Total surface	**sqm**	**516.836**	**131.316**	**239.507**	**887.659**	**782.978**	**852.238**
Development potential	sqm	136.385	53.000	12.000	201.385	230.344	230.344
Value of the real estate portfolio							
Fair value (2)	K€	311.708	89.989	196.297	597.994	532.063	549.540
Investment value (3)	K€	319.501	96.412	210.037	625.950	558.167	575.678
Occupancy Rate	**%**	**92,8%**	**100,0%**	**100,0%**	**95,8%**	**98,1%**	**97,0%**
Real estate portfolio - Solar panels							
Fair value	K€	9.742	0	0	9.742	9.978	10.210
Real estate portfolio - Projects under construction							
Fair value (2)	K€	5.476	4.012	0	9.488	10.281	18.969
Consolidated results							
Results							
Net rental result	K€				20.039	40.518	20.871
Operating result before the porfolio result	K€				19.224	36.304	18.661
Operating margin (5)*	%				95,9%	89,6%	89,4%
Financial result (excl. Variations in fair value of the financial instruments) (6)*	K€				-5.441	-11.780	-4.833
EPRA result (7)*	**K€**				**13.000**	**24.018**	**13.711**
Weighted average number of shares					9.951.884	9.722.190	9.488.689
EPRA result per share (8)*	**€**				**1,31**	**2,47**	**1,45**
Result on the portfolio (9)	K€				-3.167	8.801	83
Variations in fair value of the financial instruments (10)	K€				4.847	-616	-6.087
Net result (IFRS)	**K€**				**14.680**	**32.204**	**7.714**
Net result per share	**€**				**1,48**	**3,31**	**0,81**
Consolidated balance sheet							
IFRS NAV (excl. minority participations) (11)	**K€**				**247.314**	**251.846**	**225.629**
EPRA NAV (12)*	**K€**				**267.271**	**276.651**	**282.122**
Debts and liabilities for calculation of debt ratio	K€				368.349	307.164	342.570
Balance sheet total	**K€**				**647.170**	**594.759**	**609.297**
Debt ratio (13)	**%**				**56,9%**	**51,6%**	**56,2%**
IFRS NAV per share	**€**				**24,85**	**25,31**	**22,67**
EPRA NAV per share (14)*	**€**				**26,86**	**27,80**	**25,71**
EPRA NNAV per share (15)*	**€**				**25,46**	**25,97**	**25,95**
Share price (16)	**€**				**48,90**	**46,37**	**44,40**
Premium	**%**				**96,8%**	**83,2%**	**95,8%**

(0) Cf. Section 1.4.5 Change of valuation rule and Annex 11. The grey cells were adjusted as a result of the change in the valuation rules. The equity was not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.
(1) Inclusive of real estate intended for sale.
(2) Accounting value according to the IAS/IFRS rules, exclusive of real estate intended for own use.
(3) Value of the portfolio without deduction of transfer costs.
(4) The occupancy rate is based on the number of m². In calculating this occupancy rate, the non-leasable m² intended for (re)development in the land bank have not been included in either the denominator or the numerator.
(5) * The operating margin is obtained by dividing the operating result before the earnings from the property portfolio by the net rental earnings. Cf. Section 5.
(6) * Financial result (exclusive of variations in the fair value of the financial instruments): this is the financial result according to the Royal Decree of 13 July 2014 on the regulated real estate companies exclusive of the variation in the fair value of the financial instruments, and reflects the actual financing cost of the company. Cf. Section 5.
(7) * EPRA earnings concern the underlying earnings from the core activities and indicate the degree to which the current dividend payments are supported by the profit. These earnings are calculated as the net earnings (IFRS) exclusive of the earnings from the portfolio and the variations in the fair value of financial instruments. Cf. www.epra.com and Section 4.
(2) (8) * EPRA earnings per share concern the EPRA earnings on the basis of the weighted average number of shares. Cf. www.epra.com and Section 4.

The EPRA earnings per share concern the EPRA earnings on the basis of the weighted average number of shares, which does not correspond to the previous heading "Net current earnings per share," because Montea always uses the number of shares entitled to dividend as a basis. Accordingly, the EPRA earnings per share changed from € 1.38 to € 1.45 for 30/06/2016.

(9) * Result on the portfolio: this concerns the negative and/or positive variations in the fair value of the property portfolio, plus any capital gains or losses from the construction of real estate. Cf. Section 5.
(10) Variations in the fair value of hedging instruments: this concerns the negative and/or positive variations in the fair value of the interest hedging instruments according to IAS 39.
(11) IFRS NAV: Net Asset Value for profit distribution for the current financial year in accordance with the IFRS balance sheet. The IFRS NAV per share is calculated by dividing the equity capital by the number of shares entitled to dividends on the balance sheet date.
(12) * EPRA NAV: The EPRA NAV is the NAV that was adjusted so as to comprise also property and other investments and their fair value, which excludes certain items which are not expected to assume a fixed form in a business model with property investments in the long term. Cf. www.epra.com and Section 4.
(13) Debt ratio according to the Royal Decree of 13 July 2014 on regulated real estate companies.
(14) * EPRA NAV per share: The EPRA NAV per share concerns the EPRA NAV on the basis of the number of shares entitled to dividends on the balance sheet date. Cf. www.epra.com and Section 4.
(15) * EPRA NNNAV: This is the EPRA NAV that was adjusted so as to comprise also the fair value of financial instruments, debts and deferred taxes. The EPRA NNNAV per share concerns the EPRA NNNAV on the basis of the number of shares entitled to dividends on the balance sheet date. Cf. also www.epra.com and Section 4.
(16) Share price at the end of the period.

1.2 Significant events and transactions during the first half year of 2017 in Belgium, France and the Netherlands

1.2.1 EPRA earnings amounted to €13.0 million, slightly down from the figure during the same period the previous year, which amounted to €13.7 million

Montea's EPRA earnings for the first 6 months of 2017 amounted to €13.0 million and were slightly down from the EPRA earnings for Q2 2016 which amounted to 13.7 million. The most important changes are:

- A drop of the net rental income from € 20.9 million at the end of Q2 2016 to €20.0 million at the end of Q2 2017 or €0.9 million as a result of a higher severance compensation received from Neovia Logistics in 2016 (€2.3 million) compared with the once-off severance compensation from SAS Automotive in Q1 2017 as a result of the closure (€ 1.3 million).
  The loss of rent resulting from the sale of 2 French buildings in 2016 and the third French building in March 2017 is offset by the rental income received from investments made later in 2016 and the beginning of 2017.
- The drop in the net rental income is more than offset, mainly by the once-off fee received in April 2017 for the delivery of the building in Brucargo developed for DHL Aviation NV (€0.9 million), the repayment for the extra works financed by Montea for the same tenant (€0.2 million), extra income from solar panels (€0.3 million) and other income such as compensation and fees received from tenants during the construction phase (€ 0.5 million) which led to an increase in the property result of €1.0 million (from € 21.0 million at the end of Q2 2016 to € 22.0 million at the end of Q2 2017).
- The property costs and overheads rose by €0.2 million and €0.3 million respectively as a result of the growth of the portfolio which led to an increase in the operating property result before the result on the property portfolio of €0.6 million (from €18.6 million at the end of Q2 2016 to €19.2 million at the end of Q2 2017).
- A higher negative financial result exclusive of the changes in the fair value of the hedging instruments of €0.6 million (€5.4 million during the first 6 months of 2017 compared with €4.8 million during the same period the previous year) as a result of a higher hedge ratio in 2017 (93.5% at the end of Q2 2017) compared with 2016 (73% at the end of Q2 2016) whereby the EPRA earnings before taxes remained stable (€13.8 million).
- More taxes paid or to be paid for the period Q2 2017 (€0.8 million) compared with the same period in 2016 (€0.1 million) mainly as a result of the exit tax paid which was more than originally foreseen. The EPRA earnings dropped by €0.7 million as a result (from € 13.7 million at the end of Q2 2016 to € 13.0 million at the end of Q2 2017).

The increase in the operating margin from 89.4% for the first 6 months of 2016 to 95.9% for the same period for 2017 is chiefly the result of the once-off fee received for the delivery of the building in Brucargo developed for DHL Aviation NV (€ 0.9 million). The operating margin for the first half of 2017 would have amounted to 90.9% without the once-off fees.

The EPRA earnings per share (€ 1.31) dropped for the first half of 2017 compared with the EPRA earnings per share (€ 1.45) for the first half of 2016.

1.2.2 Investment activity during the first half of 2017

- **30/03/2017 - Montea acquires ca 14,000 m²of logistics floor space at MG Park De Hulst in Willebroek (BE), let to Metro Cash & Carry Belgium NV (Metro group)** [3]

In December 2013, Montea concluded a partnership agreement with MG Real Estate for the development of the sustainable logistics "MG Park De Hulst" in Willebroek, with 150,000 m² of logistics floor space in all to be developed. Today, Montea is once again adding a premium distribution centre to its portfolio at MG Park De Hulst. The site covers ca. 20,900 m² and comprises 13,100 m² of storage space, 1,000 m² of office space, and 45 parking places. The building is equipped with refrigeration and freezing and deep-freeze units (-27°C), a sprinkler system and 12 loading docks, and will constitute the operational base for the logistical service of various horeca customers of Metro Cash & Carry Belgium.

Montea «Space for Growth» -Site Willebroek (BE)

This operation represents a total investment value of €8.8 million (in line with the fair value determined by the property expert) and will generate a gross initial yield of ca. 7.1%.

In 2014 Montea had already developed a customised 3,500 m² distribution centre for Metro in Vorst (BE). Metro signed a lease for that facility with a fixed term of 27 years.

A lease has been concluded for the site in Willebroek with a fixed term of 10 years. Metro Cash & Carry Belgium is part of the international Metro group, which is active in 35 countries and one of the largest international retailers (www.metro.be - www.metrogroup.de).

[3] For more information, please see our press release of 30/03/2017 or www.montea.com.

- **10/04/2017 - Acquisiton build-to-suit project of 36,500 m² for DHL – Investment value of € 30.5 million**[4]

On 12/02/2015, MG Real Estate and Montea signed a partnership agreement with the Brussels Airport Company for the development of a new international hub for DHL Aviation NV of no fewer than 31,500 m² of warehouse and 5,000 m² of office floor space. The building was planned directly at the entrance of Brucargo, the logistics hotspot of Brussels Airport for cargo handling.

DHL, the world leader in transport and logistics and "the logistics company for the world," will rent this extremely strategic building for its worldwide network for a fixed period of 15 years. The new hub will replace the current outdated building and will quadruple the existing capacity, from 12,000 to 39,000 shipments per hour, thanks to the advanced automation of the sorting techniques used.

Montea has once again concluded a long term superficies agreement with the Brussels Airport Company. This transaction represents a total investment value of € 30.5 million and will generate a gross initial yield of ca. 7.3%.

- **10/04/2017 - Delivery of build-to-suit project of approx. 5,000 m² for SACO Groupair – Investment value of € 3.6 million**[5]

In June 2016 SACO Groupair signed an agreement to work with Montea on the construction and lease of a new state-of-the-art airfreight building with adjoining offices at Brucargo. The Cordeel group was responsible for the development of this new complex, which is made up of approx. 4,200 m² of warehousing and some 800 m² of office space.

SACO Groupair is a well-established forwarder. Its head office is in Hamburg and the company, which has already been operating for some years at Brucargo (www.sacogroupair.com), has signed a lease agreement with a fixed term of nine years. In total, the site will employ around 35 people and will enable the group to grow rapidly.

This transaction represents a total investment value of € 3.6 million and will generate a gross initial yield of approximately 7.8%.

[4] For more information, cf. press release of 12/02/2015 or www.montea.com.
[5] For more information, cf. press release of 28/06/2016 or www.montea.com.

Montea «Space for Growth» -Site Saco Groupair (BE)

Airports have developed into the most important growth drivers for the economies of the 21st century.

The new build projects mentioned above are part of The Brussels Airport Company's "2040" growth plan aimed at increasing the efficiency of the logistics chain on the airport by accommodating future growth and replacing old buildings with a modern, energy-efficient infrastructure.

Steven Polmans, Head of Cargo & Logistics: "*Today, Brussels Airport is already Belgium's number two economic engine and its importance in the economy will only grow further. Airports will emerge as the most important economic driver more than ever before in the 21st century, and will attract companies and services directly and indirectly. Cargo and logistics constitute an important pillar in our 2040 strategy, so the modernisation operation launched at Brucargo a few years ago will only pick up team. These two developments are fine examples of how we can develop Brucargo further together with our customers and partners. Our ultimate goal is to turn Brucargo into the most efficient and smart logistics zone of Europe".*

- **30/05/2017 - Sale & Lease back of an industrial building of ca. 1,500 m² in the Paris region – Investment value: € 1.93 million**[6]

Montea is investing in an industrial building in Alfortville of ca 1,500 m² with a strategic location at the foot of the A86 motorway (Pompadour) just a few minutes of the western (A4) and southern (A6) motorway. The building comprises ca. 1,100 m² of storage space and 400 m² office space and mezzanines.

This investment is in the framework of the extension of the existing portfolio in the Paris region, where Montea has invested € 29.7 million by purchasing 6 completed rented industrial buildings near Paris Charles De Gaulle airport and the Paris Region.[7]

[6] For more information, cf. press release of 30/05/2017 or www.montea.com.
[7] For more information, cf. press release of 30/09/2008 or www.montea.com.

A lease agreement has been concluded with Brard, a woodworking company (www.brard-entreprise.fr) for a term of 9 years (first break after 6 years).

Montea «Space for Growth» - site Alfortville FR)

This transaction represents a total investment value of € 1.93 million. It will generate an additional rent of € 0.16 million per year.

- **Handover of Build-to-Suit project of approx. 21,100 m² for NSK European distribution centre at Tilburg (NL)** [8]

In June 2016 Montea started, in cooperation with Built to Build, with the development of a distribution centre for NSK in the logistics zone Vossenberg West, at Tilburg.

Montea «Space for Growth» - site NSK – Tilburg (NL)

One month earlier than the predetermined timing, the state-of-the-art logistics distribution center was delivered today, consisting of 17,300 m² of storage space, 1,900 m² of offices and 1,900 m² of mezzanine. The building will be rented for a fixed period of 10 years, the initial rent is € 1 million per year.

This transaction represents a total investment value of € 15.4 million (in line with the investment value determined by the real estate expert), is financed by proper capital and will generate an initial gross yield of approx. 6.50%.

[8] For more information, cf. press release of 01/06/2017 or www.montea.com.

1.2.3 Development activity during the first half of 2016

- **13/03/2017 - Wayland Real Estate and Montea sign agreement for the future development of "LogistiekPark A12" in Waddinxveen**[9]

Wayland Real Estate and Montea have signed an agreement for the development of "LogistiekPark A12", a 206,000 m² plot, on which a logistics project exceeding 130,000 m² can be developed. Wayland Real Estate and Montea are currently finalising the master plan which will be unveiled within a foreseenable time. This cooperation had come into being under guidance and support of XO Property Partners.

Photo: Artist impression "LogistiekPark A12" Waddinxveen (NL)

The LogistiekPark A12 project is part of the Glasparel+ development

The plot of land is situated in Zuidplaspolder, in the Rotterdam, Gouda and Zoetermeer triangle and is connected directly tot the The Hague – Utrecht A12 motorway and indirectly to the A20. LogistiekPark A12 is a modern logistics industrial estate where the sustainable possibilities of today are taken into account on a large scale.

- **30/05/2017 – Launch of a build-to-suit project of ca. 18,000 m² in Camphin-en-Carembault (FR)** [10]

In December 2014, Montea and Panafrance concluded a partnership agreement for the development of a logistics platform on 103,000 m² in Camphin-en-Carembault[11]. The land has a unique location to the south of Lille on the A1 motorway in the heart of the Lille-Paris-Lyon logistics triangle. Two distribution centres of 18,000 m² and 24,000 m² (with a total of 42,000 m²) can be developed on the land.

In the meantime, for phase 1 of the project, Montea will develop a distribution centre of ca. 18,000 m², that can be divided into 3 units. DSM Food Specialties France SAS will rent 12,000 m² (2 of the 3 units) for a fixed period of 9 years. DSM Food Specialties (DSM Group) is specialised in the production and export of enzymes for the food industry (www.dsm.com).

Montea «Space for Growth» - site Camphin-en-Carembault FR)

[9] For more information, cf. press release of 30/03/2017 or www.montea.com.
[10] For more information, cf. press release of 30/05/2017 or www.montea.com.
[11] For more information, cf. press release of 03/12/2014 or www.montea.com.

The development will be operational in the first quarter of 2018. The transaction represents a total investment value of € 11.2 million. Upon letting the third unit, which Montea expects to conclude before the building is delivered in the beginning of 2018, this distribution centre will generate an additional rent of € 740,440.

For the development of the second building (24,000 m²) we refer to the section events after 30/06/2017.

31/05/2017 – First pile of ultramodern distribution centre for Carglass® Western Europe driven in[12]

Carglass® and Montea inaugurated the start of the works on their ultramodern, multi-modal distribution centre in Bilzen in festive style today and drove in the symbolic first pile of the new building, which will play host to more than 225 workers in the year to come. The first pile was driven in by mayor Frieda Brepoels (N-VA), in

the presence of Richard Tyler (Belron), Guido De Paepe (Carglass), Jo De Wolf (Montea) and children of Carglass employees as a symbol of the future-oriented nature of this project. All logistics and distribution activities, which are now spread over four locations in Hasselt and Genk, will be centralised in the brand new and extremely sustainable site.

Ultramodern distribution centre in Bilzen

Montea develops and finances the entire project, which will consist of 41,932 m² of storage space and 2,874 m² of office space. In less than a year, the new construction will be finalized and the first vehicle glasses will be in stock. Carglass® will employ some 225 people there and has announced that it will recruit extra personnel in the near future. The transaction represents a total investment amount of app. € 25 million and will be delivered in Q3 2018.

[12] For more information, cf. press release of 31/05/2017 or www.montea.com.

1.2.4 Divestment activity during the first half of 2017

➢ **30/03/2017 - Finalisation of the sale of the Savigny-le-Temple site (FR) to Patrizia Logistik Invest Europa I**

On 10/1/2017 Montea announced the sale of 3 assets from its current portfolio in France, for a total sale value of €60,394,000. The sale of the properties in St Cyr en Val and in Tilloy-lez-Cambrai went through on 29/12/2016. The sale of the property in Savigny-le-Temple was finalised only on 30/03/2017, after the completion of a number of refurbishment works for the current tenant.

1.2.5 Lease activity during the first half of 2017

The following new lease agreements were signed in the first half of 2017.

➢ **Signature of long-term lease agreement with LabCorp - 100% occupancy for the site Mechelen (BE)**

LabCorp BVBA and Montea signed a new lease agreement for the lease of 5,750 m² of storage space and 570 m² of office space. The multi-tenant site is fully leased with this transaction. LabCorp BVBA, (www.labcorp.com) takes unit 2 from February 2017, based on a lease agreement with a fixed term of 9 years. The annual rent for the unit amounts € 257,000.

➢ **08/05/2017 – New tenant for the Site in Ghent, Hulsdonk (BE)**

In October 2016, it was announced that SAS AUTOMOTIVE BELGIUM NV, former supplier of Volvo, was forced to close. It will therefore terminate the lease early, i.e. on 31 January 2017. The rent payable for the remaining term of the lease is covered by a one-off severance pay.

In the meantime, Montea has started to market the site and has signed a lease with Bleckmann België NV for a fixed rental period of 5 months, until October 2017. The building consists of 11,910 m² of storage space and 1,012 m² of office space, and will be used as storage space for clothing and accessories. The rent amounts to €26,500 per month.

1.2.6 Other events during the first half of 2017

- **13/03/2017 - Nomination of Jan van der Geest as Development Manager for Montea Nederland**

With the appointment of Jan van der Geest as Development Manager Montea wants to strengthen its presence in the Netherlands. Jan will be responsible for the future development of LogistiekPark A12 in Waddinxveen. Because of his long-standing affinity with the industrial market in the Netherlands, Jan van der Geest has the necessary experience to follow the new projects Montea in Netherlands. Jan van der Geest worked since 2006 for Heembouw, a developing construction company, where he worked as a commercial manager since 2011.

1.3 Value and composition of investment properties on 30/06/2017

- **The fair value of the total property assets amounted to €617.2 million, made up of the value of the property portfolio – buildings (€598.0 million) and current developments (€9.5 million), and by the value of the solar panels (€ 9.7 million)**

MONTEA SPACE FOR GROWTH	Total 30/06/2017	Belgium	France	The Netherlands	Total 31/12/2016	Total 30/06/2016
Real estate portfolio - Buildings (0)						
Number of sites	**51**	26	14	11	**47**	**49**
Warehouse space (sqm)	**812.120**	473.848	118.135	220.137	**715.310**	**782.893**
Office space (sqm)	**75.539**	42.988	13.181	19.371	**67.668**	**69.345**
Total space (sqm)	**887.659**	516.836	131.316	239.507	**782.978**	**852.238**
Development potential (sqm)	**201.385**	136.385	53.000	12.000	**230.344**	**230.344**
Fair value (K EUR)	**597.994**	311.708	89.989	196.297	**532.063**	**549.540**
Investment value (K EUR)	**625.950**	319.501	96.412	210.037	**558.167**	**575.678**
Annual contractual rents (K EUR)	**42.827**	22.510	7.085	13.233	**38.929**	**40.942**
Gross yield (%)	**7,16%**	7,22%	7,87%	6,74%	**7,32%**	**7,45%**
Gross yield on 100% occupancy (%)	**7,52%**	7,92%	7,87%	6,74%	**7,43%**	**7,62%**
Un-let property (m²) (1)	**50.527**	50.527	0	0	**15.274**	**20.981**
Rental value of un-let property (K EUR) (2)	**2.172**	2.172	0	0	**619**	**939**
Occupancy rate	**95,8%**	92,8%	100,0%	100,0%	**98,1%**	**97,0%**
Real estate portfolio - Solar panels (3)						
Fair value (K EUR)	**9.742**	9.742	0	0	**9.978**	**10.210**
Real estate portfolio - Developments (4)						
Fair value (K EUR)	**9.488**	5.476	4.012	0	**10.281**	**18.969**

(0) Inclusive of the buildings held for sale.
(1) Inclusive of the floor space for projects under renovation, exclusive of the floor space for projects under construction
(2) Inclusive of the estimated rental value of projects under renovation, exclusive of the estimated rental value of projects under construction.
(3) The fair value of the investment in solar panels is entered under heading "D" of the fixed assets in the balance sheet.
(4) The fair value of the project developments is entered in heading "C" of the fixed assets in the balance sheet.

The fair value of the property portfolio increased by €64.9 million (11.0 %) to €617.2 million at the end of Q2 2017 compared with €552.3 million at the end of 2016. The fair value of the Belgian, French and Dutch property portfolio amounted to €326.9 million, €94.0 million and €196.3 million respectively.

The growth in the fair value in Belgium is due chiefly to the acquisition of the Willebroek site (let to Metro Group) in Q1, the delivery of the Brucargo site, let to Saco, the purchase of the Brucargo site let to DHL Aviation and the development of the project for Mainfreight in Genk in Q2. The fair value of the existing portfolio remained stable as a whole.

In France, the fair value of the property portfolio dropped after the sale of the third and last building (situated in Savigny-le-Temple and let to Le Piston Français) in Q1; partially offset by the acquisition of the Alfortville site (let to Brardt), the launch of the development of the buildings located in Camphin (let to DSM and GBS) in Q2, and the positive impact of an increase in the fair value of the existing portfolio.

The increase in the real value of the property portfolio in the Netherlands is due mainly to the development of the project in Aalsmeer, let to Scotch & Soda in Q1, the launch of the enlargement project in Waddinxveen let to Delta Wines, and the acquisition of the Brakman site in Tilburg, let to NSK in Q2.

- ✓ The **total floor space** of the property portfolio for buildings amounts to 887,659 m², spread over 26 sites in Belgium, 14 in France and 11 in the Netherlands. The 13% increase (compared with 782,978 m² on 31 December 2016) is chiefly due to the acquisition of the Brucargo site, let to DHL Aviation, the purchase of the Willebroek site, let to Metro, the development of the Brucargo site, let to Saco, the acquisition of the Alfortville site, let to Brardt, the launch of the enlargement project, let to Delta wines, and the Brakman project in Tilburg, let to NSK.

- ✓ Montea also has a total land bank of 201,385 m² of **development potential** on existing sites.

- ✓ The **gross return on real estate** on the total property investments in buildings amounts to 7.52% on the basis of a fully rented portfolio, compared with 7.43% on 31/12/2016.

- ✓ The **contractual annual rental income** (exclusive of rent guarantees) amounts to €42.8 million, up 10% compared with 31/12/2016, mainly attributable to the rental of newly acquired and delivered sites.

- ✓ The **occupancy rate** amounts to 95.8%.[13] The vacancy concerns the building in Willebroek for which severance compensation was received in 2016 from Neovia Logistics and the building in Puurs formerly let to H&M. The building that was let to SAS Automotive, for which once-off severance compensation was received, has in the meantime been let to Bleckmann België NV.

[13] The occupancy rate is based on the number of m². In calculating his occupancy rate, the non-leasable m² intended for (re)development in the land bank have not been included in either the denominator or the numerator.

1.4 Summary of the condensed financial statements for the first half of the year closed on 30/06/2017[14]

1.4.1 Condensed consolidated (analytical) income statement for the period from 01/01/2017 to 30/06/2017

ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical	30/06/2017 6 months	31/12/2016 RESTATED (0) 12 months	30/06/2016 RESTATED (0) 6 months
CONSOLIDATED RESULTS			
NET RENTAL RESULT	**20.039**	**40.518**	**20.871**
PROPERTY RESULT	**22.024**	**41.258**	**21.008**
% compared to net rental result	**109,9%**	**101,8%**	**100,7%**
TOTAL PROPERTY CHARGES	**-668**	**-1.043**	**-459**
OPERATING PROPERTY RESULT	**21.356**	**40.215**	**20.549**
General corporate expenses	-2.060	-3.769	-1.881
Other operating income and expenses	-72	-142	-6
OPERATING RESULT BEFORE THE PORTFOLIO RESULT	**19.224**	**36.304**	**18.661**
% compared to net rental result	**95,9%**	**89,6%**	**89,4%**
FINANCIAL RESULT excl. Variations in fair value of the hedging instruments	**-5.441**	**-11.780**	**-4.833**
EPRA RESULT FOR TAXES	**13.783**	**24.524**	**13.828**
Taxes	-783	-506	-117
EPRA Earnings	**13.000**	**24.018**	**13.711**
per share (1)	**1,31**	**2,47**	**1,45**
Result on disposals of investment properties	769	8.131	0
Result on disposals of other non-financial assets	0	**0**	0
Changes in fair value of investment properties	-3.936	670	83
Other portfolio result	0	**0**	0
PORTFOLIO RESULT	**-3.167**	**8.801**	**83**
Changes in fair value of financial assets and liabilities	4.847	-616	-6.087
RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**4.847**	**-616**	**-6.087**
NET RESULT	**14.680**	**32.204**	**7.714**
per share	**1,48**	**3,31**	**0,81**

(0) Cf. Section 1.4.5 Change of valuation rule and Annex 11. The grey cells were adjusted as a result of the change in the valuation rules. The equity was not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

(1) The EPRA earnings per share concern the EPRA earnings on the basis of the weighted average number of shares, which does not correspond to the previous heading "Net current earnings per share," because Montea always uses the number of shares entitled to dividend as a basis. Accordingly, the EPRA earnings per share changed from € 1.38 to € 1.45 for 30/06/2016.

[14] The condensed financial statements have been subjected to a limited review by the auditor.

1.4.2 Notes on the consolidated profit-and-loss account (analytical) for the first half of the year closed on 30/06/2017

- **The net rental income amounted to €20.0 million, a drop of 4% compared with the previous year. The operating margin before the result on the property portfolio amounted to €19.2 million, an increase of 3% compared with the previous year**

The **net rental income** amounted to €20.0 million, a drop of € 0.9 million compared with the end of Q2 2016 owing to a higher severance compensation received from Neovia Logistics in 2016 (€2.3 million) compared with the once-off compensation received from SAS Automotive in Q1 2017 as a result of the closure (€1.3 million).
The loss of rent as a result of the sale of the 2 French buildings at the end of 2016 and the third French building in March 2017 was offset by the rental income obtained from investments made later in 2016 and in the beginning of 2017.

The drop in the net rental income is more than offset, mainly by the once-off fee received in April 2017 for the delivery of the building in Brucargo developed for DHL Aviation NV (€0.9 million), the repayment for the extra works financed by Montea for the same tenant (€0.2 million), extra income from solar panels (€0.3 million) and other income such as compensation and fees received from tenants during the construction phase (€ 0.5 million) which led to an **increase in the property result** of €1.0 million (from € 21.0 million at the end of Q2 2016 to € 22.0 million at the end of Q2 2017).

The property costs and overheads rose by €0.2 million and €0.3 million respectively as a result of the growth of the portfolio which led to an increase in the operating property result before the result on the property portfolio of €0.6 million (from €18.6 million at the end of Q2 2016 to €19.2 million at the end of Q2 2017).

- **The higher net negative financial result (exclusive of the valuation of the hedging instruments) amounted to €5.4 million, an increase of €0.6 million compared to the same period the previous year.**

A **higher negative financial result** exclusive of the changes in the fair value of the hedging instruments of €0.6 million (€5.4 million during the first 6 months of 2017 compared with €4.8 million during the same period the previous year), whereby the EPRA earnings before taxes remained stable (€13.8 million).

The average financing cost[15]* rose slightly from 3.0% for the first 6 months of 2016 to 3.3% for the first 6 months of 2017, as a result of the increase in hedging percentage (from 73% on 30/06/2016 to 93.5% on 30/06/2017).

More taxes paid or to be paid for the period Q2 2017 (€0.8 million) compared with the same period in 2016 (€0.1 million) resulted in a drop of the EPRA earnings at the end of Q2 2017 compared with the end of Q2 2016.

The **operating margin** amounted to 95.9%, compared with 89.4% during the same period the previous year. This increase is due mainly to the once-off fee received for the delivery of the building in Brucargo developed for DHL Aviation. The operating margin for the first half of 2017 would have amounted to 90.9% without the once-off fees.

[15] *The average financing cost pertains to the weighted average interest rate on an annual basis for the reporting period, taking account of the average outstanding debts and hedge instruments during that period.

- **EPRA earnings of €13.0 million**

The **EPRA earnings** amounted to €13.0 million for the first half of 2017, compared with €13.7 million for the same period last year.

- **EPRA earnings of €1.31 per share**

The **EPRA earnings per share** dropped from €1.45 per share for the first half of 2016 to €1.31 per share for the first half of 2017.

KEY RATIO'S	31/03/2017	31/12/2016	30/06/2016
Key ratio's (€)			
EPRA result per share (1)	1,31	2,47	1,45
Result on the portfolio per share (1)	-0,32	0,91	0,01
Variations in the fair value of financial instruments per share (1)	0,49	-0,06	-0,64
Net result (IFRS) per share (1)	1,48	3,31	0,81
EPRA result per share (2)	1,31	2,41	1,38
Proposed distribution			
Payment percentage (compared with EPRA result) (3)		87%	
Gross dividend per share		2,11	
Net dividend per share		1,48	
Weighted average number of shares	9.951.884	9.722.190	9.488.689
Number of shares outstanding at period end	9.951.884	9.951.884	9.951.884

- **Positive non-cash result of € 1.7 million determined by the earnings from the sale of the building in Savigny-le-Temple of €0.8 million, the positive change in the valuation of the hedging instruments of €4.8 million and the negative change in the valuation of the property portfolio of €3.9 million**

The positive movement in the hedging instruments of €4.8 million is the result of the expected rise in long-term interest rates.

The negative movement in the fair value of the property portfolio of €3.9 million is chiefly the result of the adjustment of the valuation rules concerning the transaction costs. Cf. Section 1.4.5.

- **Net result amounted to €14.7 million**

The **net result** on 30/06/2017 amounted to € 14.7 million (€ 1.48 per share) compared to €7.7 million (€0.81 per share) for the same period in 2016.

1.4.3 Condensed consolidated balance sheet on 30/06/2017

CONSOLIDATED BALANCE SHEET (EUR)	30/06/2017 Conso	31/12/2016 Conso	30/06/2016 Conso
NON-CURRENT ASSETS	**618.074.853**	**545.461.627**	**572.527.481**
CURRENT ASSETS	**29.094.948**	**49.297.472**	**36.769.402**
TOTAL ASSETS	**647.169.802**	**594.759.099**	**609.296.884**
SHAREHOLDERS' EQUITY	**247.432.678**	**251.964.960**	**225.747.706**
Shareholders' equity attributable to shareholders of the parent company	247.314.194	251.846.477	225.629.223
Minority interests	118.483	118.483	118.483
LIABILITIES	**399.737.124**	**342.794.139**	**383.549.178**
Non-current liabilities	360.705.179	310.381.242	350.576.176
Current liabilities	39.031.945	32.412.897	32.973.002
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**647.169.802**	**594.759.099**	**609.296.884**

1.4.4 Notes on the consolidated balance sheet on 30/06/2017

- On 30/06/2017, the **total assets** (€647.2 million) consisted mainly of investment property, developments and solar panels (95% of the total). The remaining assets consisted of intangible, other tangible and financial fixed assets and current assets, including cash investments, trading and tax receivables.

- The **total liabilities** consisted of equity capital of €247.4 million and total debt of €399.7 million.

  These total liabilities of € 399.7 million consist of:
  - Drawn down lines of credit: €240.2 million;
  - Drawn down bond loans: €109.3 million;
  - Outstanding leasing debt: €0.6 million;
  - Accumulated negative value of the hedging instruments: €20.0 million;
  - Trade debts, other debts and accruals: €29.6 million.

  ↳ Montea currently has contracted lines of credit with six financial institutions for a total amount of €255 million, of which €241.7 million has been drawn down. All credit lines maturing in 2017 have been refinanced. Credit lines amounting to €26.7 million will mature in 2018.

- The **debt ratio**[16] amounted to 56.9%. The increase in the debt ratio is mainly attributable to further debt financing for the growth of the portfolio.

  ↳ Montea also complies with all covenants in terms of the debt ratio that it has agreed with its financial institutions and bond holders, pursuant to which Montea's debt ratio may not exceed 60%.

[16] Calculated according to the Royal Decree of 13 July 2014 on regulated real estate companies.

- **Development of the debt ratio at Montea**

The consolidated debt ratio amounted to 56.9% on 30/06/2017. In historical terms, the debt ratio has been over 50% since 2008, reaching the highest level of 57.62% in mid-2010. An increase of capital was carried out on 2 July 2010 as a result of which the debt ratio dropped below 50%.

The debt ratio then climbed to 55.29% in September 2012. An increase of capital of €21.1 million was carried out on 20 December 2012 to finance the project for DHL Global Forwarding on Brucargo, thereby bringing the debt ratio down again to 50.80% in the first quarter of 2013.

Owing also to the dividend distribution, the acquisition of the shares of Evenstuk NV (for the property let to DSV Solutions) and the acquisition of the shares of Acer Parc NV (for the build-to-suit property let to St. Jude Medical), the debt ratio rose again to 52.82% on 31/12/2013.

An increase of capital was carried out in the first half of 2014 to anticipate the planned acquisitions and investments in the second half of 2014. These concern redevelopments at the sites of Grimbergen and Vorst, 3 build-to-suit projects in Belgium (2 on De Hulst in Willebroek and 1 on Brucargo) and 1 build-to-suit project in the Netherlands (Oss) and 2 sale-and-lease back transactions (Beuningen and Waddinxveen).

In the first half of 2015 it was decided to proceed to a contribution in kind (for the acquisition of Apeldoorn) and to an optional dividend to bring the debt ratio down in mid-2015 after the acquisitions of 's Heerenberg (NL) and Cofriset (FR) and the finalisation of the build-to-suit project in Heerlen (NL).

In the second half of 2015, the property in Tilburg was acquired (let to the Verstijnen group, and financed fully with debt). Furthermore, a number of build-to-suit projects were initiated (Movianto in Erembodegem, CDS in Vorst and Bakkersland in Schiphol) where the ongoing works are financed fully with debt. As a result of these operations, the debt ratio stood at 55.77% on 31/12/2015.

The build-to-suit projects Movianto in Erembodegem, CdS in Vorst, and Bakkersland in Aalsmeer were delivered in 2016. The works of these 3 projects were financed with debt. Furthermore, the acquisition of the project in Eindhoven (Jan de Rijk) and the acquisition of the land in Bornem (Bornem Vastgoed) were likewise financed with debt. To keep the debt ratio within limits, the project in Willebroek (Federal Mogul) was acquired in March 2016 by contribution in kind and an optional dividend was successfully paid out in June. In December 2016, the sale of St.-Cyr-En-Val and Cambrai went through, as a result of which the debt ratio was brought down again to 51.65% on 31/12/2016.

The debt ratio rose to 56.9% in the first half of 2017 (from 51.65% at the end of December 2016), as a result of the net effect between the revenues from the sale of the building in Savigny-le-Temple and the expenditures for the acquisition of the Brucargo site, let to DHL Aviation, the acquisition of the Willebroek site, let to Metro, the development of the Brucargo site, let to Saco, the development of the project in Genk let to Mainfreight, the acquisition of the site let to Brardt in Alfortville, the launch of the enlargement project in Waddinxveen let to Delta Wines, the acquisition of the Brakman project in Tilburg, let to NSK, and the launch for the development of the project in Camphin.

- **Future investment potential**

On the basis of this current debt ratio, the investment potential would amount to ca. €149 million [17] without exceeding the maximum debt ratio of 65%.

Montea has concluded covenants with a number of banking institutions under the terms of which the debt ratio may not exceed 60%. Consequently, on the basis of the same calculation, the investment potential amounts to more than €50 million.

The variations in the fair value of the property portfolio can also have a significant impact on the debt ratio. On the basis of the equity capital, the maximum admissible debt ratio of 65% would be excluded only in the event of a negative variation in the fair value of the property investments of more than €80 million. This corresponds to a drop of 16% in the existing portfolio.

On the basis of the current state and valuation of the portfolio by an independent expert, Montea sees no substantial possible negative variations in the fair value. Montea is therefore of opinion that the current debt ratio of 56.9% provides a sufficient buffer to deal with possible further negative variations in the existing portfolio.

- **Conclusion**

Montea deems that the debt ratio will not rise above 65% and that no additional measures need to be taken on the basis of the planned changes in the composition of the real estate portfolio and the expected development of the equity capital.

Montea's goal remains to continue its financing with a debt ratio of ca. 55% and will see to it that said ratio will never exceed 60%.

A debt ratio of 56.9% is perfectly justified given the nature of the real estate in which Montea invests, i.e. logistics and semi-industrial real estate, with an average net return of ca. 7%.

Should a situation nonetheless arise where certain events require an adjustment of the company's strategy, it will do so at once and inform the shareholders accordingly in the semi-annual and annual financial reporting.

The **EPRA NAV** on 30/06/2017 amounts to €26.86 per share compared to €27.80 per share on 31/12/2016.

The **EPRA NNNAV** per share amounts to €25.46 per share on 30 June 2017 compared with €25.97 per share on 31 December 2016.

[17] This calculation does not take account of the EPRA earnings for the future periods, the variations in the fair value of the property investments, nor any variations in the deferred charges, provisions for risks and deferred taxes of the liabilities.

1.4.5 Valuation rules

- Montea has decided to adapt its valuation rule concerning transaction costs with retroactive effect.
- Originally, the difference between the fair value of real estate and the investment value of real estate as determined by external experts upon purchase was entered under "Reserve for the impact of the fair value of the estimated transaction costs resulting from the hypothetical disposal of properties" in equity capital. The transactions during the financial year were entered under earnings (positive and negative revaluations). At the time of divestment, the initial difference between the fair value and the investment value was entered under earnings.
- Henceforth, transaction costs (i.e. the difference between the fair value and the investment value of real estate) upon acquisition will be processed via the profit-and-loss account). Only after the result has been processed will these costs be entered in the Reserves under the "Reserve for the Balance of changes in the fair value of real estate." The account "Reserve for the impact of the fair value of the estimated transaction costs resulting from the hypothetical disposal of properties" will no longer be used.

The equity capital is not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable result. Cf. Annex 11.

When drawing up this half-yearly financial report, all the IFRS and IAS standards pertaining thereto were analysed, and Montea can confirm that due account of all said standards was taken accordingly.

Published standards not yet in force

Montea has not applied the following new standards (changes to standards and interpretations) which are not yet in force but may be applied earlier:

<u>IFRS 9 – Financial instruments</u> (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 was published by the IASB in July 2014 and adopted by the EU in November 2016. IFRS 9 comprises provisions concerning the classification and valuation of financial assets and liabilities, special impairments of financial assets and general hedge accounting provisions. IFRS replaces in large measure IAS 39 – *Financial instruments: Recognition and Measurements.*

Based on an analysis of Montea's situation as at 30 June 2017, IFRS 9 is expected to have no material impact on the consolidated annual financial statements. As regards the special impairments of financial assets valued at the amortised cost, including trade receivables, the initial application of the expected credit loss model under IFRS will result in an early recognition of credit losses by comparison with the model applied currently under IAS 39. Taking into account the relatively limited amount of outstanding trade receivables, combined with a low related credit risk, Montea considers that the impact on the consolidated annual financial statements will be limited.

IFRS 15 – Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 comprises a unique and all-encompassing model of principles that an entity has to apply for the accounting of revenue from contracts with customers. Upon entry into force, this new standard will replace both IAS 18 concerning revenue from the sale of goods and the provision of services and IAS 11 concerning construction contracts to the order of third parties and related interpretations.

IFRS 15 is not expected to have a material impact on Montea's consolidated annual financial statements, since leases, which represent the main source of Montea's income, fall outside the scope of IFRS 15. The principles of IFRS 15 do however apply to the non-lease components which can be contained in a lease or in separate agreements, such as maintenance-related services charged to the tenant, for instance. Taking into account the fact that such non-lease components are relatively limited in terms of the amount and pertain to services which are recognised over time both under IAS and under IFRS 15, Montea expects no material impact.

IFRS 16 – Leases (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 provides a comprehensive model for the identification of lease agreements and their accounting in the annual financial statements of both the lessor and the lessee. Upon entry into force, this standard will replace IAS 17 – *Leases* and the interpretations related thereto. IFRS 16 has not been approved in the European Union yet.

IFRS 16 introduces important changes concerning the accounting of leases for lessors, where the distinction between operational and financial leases is obliterated and assets and liabilities are recognised for all leases (barring exceptions for short-term leases or assets with a low value). Unlike the processing of leases by the lessee, IFRS 16 retains nearly all the provisions from IAS 17 – *Leases* pertaining to the processing of leases by the lessor. This means that lessors must continue to classify leases as operational or financial leases.

Since Montea acts nearly exclusively as lessor, with the exception of concession agreements, and has not opted for a reassessment as to whether a contract is or contains a lease by comparison with IAS 17, IFRS 16 is expected to have no material impact on the consolidated annual financial statements. In the limited cases where Montea is the lessee in leases classified as operational leases under IAS 17 and these contracts do not belong to exceptions as provided under IFRS 16 (e.g. car rental, real estate used by the group and concession agreements), a right of use and related liability will have to be recognised in the consolidated annual financial statements.

1.5 Stock exchange performance of Montea share

The closing price on 30/06/2017 (€ 48.9) was 10% higher than the closing price a year earlier (€ 44.4).

STOCK MARKET PERFORMANCE	30/06/2017	31/12/2016	30/06/2016
Share price (€)			
At closing	48,90	46,37	44,40
Highest	50,85	48,42	44,81
Lowest	43,27	35,10	35,10
Average	46,68	42,36	39,66
Net asset value per share (€)			
IFRS NAV	24,85	25,31	22,67
EPRA NNNAV	25,46	25,97	25,95
EPRA NAV	26,86	27,80	25,71
Premium (%)	**96,8%**	**83,2%**	**95,8%**
Dividend return (%)	**0,0%**	**4,6%**	**4,6%**
Dividend (€)			
Gross	0,00	2,11	2,03
Net	0,00	1,48	1,48
Pay out ratio		87%	
Volume (number of securities)			
Average daily volume	3.806	7.717	10.405
Volume of the period	483.416	1.983.235	1.321.435
Number of shares	**9.951.884**	**9.951.884**	**9.951.884**
Market capitalisation (K €)			
Market capitalisation at closing	486.647	461.469	441.864
Ratios (%)			
Velocity	4,9%	19,9%	13,3%
Free Float	51,5%	51,5%	52,0%

Dividend yield (%): Gross dividend divided by the average share price.
Gross Return (%): Movement of the share since the beginning of Montea – dividends divided by the average share price.
"Velocity": Volume of the period divided by the number of shares.

1.6 Important events after 30/06/2017

- **18/07/2017 - Launch of second build-to-suit project at the logistics parc in Camphin-en-Carembault (FR) – Investment value of € 14.1 million**[18]

Only 1.5 month after the signing of the first build-to-suit project for DSM at the Logistics Park in Camphin-en-Carembault (FR), Montea and GBS (Groupement des Bières Spéciales) sign a lease agreement for a period of 9 year for the development of a second build-to-suit project. The building of approximately 24,400 m² is divided into 4 units, of which GBS will rent approx. 18,500 m² (3 units). GBS will use the building as a distribution centre for France (www.gbs-solutions-boissons.fr).

Montea «Space for Growth» - site Camphin-en-Carembault FR)

The building will be operational in the first quarter of 2018. The development represents a total investment value of approx. € 14.1 million. Upon letting the fourth unit, which Montea expects to conclude before the building is delivered in the beginning of 2018, this distribution centre will generate an additional rent of approx. € 1 million per year.

- **1/08/2017 - Montea acquires 59,500 m² plot of land strategically located along the Brussels Ring Road (R0)** [19]

Montea has signed an agreement concerning the acquisition of a strategically located plot of land of 59,900 m². The land is located on the Vilvoorde interchange along the Brussels Ring Road. This location provides excellent connections to the E19, A12, and E40 motorways, as well as a smooth connection to Brussels Airport and the Brussels-Capital Region.

Montea wishes to develop a customised logistics and/or distribution building on this plot, once it has found a tenant. The project could encompass ± 35,000 m² of storage space. In the meantime, Montea is already in talks with a number of potential tenants, where the focus is placed on the high-quality logistics and (urban) distribution.

[18] For more information, cf. press release of 18/07/2017 or www.montea.com.
[19] For more information, cf. press release of 1/08/2017 or www.montea.com.

With a total investment value of € 10 million, this acquisition will proceed through the takeover of 100% of the shares of VILPRO NV. This transaction is slated to be closed in the beginning of October 2017.

Jo De Wolf, Montea Chief Executive Officer: "*This transaction is fully in line with Montea's long-term growth strategy, whereby we develop quality logistics buildings ourselves at prime strategic locations.*"

- **1/08/2017 - Montea offers Delta Wines in Waddinxveen ca 5,000 m² more floor space so that it can continue to grow** [20]

In February 2014[21] Montea acquired a ca. 19,500 m² distribution centre on 25,800 m² of land, let to Delta Wines. The site is strategically located along the A12 motorway with connection The Hague–Utrecht–Arnhem–Rhur Valley.

Montea «Space for Growth» - site Waddinxveen – Delta Wines (NL)

To keep pace with its growth, Delta Wines has asked Montea to expand the aforementioned site by ca. 5,000 m². Delta Wines signed an additional lease for a fixed period of 12 years under the same terms and conditions. This extension will generate additional rent of ca. €225,000 per year.

The necessary permits have been obtained and this extension is scheduled for delivery in the first quarter of 2018.

[20] For more information, cf. press release of 1/08/2017 or www.montea.com.
[21] For more information, cf. press release of 7/02/2014 or www.montea.com.

➢ Delivery of the 8,800 m² build-to-suit Crossdock Centre for Mainfreight

In September 2016[22] Mainfreight signed a cooperation agreement with Montea for the construction and rental of a new crossdock centre with offices in Genk. Willy Naessens assumed the development of this new building that consists of ca. 8,000 m² storage space and ca. 800 m² office space.

The lease was concluded for a fixed term of nine years and three months. Some 150 people will be employed at this location.

This transaction represents a total investment value of €7.1 million and will generate a gross initial yield of ca. 7.3%.

[22] For more information, please see our press release of 15/09/2016 or visit www.montea.com.

1.7 Transactions with affiliated parties

There were no transactions between affiliated parties in the first half of 2017.

1.8 Principal risks and uncertainties

1.8.1. Principal risks and uncertainties[23]

The Board of Directors of the statutory business manager of Montea and management are fully aware of the interest of developing and maintaining sound governance and, as a result, of retaining a good-quality portfolio. Montea imposes strict and clear standards for (i) optimising and improving existing buildings, (ii) commercial management, (iii) the technical management of buildings, and (iv) any investments in the existing buildings. The aim of these criteria is to limit vacancies, as well as to increase the maximum sustainable value of the property portfolio.

The principal risks and uncertainties for the remaining months of the financial year are focused on:

- **Rental risks**

a) Description of the risks

Montea's turnover largely consists of the rent generated by leases to third parties. Non-payment by tenants and a decrease in the occupancy rate may have a negative impact on results.

Montea is moreover exposed to the risk of loss of rental income linked to the departure of tenants before the expiry of their lease. The risk actually entails that it takes longer to find new (suitable) tenants and that the latter moreover demand a lower rent. These elements can have a negative impact on the earnings of Montea. The average term of the leases also determines the risk profile of Montea. This amounts to 7.8 years on 30 June 2017 on the basis of the first expiry date.

b) Management of the risks

Montea actively manages and monitors its existing and future clients in order to minimise vacancies and the turnover of tenants in its property portfolio.

The vast majority of rental income includes annual indexation in the rent (in Belgium, indexation is annual, based on the health index; in France, it is based on the construction cost index[24] while in the Netherlands, indexation is based on the consumer price index). All current lease agreements in France and the Netherlands are subject to movements in the indices mentioned. None of the current rental income is exposed to a reduction in the initial rent as the result of any fall in the index.

Before a new client is accepted, its solvency is checked. On signing each lease agreement, an unconditional bank guarantee is required as a minimum in which the amount guaranteed corresponds with 3 to 6 months of rent. Rent is payable in advance on a monthly, bi-monthly or quarterly basis.

[23] For more information about the strategy implemented by Montea, please see the Annual Report of 2016. Where necessary, Montea's policy will be adjusted based on the risk factors described.

[24] CCI – indice de coût de construction [construction cost index].

In the context of an alliance with third parties (project developers, landowners, etc.), Montea positions itself as an active partner in property development. In doing so, Montea aims to have a lease agreement already in place with a tenant prior to commencing the construction of a new development. Montea has no plans to become involved in speculative development projects (so-called "blank" projects, where there are no tenants arranged in advance).

In the property sector, Montea targets primarily logistics real estate (storage and transhipment of goods) and tries to spread its risk in terms of type of tenant/sector and geographic location.

➢ Risks relating to the (impossibility of) dividend payment

Montea may not be able to pay out a dividend or do so only for limited amounts because of legal restrictions on dividend payments.

a) Description of the risks

The company has a strategy concerning dividend payments. No certainty can be given that the Company will always be able to pay dividends in future, however, e.g. if accumulated negative changes in the fair value of the property investments exceed the available reserves.

It is possible that, although the Company's properties generate the expected rental income and operating profit, it becomes technically impossible for the Company to pay out a dividend to its shareholders in accordance with Article 617 of the Companies Code and the RREC legislation. Article 617 of the Companies Code stipulates that profits may not be distributed if on the closing date of the last financial year the Company's net assets, as reported in the annual financial statement, have dropped or would drop because of such distribution below the amount of the paid up – or where higher – called up capital, plus all reserves which may not be distributed according to the law or the Company's articles of association.

b) Management of the risks

Montea makes sure that the Company's profit is maintained or even increases and that part of the generated profit is regularly transferred to the reserves through a decrease of the amount of dividend payments.

➢ Management of the property portfolio

a) Description of the risks

The Montea team, assisted by external advisors as and when necessary, is responsible for the day-to-day management of the buildings, the technical management of the property portfolio[25] and proposes efficient and flexible solutions for improving the quality and sustainability of the portfolio. The team will moreover make every effort to minimise any vacancies in a proactive manner.

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[25] Montea is assisted by external partners on certain tasks, though it remains ultimately responsible for said tasks and for the coordination.

The operational technical management and maintenance of the buildings, as well as the coordination of the running construction and renovation works, are monitored by the Company's own staff. The team proposes a maintenance and renovation plan to the investment committee and board of directors to ensure optimal profitability for the portfolio in the long term.

In view of its relatively small team, the Company is exposed to an organisational risk if certain staff in a key position were to leave. The unexpected departure of certain staff members could have adverse consequences for the development of the company and could entail additional management costs.

b) Management of the risks

Montea conducts a policy where the greater part of costs for the management of the buildings is invoiced to the tenants. A total of €453,000 was spent on costs in the first half of 2017 which could not be invoiced to the tenants. Furthermore, €2.6 million were invested in improvement and renovation works on the existing portfolio. This amount represents 0.4% of the fair value of the property portfolio.

If certain staff in key positions should leave, Montea can fill those key positions temporarily through outsourcing. The company offers a remuneration package at market rates and provides additional courses and seminars for its staff on a regular basis so that they can get further training in their area of expertise.

- **Liquidity and financing risk**

a) Description of the risks

The liquidity risk takes the form of Montea running the risk at a given moment in time of not having the necessary cash resources and no longer being able to obtain the required financing to meet its short-term debts. On 30 June 2017, Montea had investment commitments amounting to €79 million.

b) Management of the risks

The liquidity and financing risk is restricted by:

The diversification of funding sources: the total financial debt, excluding the valuation of IRSs (for €350.1 million) consists of 68.6% of lines of credit drawn down, 31.2% of debenture loans, and 0.2% of lease payables.

- The diversification of the drawn down lines of credit with six leading European financial institutions (ING, Belfius, BNP Paribas Fortis, KBC, Bank Degroof and Banca Monte Paschi); this diversification provides attractive financial market terms;

To prevent a future liquidity problem, Montea is currently taking action to secure in good time the funding, required for the further growth of the portfolio. The company currently foresees no problem in securing further funding sources in order to maintain the balance between the funding cost, as well as the term and the diversification of these funding sources.

- **Risks associated with changes in interest rates**

a) Description of the risks

The short-term and/or long-term rates on the (international) financial markets are subject to significant fluctuations.

With the exception of lease agreements[26] and 3 of the 4 debenture loans,[27] all of Montea's financial debts have been agreed at a variable interest rate (bilateral lines of credit at the EURIBOR 3-month rate). Montea may benefit from possible low interest rates as a result.

b) Management of the risks

To hedge the risk of increases in interest rates, Montea conducts a policy whereby part of its financial debt is covered by interest rate hedging instruments. This prudential policy prevents a rise in nominal interest rates without a simultaneous growth in inflation, resulting in an increase in real interest rates. Any rise in real interest rates cannot be offset by an increase in rental income through indexation. It is also a fact that there is always a time lapse between a rise in nominal interest rates and the indexation of rental income.

Taking account of the lines of credit with variable interest rates, the hedging instruments, the fixed interest rate on the bond loan and the fixed interest rates on the lease agreements, the average interest rate charge on 30 June 2017 amounted to 3.3%.

On the basis of the existing debt position on 30 June 2017 and the short-term interest rate in force at the time, an increase in the short-term interest rate of 100 basis points would entail no material increase of the total annual financial cost, since the hedge ratio amounts to 93.5%.

[26] Montea has financial debt in relation to a current lease agreement of €0.6 million (0.2% of the total financial debt)This debt Agreement expires in 2015. At the time, this agreement was entered into with a fixed quarterly payment (including the interest charge).

[27] In 2014, Montea issued a debenture loan at a fixed interest rate of 3.355%, and in 2013 at a fixed interest rate of 4.107%. For more information, please see our press releases of 20/05/2014 and 24/06/2013. In 2015, Montea issued a debenture loan at a fixed interest rate of 3.42%, and then a second debenture loan at a variable interest rate (EURIBOR 3M + 2.05%)

1.9 Outlook

➢ Economic climate

Montea's business is affected partly by the overall economic climate. Lower economic growth can have an indirect effect on occupancy rates and rental income. It can also increase the risk that some tenants may not be able to fulfil their obligations

For Montea, this risk is offset to some extent by the diversification of its revenue streams (e.g. solar panels), as well as its geographical diversification (Belgium, France and the Netherlands) and the signing of leases for longer terms with high-quality clients from a range of different sectors.

➢ Specific outlook for Montea

- Investment pipeline

  In the current climate of yield compression, and taking account of the sound investment policy pursued by Montea, it is more difficult to acquire quality Class A buildings on the basis of reasonable returns. As a result, build-to-suit projects are acquiring increasing importance in our investment portfolio. We expect that the property portfolio will grow to €650 million in financial year 2017.

- Occupancy rate and term of the leases

  On 30 June 2017, the occupancy rate amounted to 95.8%, chiefly as a result of the current vacancy of the building in Willebroek for which severance compensation was obtained in 2016 from Neovia Logistics and the building in Puurs, formerly let to H&M. The building formerly let to SAS Automotive has in the meantime been rented to Bleckmann België NV. Montea's goal is to maintain the occupancy ratio above 95%. The average term of the leases until the first termination is 7.8 years. Based on the already announced growth, Montea expects to maintain the average term of its contract above 7 years by the end of the financial year.

- Financing strategy

  Taking account of the 60% debt ratio restriction, Montea still has an investment capacity of €50 million. Montea is striving for a diversified financing policy, where the aim is to bring the term of our loans (currently 5.3 years) in line with the term of our leases (currently 7.8 years on average). We expect that the level of debt will have risen further at the end of 2017.

- Operating margin

  On the basis of already announced growth, Montea expects to be able to maintain the operating margin above 89% for the entire year 2017.

- EPRA earnings

  On the basis of the EPRA earnings of €13.0 million in the first half of the year, Montea espects to increase the EPRA earnings in 2017 to € 26 million compared with the EPRA earnings in 2016 (€ 24 million), on the basis of net income from acquired projects, the estimated extension of certain contracts and the letting of premises that are vacant at this time to offset the loss of rental income from the building in Savigny-le-Temple and the disappearance of once-off fees in the second half of the year.

1.10 Corporate social responsibility and sustainable business

Montea indicates that all developments, renovations and new projects are subject to a thorough study to help it keep the impact on the environment to a minimum.

1.11 Statement on meeting certain covenants concerning bond issues

Pursuant to Article 5.11 of the conditions of issue of bonds, issued on 28 June 2013 (for a total of €30 million), on 28 May 2014 (for a total of €30 million) and on 30 June 2015 (for a total of €50 million), Montea will provided a statement in its consolidated annual and semi-annual figures on compliance with certain covenants imposed in Article 5.10 of said conditions of issue.
Montea declares that:

- The consolidated debt ratio amounts to 56.9%, and as such is below the 65% mark, as required in Article 5.10 (d) of the information memoranda on the debenture loans issued in 2013 and 2014 and Article 5.10 (c) of the information memoranda on the debenture loans issued in 2015;
- The "Interest Cover"[28]* amounts to 3.44 and as such is higher than 1.5, as required in Article 5.10 (e) of the information memoranda on the debenture loans issued in 2013 and 2014 and Article 5.10 (d) of the information memoranda on the debenture loans in 2015.

[28] * The interest coverage ratio is calculated by dividing the sum of the operating result before the result of the portfolio and the financial income, by the net interest costs. Cf. Section 5.

2. Future statements

This press release contains a number of future-oriented statements. Such statements are subject to risks and uncertainties which may entail that the actual results may differ substantially from the results supposed by such future-oriented statements in this press release. Important factors that can influence such results include in particular changes in the economic situation, commercial and competition circumstances, as a result of future court decisions or changes in the legislation.

3. Statement pursuant to Article 13 of the Royal Decree of 14 November 2007

Pursuant to Article 13, paragraph 2 of the Royal Decree of 14 November 2007, Montea's statutory manager, Montea Management NV, represented by its permanent representative, Jo De Wolf, declares that, to the best of its knowledge:

- The condensed financial statements, drawn up according to the applicable standards for annual accounts, provide a faithful picture of the assets, financial situation and results of Montea and the companies included in the consolidation;
- The interim annual report provides a faithful overview of the information required pursuant to Article 13, §5 and §6 of the Royal Decree of 14 November 2007 concerning the bonds by issuers of financial instruments authorised to trade on a regulated market.

4. EPRA Performance Measures[29]

EPRA earnings – EPRA earnings per share

Definition: The EPRA earnings concern the net earnings (after processing of the operating result before the result on the portfolio, minus the financial results and corporate tax, exclusive of deferred taxes), minus the changes in the fair value of property investments and real estate intended for sale, minus the result from the sale of investment properties, plus changes in the fair value of the financial assets and liabilities. The EPRA earnings per share are the EPRA earnings divided by the weighted average number of shares for the financial year.

Purpose: The EPRA earnings measure the operational profitability of the company after the financial result and after taxes on the operational result. The EPRA earnings measure the net result from the core activities per share.

[29] No EPRA measure was audited by the auditor.

Calculation: The detailed calculation of this APM is given below:

(in EUR X 1 000)	**30.06.2017**	**30.06.2016**
		RESTATED (0)
Net result (IFRS)	**14.680**	**7.714**
Changes for calculation of the EPRA result		
To exclude:		
Variations in fair value of the investment properties and properties for sale	3.936	-83
Result on sale of investment properties	-769	-
Variations in fair value of the financial assets and liabilities	-4.847	6.087
EPRA result	**13.000**	**13.717**
Weighted average number of shares	9.951.884	9.488.689
EPRA result per share (€/share)	**1,31**	**1,45**

(0) Cf. Section 1.4.5 Change of valuation rule and Annex 11. The grey cells were adjusted as a result of the change in the valuation rule. The equity was not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

EPRA NAV – EPRA NAV per share

Definition: The EPRA NAV is the NAV that was applied so that it comprises real estate and other investment at their fair value and which excludes certain items which are not expected to acquire fixed form in a business model with property investments in the long term. The EPRA NAV per share concerns the EPRA NAV on the basis of the number of shares in circulation on the balance sheet date. Cf. also www.epra.com.

Purpose: The EPRA NAV measures the intrinsic value without taking account of the fair value of the hedging instruments, the impact of which is booked in the financial costs in future financial years, when the IRS is not cancelled before the maturity date. The EPRA NAV per share measures the intrinsic value per share without taking into account the fair value of the hedging instruments, the impact of which is booked in the financial costs in future financial years, when the IRS is not cancelled before the maturity date.

Calculation: The detailed calculation of this APM is given below:

	(in EUR X 1 000)	**30.06.2017**	**31.12.2016**
	IFRS NAV	**247.314**	**251.846**
	NAV per share (€/share)	**24,85**	**25,31**
	Effect of exercise of options, convertible debt and other equity instruments		
	Diluted net asset value after effect of exercise of options, convertible debt and other equity instruments	**247.314**	**251.846**
	To exclude		
(iv)	IV. Fair value of financial instruments	19.957	24.804
	EPRA NAV	**267.271**	**276.651**
	Number of shares in circulation per end period	9.951.884	9.951.884
	EPRA NAV per share (€/share)	**26,86**	**27,80**

EPRA NNNAV – EPRA NNNAV per share

Definition: The EPRA NNNAV is the EPRA NAV that was applied so that it includes the fair value of financial instruments, debts and deferred taxes. The EPRA NNNAV per share concerns EPRA NNNAV on the basis of the number of shares in circulation on the balance sheet date. Cf. also www.epra.com.

Purpose: The EPRA NNNAV measures the intrinsic value taking into account the fair value of the hedging instruments. The EPRA NNNAV per share measures the intrinsic value taking into account the fair value of the hedging instruments.

Calculation: The detailed calculation of this APM is given below:

	(in EUR X 1 000)	**30.06.2017**	**31.12.2016**
	EPRA NAV	**267.271**	**276.651**
	Number of shares in curculation at the end of the period	9.951.884	9.951.884
	EPRA NAV (€/share)	**26,86**	**27,80**
	To add:		
(i)	I. Fair value of financial instruments	-19.957	-24.804
(ii)	II. Revaluation of the fair value of financing at fixed interest rate	6.032	6.573
	EPRA NNNAV	**253.346**	**258.419**
	Nmber of shares in circultation at the end of the period	9.951.884	9.951.884
	EPRA NNNAV (€/share)	**25,46**	**25,97**

EPRA vacancy

Definition: The EPRA vacancy corresponds to the complement of "Occupancy rate" with the difference that the occupancy rate used by Montea is calculated on the basis of square metres whereas the EPRA vacancy is calculated on the basis of the estimated rental value.

Purpose: The EPRA vacancy measures the vacancy percentage as a function of the estimated value without taking account of non-rentable m², intended for redevelopment, and of the land bank.

Calculation: The detailed calculation of this APM is given below:

(in EUR X 1 000)	(A) Estimated rental value (ERV) for vacancy	(B) Estimated rental value portfolio (ERV)	(A/B) ERPA Vacancy rate *(in %)*	(A) Estimated rental value (ERV) for vacancy	(B) Estimated rental value portfolio (ERV)	(A/B) ERPA Vacancy rate *(in %)*
	30/06/2017	30/06/2017	30/06/2017	31/12/2016	31/12/2016	31/12/2016
	0 €	0 €	0 €			
Belgium	1.621	23.858	6,8%	429	19.914	2,2%
France	-	6.735	0,0%	-	7.175	0,0%
The Netherlands	-	13.543	0,0%	-	11.659	0,0%
	0 €	0 €	0,0%			
Total	**1.621**	**44.137**	**3,7%**	**429**	**38.748**	**1,1%**

5. Detailed calculation of the APMs used by Montea[30]

Result on the portfolio

Definition: This concerns the positive and/or negative changes in the fair value of the property portfolio plus any capital gains or losses from the construction of properties.

Purpose: This APM indicates the positive and/or negative changes in the fair value of the property portfolio plus any capital gains or losses from the construction of properties.

Calculation: The detailed calculation of this APM is given below:

RESULT ON PORTFOLIO (in EUR X 1 000)	30.06.2017	30.06.2016 RESTATED (0)
Result on sale of property investments	769	-
Variations in the fair value of property investments	-3.936	-83
RESULT ON PORTFOLIO	**-3.167**	**-83**

(0) Cf. Section 1.4.5 Change of valuation rule and Annex 11. The grey cells were adjusted as a result of the change in the valuation rule. The equity was not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

Financial result exclusive of changes in the fair value of financial instruments

Definition: This is the financial result pursuant to the Royal Decree of 13 July 2014 on regulated real estate companies, exclusive of the change in the real value of the financial instruments.

Purpose: This APM indicates the actual financing cost of the company.

[30] Exclusive of the EPRA indicators, some of which are considered as an APM and are calculated under Chapter 4 EPRA Performance measures.

Calculation: The detailed calculation of this APM is given below:

FINANCIAL RESULT excl. variations in fair value of financial instruments (in EUR X 1 000)	30.06.2017	30.06.2016
Financial result	-594	-10.920
To exclude:		
Variations in fair value of financial assets & liabilities	-4.847	6.087
FINANCIAL RESULT excl. variation in fair value of financial instruments	**-5.441**	**-4.833**

Operating margin

Definition: This is the operating result before the result of the real estate portfolio, divided by the net rental income.

Purpose: This APM measures the operational profitability of the company as a percentage of the rental income.

Calculation: The detailed calculation of this APM is given below:

OPERATING MARGIN (in EUR X 1 000)	30.06.2017	30.06.2016
Net rental result	20.039	20.871
Operating result (before the result on the portfolio)	19.224	18.661
OPERATING MARGIN	**95,9%**	**89,4%**

Average cost of debt

Definition: Average financial cost over the entire year calculated on the basis of the total financial result with regard to the average of the initial balance and end balance of the financial debt burden for 2016 without taking into account the valuation of the hedging instruments.

Purpose: The company finances itself partially through debt financing. This APM measures the cost of this source of financing and the possible impact on the results.

Calculation: The detailed calculation of this APM is given below:

AVERAGE COST OF DEBT (in EUR X 1 000)	30/06/2017	30/06/2016
Financial result	-594	-10.920
To exclude:		
Variations in fair value of financial assets and liabilities	-4.847	6.087
TOTAL FINANCIAL CHARGES (A)	-5.441	-4.833
AVERAGE FINANCIAL DEBTS (B)	334.589	325.674
AVERAGE COST OF DEBT (A/B) (*)	**3,3%**	**3,0%**

Interest coverage ratio

Definition: The interest coverage ratio is calculated by the sum of the operating result before the result on the portfolio, together with the financial income, divided by the net interest costs.

Purpose: This APM indicates how many times the company earns its interest charges.

Calculation: The detailed calculation of this APM is given below:

INTEREST COVERAGE RATIO (in EUR X 1 000)	30/06/2017	31/12/2016
Operational result, before result on portfolio	19.224	36.304
Financial income (+)	234	656
TOTAL (A)	**19.458**	**36.960**
Financial charges (-)	5.650	12.308
TOTAL (B)	**5.650**	**12.308**
INTEREST COVERAGE RATIO (A/B)	***3,44***	***3,00***

6. Financial calendar

- 07/11/2017 Quarterly figures – results per 30/09/2017

This information is also available on 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 Belgium, France and the Netherlands, where the company is a benchmark player. Montea literally offers its customers room to grow by providing versatile, innovative property solutions. In this way, Montea creates value for its shareholders. Montea was the first Belgian property investor to be awarded the Lean & Green Star in recognition of effectively reducing CO2 emissions in the Belgian portfolio by 26%. On 30/06/2017 Montea's property portfolio represented total space of 887,659 m² across 51 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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Annex 1: Consolidated overview of the income statement on 30/06/2017[31]

	CONSOLIDATED PROFIT & LOSS ACCOUNT (EUR x 1.000)	30/06/2017 6 months	31/12/2016 RESTATED (0) 12 months	30/06/2016 RESTATED (0) 6 months
I.	Rental income	21.108	41.833	21.514
II.	Write-back of lease payments sold and discounted	0	0	0
III.	Rental-related expenses	-1.069	-1.315	-643
	NET RENTAL RESULT	**20.039**	**40.518**	**20.871**
IV.	Recovery of property charges	0	**0**	**0**
V.	Recovery of charges and taxes normally payable by tenants on let properties	2.988	4.942	2.704
VI.	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0	0
VII.	Charges and taxes normally payable by tenants on let properties	-3.441	-5.863	-3.273
VIII.	Other rental-related income and expenses	2.438	1.660	705
	PROPERTY RESULT	**22.024**	**41.258**	**21.008**
IX.	Technical costs	-20	-122	-66
X.	Commercial costs	-59	-257	-76
XI.	Charges and taxes of un-let properties	-45	-31	-3
XII.	Property management costs	-524	-590	-294
XIII.	Other property charges	-20	-43	-20
	PROPERTY CHARGES	**-668**	**-1.043**	**-459**
	PROPERTY OPERATING RESULT	**21.356**	**40.215**	**20.549**
XIV.	General corporate expenses	-2.060	-3.769	-1.881
XV.	Other operating income and expenses	-72	-142	0
	OPERATING RESULT BEFORE PORTFOLIO RESULT	**19.224**	**36.304**	**18.668**
XVI.	Result on disposal of investment properties	769	8.131	0
XVII.	Result on disposal of other non-financial assets	0	0	0
XVIII.	Changes in fair value of investment properties	-3.936	670	83
XIX.	Other portfolio result	0	0	0
	OPERATING RESULT	**16.057**	**45.105**	**18.751**
XX.	Financial income	234	656	338
XXI.	Net interest charges	-5.650	-12.308	-5.143
XXII.	Other financial charges	-26	-128	-28
XXIII.	Change in fair value of financial assets & liabilities	4.847	-616	-6.087
	FINANCIAL RESULT	**-594**	**-12.396**	**-10.920**
XXIV.	Share in the result of associates and joint ventures	0	0	0
	PRE-TAX RESULT	**15.463**	**32.709**	**7.831**
XXV.	Corporation tax	-783	-506	-117
XXVI.	Exit tax	0	0	0
	TAXES	**-783**	**-506**	**-117**
	NET RESULT	**14.680**	**32.204**	**7.714**
	Attributable to:			
	Shareholders of the parent company	14.680	32.204	7.714
	Minority interests	0	0	0
	Number of shares in circulation at the end of the period	9.951.884	9.951.884	9.951.884
	Weighted average of number of shares of the period	9.951.884	9.722.190	9.488.689
	NET RESULT per share (EUR)	**1,48**	**3,31**	**0,81**

(0) Cf. Section 1.4.5 Change of valuation rule and Annex 11. The grey cells were adjusted as a result of the change in the valuation rule. The equity was not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

[31] The condensed financial statements have been subjected to a limited review by the auditor.

Annex 2: Consolidated overview of the balance sheet on 30/06/2017[32]

		CONSOLIDATED BALANCE SHEET (EUR x 1.000)	30/06/2017	31/12/2016 RESTATED (0)	30/06/2016 RESTATED (0)
I.		**NON-CURRENT ASSETS**	**618.075**	**545.462**	**572.527**
	A.	Goodwill	0	0	0
	B.	Intangible assets	212	189	214
	C.	Investment properties	607.975	535.136	561.947
	D.	Other tangible assets	9.847	10.098	10.328
	G.	Trade receivables and other non-current assets	41	39	38
II.		**CURRENT ASSETS**	**29.095**	**49.297**	**36.769**
	A.	Assets held for sale	0	7.721	7.094
	D.	Trade receivables	10.667	10.499	11.362
	E.	Tax receivables and other current assets	6.573	6.607	1.885
	F.	Cash and cash equivalents	5.414	3.350	2.985
	G.	Deferred charges and accrued income	6.441	21.121	13.443
		TOTAL ASSETS	**647.170**	**594.759**	**609.297**
		TOTAL SHAREHOLDERS' EQUITY	**247.433**	**251.965**	**225.754**
I.		**Shareholders' equity attributable to shareholders of the parent company**	**247.314**	**251.846**	**225.636**
	A.	Share capital	200.285	200.282	-45
	B.	Share premiums	32.439	32.439	0
	C.	Reserves	-90	-13.079	-61.493
	D.	Net result of the financial year	14.680	32.204	0
II.		**Minority interests**	**118**	**118**	**118**
		LIABILITIES	**399.737**	**342.794**	**63.242**
I.		**Non-current liabilities**	**360.705**	**310.381**	**30.275**
	B.	Non-current financial debts	340.748	285.577	0
		a. Credit institutions	231.304	175.132	0
		b. Financial leasings	184	184	0
		c. Other	109.260	110.261	0
	C.	Other non-current financial liabilities	19.957	24.804	30.275
	E.	Other non-current liabilities	0	0	0
II.		**Current liabilities**	**39.032**	**32.413**	**32.967**
	B.	Current financial debts	10.453	10.590	10.572
		a. Credit institutions	10.000	10.000	10.000
		b. Financial leasings	453	590	572
		c. Other	0	0	0
	C.	Other current financial liabilities	0	0	0
	D.	Trade debts and other current debts	11.465	10.848	7.677
		a. Exit taks	2.106	2.014	3.369
		b. Other	9.359	8.833	4.307
	E.	Other current liabilities	5.683	150	4.020
	F.	Accrued charges and deferred income	11.431	10.826	10.695
		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**647.170**	**594.759**	**609.297**

(0) Cf. Section 1.4.5 Change of valuation rule and Annex 11. The grey cells were adjusted as a result of the change in the valuation rule. The equity was not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

[32] The condensed financial statements have been subjected to a limited review by the auditor.

Annex 3: Consolidated overview of changes to shareholders' equity[33]

MONTEA STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (EUR x 1.000)	Share capital	Share premiums	Reserves	Result	Deduction of transfer rights and costs	Minority interests	Shareholders' equity
ON 31/12/2015	**185.288**	**20.893**	**-16.905**	**18.880**	**0**	**100**	**208.256**
Elements directly recognized as equity	**9.227**	**6.243**	**6.044**	**0**	**-5.443**	**0**	**16.071**
Capital increase	9.227	6.243					15.470
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties			5.443		-5.443		0
Positive change in value of solar panels (IAS 16)			213				213
Own shares			388				388
Own shares held for employee option plan							0
Minority interests							0
Corrections							0
Subtotal	**185.288**	**20.893**	**10.377**	**6.107**	**-23.256**	**100**	**199.508**
Dividends			-15.262				-15.262
Result carried forward			6.107	-6.107			0
Result for the financial year				24.010			24.010
ON 31/12/2016	**200.282**	**32.438**	**-13.079**	**32.204**	**0**	**118**	**251.964**
Elements directly recognized as equity	**3**	**0**	**1.784**	**0**	**0**	**0**	**1.787**
Capital increase	0	0	0	0	0	0	0
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	2.156	0	0	0	2.156
Positive change in value of solar panels (IAS 16)	0	0	-372	0	0	0	-372
Own shares	0	0	0	0	0	0	0
Own shares held for employee option plan	3	0	0	0	0	0	3
Minority interests	0	0	0	0	0	0	0
Corrections	0	0	0	0	0	0	0
Subtotal	**200.285**	**32.439**	**-11.295**	**32.204**	**0**	**118**	**253.751**
Dividends	0	0	-20.998	0	0	0	-20.998
Result carried forward	0	0	32.204	-32.204	0	0	0
Result for the financial year	0	0	0	14.680	0	0	14.680
ON 30/06/2017	**200.285**	**32.439**	**-89**	**14.680**	**0**	**118**	**247.433**

(0) Cf. Section 1.4.5 Change of valuation rule and Annex 11. The grey cells were adjusted as a result of the change in the valuation rule. The equity was not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

33 The condensed financial statements have been subjected to a limited review by the auditor.

Annex 4: Overview of the consolidated comprehensive income[34]

ABBREVIATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR x 1.000)	30/06/2017 6 months	31/12/2016 RESTATED (0) 12 months	30/06/2016 RESTATED (0) 6 months
Net result	**14.680**	**32.204**	**7.714**
Other items of the comprehensive income	**-372**	**-720**	**-480**
Items taken in the result	**0 €**	**0 €**	**0 €**
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investments properties	0	0	0
Changes in the effective part of the fair value of authorized cash flow hedges	0	0	0
Items not taken in the result	**-372**	**-720**	**-480**
Impact of changes in fair value of solar panels	-372	-720	-480
Comprehensive income	**14.308**	**31.484**	**7.234**
Attributable to:			
Shareholders of the parent company	14.308	31.484	7.234
Minority interests	0	0	0

(0) Cf. Section 1.4.5 Change of valuation rule and Annex 11. The grey cells were adjusted as a result of the change in the valuation rule. The equity was not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

[34] The condensed financial statements have been subjected to a limited review by the auditor.

Annex 5: Consolidated overview of the cash flow summary [35]

CONSOLIDATED CASH FLOW STATEMENT (EUR x 1.000)	30/06/2017 6 months	31/12/2016 RESTATED (0) 12 months
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR (A)	3.350	4.930
Net result	14.680	32.204
Financial cash elements (not dedectable of the net profit) to become the operating result	5.441	11.780
Received interests	-234	-656
Payed interests on finances	5.675	12.436
Received dividends	0	0
Taxes (dedected from the net result) to become the operating result	783	506
Non-cash elements to be added to / deducted from the result	-2.423	-8.480
Depreciations and write-downs	40	211
Depreciations/write-downs (or write-back) on intangible and tangible assets (+/-)	104	200
Write-downs on current assets (+)	0	11
Write-back of write-downs on current assets (-)	-65	0
Other non-cash elements	-2.462	-8.691
Changes in fair value of investment properties (+/-)	3.936	-670
IAS 39 impact (+/-)	-4.847	616
Other elements	0	0
Realized gain on disposal of investment properties	-769	-8.131
Provisions	0	0
Taxes	-783	-506
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS (B)	18.481	36.009
Change in working capital requirements (C)	21.300	-11.920
Movements in asset items	14.544	-11.159
Trade receivables	-2	-1
Other long-term non-current assets	-168	-2.808
Other current assets	35	-2.538
Deferred charges and accrued income	14.680	-5.812
Movements in liability items	6.756	-762
Trade debts	402	2.865
Taxes, social charges and salary debts	215	68
Other current liabilities	5.533	-3.843
Accrued charges and deferred income	606	149
NET CASH FLOW FROM OPERATING ACTIVITIES (A)+(B)+(C) = (A1)	43.131	29.018
Investment activities	-58.694	-24.718
Acquisition of intangible assets	-72	-66
Investment properties and development projects	-75.850	-80.929
Other tangible assets	-21	-55
Solar panels	-112	246
Disposal of investment properties	17.360	56.086
Disposal of superficy	0	0
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B1)	-58.694	-24.718
FREE CASH FLOW (A1+B1)	-15.564	4.301
Change in financial liabilities and financial debts	49.570	2.721
Increase (+)/Decrease (-) in financial debts	55.034	1.511
Increase (+)/Decrease (-) in other financial liabilities	-4.847	1.211
Increase (+)/Decrease (-) in trade debts and other non-current liabilities	-617	0
Change in other liabilities	0	0
Increase (+)/Decrease (-) in other liabilities	0	0
Increase (+)/Decrease (-) in other debts	0	0
Change in shareholders' equity	-23.151	8.108
Increase (+)/Decrease (-) in share capital	3	14.994
Increase (+)/Decrease (-) in share premium	0	11.546
Increase (+)/Decrease (-) in consolidation differences	0	0
Increase (+)/Decrease (-) in minority interests	0	19
Dividends paid	-20.998	-18.700
Increase (+)/Decrease (-) in reserves	-2.156	249
Increase (+)/Decrease (-) in changes in fair value of financial assets/liabilities	0	0
Disposal of treasury shares	0	0
Dividend paid (+ profit-sharing scheme)	0	0
Interim dividends paid (-)	0	0
Financial cash elements	-5.441	-11.780
NET FINANCIAL CASH FLOW (C1)	20.978	-951
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A1+B1+C1)	5.414	3.350

(0) Cf. Section 1.4.5 Change of valuation rule and Annex 11. The grey cells were adjusted as a result of the change in the valuation rule. The equity was not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

35 The condensed financial statements have been subjected to a limited review by the auditor.

Annex 6: Fair value hierarchy[36]

		Fair value hierarchy (EUR x 1.000)	30/06/2017 Booking value	30/06/2017 Level 1 (1)	30/06/2017 Level 2 (2)	30/06/2017 Level 3 (3)
I.		**NON-CURRENT ASSETS**	**618.075**	**0**	**252**	**617.822**
	A.	Goodwill	0	0	0	0
	B.	Intangible assets	212	0	212	0
	C.	Investment properties	607.975	0	0	607.975
	D.	Other tangible assets	9.847	0	0	9.847
	E.	Non-current financial assets	329	0	0	0
	F.	Finance lease receivables	0	0	0	0
	G.	Trade receivables and other non-current assets	41	0	41	0
	H.	Deferred taxes (assets)	41	0	0	0
	I.	Participations in associates and joint ventures according to the equity	0	0	0	0
II.		**CURRENT ASSETS**	**29.095**	**5.414**	**23.681**	**0**
	A.	Assets held for sale	0	0	0	0
	B.	Current financial assets	0	0	0	0
	C.	Finance lease receivables	0	0	0	0
	D.	Trade receivables	10.667	0	10.667	0
	E.	Tax receivables and other current assets	6.573	0	6.573	0
	F.	Cash and cash equivalents	5.414	5.414	0	0
	G.	Deferred charges and accrued income	6.441	0	6.441	0
		TOTAL ASSETS	**647.170**	**5.414**	**23.933**	**617.822**
		LIABILITIES	**399.737**	**0**	**405.769**	**0**
I.		**Non-current liabilities**	**360.705**	**0**	**366.737**	**0**
	A.	Provisions	0	0	0	0
	B.	Non-current financial debts	340.748	0	346.780	0
		1. Bancaire schulden	231.304	0	231.304	0
		2. Obligatieleningen	109.260	0	115.291	0
		3. Diverse langlopende financiële schulden (borgtochten, waarborgen,...)	184	0	184	0
	C.	Other non-current financial liabilities	19.957	0	19.957	0
	D.	Trade debts and other non-current debts	19.957	0	0	0
	E.	Other non-current liabilities	0	0	0	0
	F.	Deferred taxes - liabilities	0	0	0	0
II.		**Current liabilities**	**39.032**	**0**	**39.032**	**0**
	A.	Provisions	0	0	0	0
	B.	Current financial debts	10.453	0	10.453	0
		1. Bank debt	231.304	0	231.304	0
		2. Leasing	109.260	0	115.291	0
	C.	Other current financial liabilities	0	0	0	0
	D.	Trade debts and other current debts	11.465	0	11.465	0
	E.	Other current liabilities	5.683	0	5.683	0
	F.	Accrued charges and deferred income	11.431	0	11.431	0
		TOTAL LIABILITIES	**399.737**	**0**	**405.769**	**0**

[36] The condensed financial statements have been subjected to a limited review by the auditor.

Annex 7: Segment reporting: Consolidated overview of the income statement as at 30/06/2017 per geographic region[37]

	(EUR x 1.000)	30/06/2017 BE	30/06/2017 FR	30/06/2017 NL	30/06/2017 Elim.	30/06/2017 6 maanden
I.	Rental income	11.650	3.555	5.903	0	21.108
II.	Write-back of lease payments sold and discounted	0	0	0	0	0
III.	Rental-related charges	-1.069	0	0	0	-1.069
	NET RENTAL INCOME	**10.581**	**3.555**	**5.903**	**0**	**20.039**
IV.	Recovery of property charges	0	0	0	0	0
V.	Recovery of charges and taxes normally borne by tenants on let properties	904	1.367	717	0	2.988
VI.	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0	0	0	0
VII.	Charges and taxes normally borne by tenants on let properties	-1.234	-1.368	-839	0	-3.441
VIII.	Other rental-related income and expenses	2.301	25	112	0	2.438
	PROPERTY RESULT	**12.553**	**3.579**	**5.893**	**0**	**22.024**
IX.	Technical costs	-10	-10	0	0	-20
X.	Commercial costs	-59	0	0	0	-59
XI.	Charges and taxes of un-let properties	-45	0	0	0	-45
XII.	Property management costs	-269	-255	0	0	-524
XIII.	Other property charges	-19	-2	0	0	-20
	PROPERTY CHARGES	**-401**	**-266**	**0**	**0**	**-668**
	PROPERTY OPERATING RESULT	**12.151**	**3.312**	**5.893**	**0**	**21.356**
XIV.	General costs of the company	-1.703	-244	-113	0	-2.060
XV.	Other operating income and expenses	-58	-13	0	0	-72
	OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**10.390**	**3.055**	**5.779**	**0**	**19.224**
XVI.	Result on disposal of investment properties	0	769	0	0	769
XVII.	Result on disposal of other non-financial assets	0	0	0	0	0
XVIII.	Changes in fair value of investment properties	-3.804	56	-188	0	-3.936
XIX.	Other portfolio result	0	0	0	0	0
	OPERATING RESULT	**6.586**	**3.879**	**5.591**	**0**	**16.057**
XX.	Financial income	234	0	0	0	234
XXI.	Net interest charges	-5.651	1	0	0	-5.650
XXII.	Other financial charges	-18	-6	-2	0	-26
XXIII.	Changes in fair value of financial assets and liabilites	4.847	0	0	0	4.847
	FINANCIAL RESULT	**-588**	**-5**	**-2**	**0**	**-594**
XXIV.	Share in the result of associates and joint ventures	0	0	0	0	0
	PRE-TAX RESULT	**5.999**	**3.874**	**5.590**	**0**	**15.463**
XXV.	Corporate taxes	-977	-71	265	0	-783
XXVI.	Exit tax	0	0	0	0	0
	TAXES	**-977**	**-71**	**265**	**0**	**-783**
	NET RESULT	**5.022**	**3.803**	**5.855**	**0**	**14.680**
	EPRA RESULT	**3.979**	**2.979**	**6.043**	**0**	**13.000**
	Weighted average number of shares	9.952	9.952	9.952	0	9.952
	NET RESULT PER SHARE	**0,50**	**0,38**	**0,59**	**0,00**	**1,48**
	EPRA RESULT PER SHARE	**0,40**	**0,30**	**0,61**	**0,00**	**1,31**

[37] The condensed financial statements have been subjected to a limited review by the auditor.

Annex 8: Segment reporting: Consolidated overview of the balance sheet as at 30/06/2017 per geographic region[38]

		(EUR x 1.000)	30/06/2017 BE	30/06/2017 FR	30/06/2017 NL	30/06/2017 Elim.	30/06/2017 Conso
I.		**NON-CURRENT ASSETS**	**417.468**	**94.075**	**196.303**	**-89.771**	**618.075**
	A.	Goodwill	0	0	0	0	0
	B.	Intangible assets	212	0	0	0	212
	C.	Investment properties	317.661	94.018	196.297	0	607.975
	D.	Other tangible assets	9.822	19	6	0	9.847
	E.	Non-current financial assets	89.771	0	0	-89.771	0
	F.	Finance lease receivables	0	0	0	0	0
	G.	Trade receivables and other non-current assets	2	39	0	0	41
	H.	Deffered taxes (assets)	0	0	0	0	0
	I.	Participations in associates and joint ventures according to the equity method	0	0	0	0	0
II.		**CURRENT ASSETS**	**168.278**	**72.714**	**-808**	**-211.089**	**29.095**
	A.	Assets held for sale	0	0	0	0	0
	B.	Current financial assets	0	0	0	0	0
	C.	Finance lease receivables	0	0	0	0	0
	D.	Trade receivables	5.627	2.958	2.421	-339	10.667
	E.	Tax receivables and other current assets	134.076	68.886	-4.757	-191.632	6.573
	F.	Cash and cash equivalents	3.397	659	1.359	0	5.414
	G.	Deffered charges and accrued income	25.178	211	170	-19.117	6.441
		TOTAL ASSETS	**585.746**	**166.789**	**195.495**	**-300.860**	**647.170**
		TOTAL SHAREHOLDERS' EQUITY	**175.290**	**68.844**	**113.120**	**-109.821**	**247.433**
I.		**Shareholders' equity attributable to the shareholders of the parent company**	**175.271**	**68.744**	**113.120**	**-109.821**	**247.314**
	A.	Share capital	200.242	0	26.384	-26.341	200.285
	B.	Share premiums	32.439	0	0	0	32.439
	C.	Reserves	-62.432	64.941	80.881	-83.480	-90
	D.	Net result of the financial year	5.022	3.803	5.855	0	14.680
II.		**Minority interests**	**19**	**100**	**0**	**0**	118
		LIABILITIES	**410.456**	**97.945**	**82.375**	**-191.038**	**399.737**
I.		**Non-current liabilities**	**359.601**	**1.104**	**0**	**0**	**360.705**
	A.	Provisions	0	0	0	0	0
	B.	Non-current financial debts	339.644	1.104	0	0	340.748
	C.	Other non-current financial liabilities	19.957	0	0	0	19.957
	D.	Trade debts and other non-current debts	0	0	0	0	0
	E.	Other non-current liabilities	0	0	0	0	0
	F.	Deferred taxes - liabilities	0	0	0	0	0
II.		**Current liabilities**	**50.855**	**96.841**	**82.375**	**-191.038**	**39.032**
	A.	Provisions	0	0	0	0	0
	B.	Current financial debts	10.453	0	0	0	10.453
	C.	Other current financial liabilities	0	0	0	0	0
	D.	Trade debts and other current debts	8.505	2.916	383	-339	11.465
	E.	Other current liabilities	23.939	91.997	79.942	-190.195	5.683
	F.	Accrued charges and deferred income	7.957	1.929	2.050	-505	11.431
		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**585.746**	**166.789**	**195.495**	**-300.860**	**647.170**

[38] The condensed financial statements have been subjected to a limited review by the auditor.

Annex 9: Independent expert's report on 30/06/2017

Valuation	The valuation of the various investment objects in the portfolio was supported by the following methods: the rental value capitalisation method and the income approach according to a Discounted Cash Flow (DCF) model, with a verification of the unit prices obtained.
Evolution of value	The Fair Value of the projects (exclusive of developments and solar panels) pursuant to IAS 40 has gone from €532 million on 31/12/2016 to €598 million on 30/06/2017. This Fair Value of €598 million corresponds to an investment value of €626 million (deed in hand).
	The initial yield (the rental income considered in respect of the investment value) of the full portfolio amounts to 6.8%.
Assets	The assets at this time amount to ± 812,120 m² of storage space and ± 75,539 m² of office floor space, for a total floor space of ± 887,659 m².
	Except for the 14 sites in France and 11 sites in the Netherlands, the current properties are situated mainly in the Flemish rhombus.
Rental income	The actual rental income is calculated after deducting the advance levy on income derived from real estate when the latter is payable by the owner, and in certain rare cases, as an average rental income until the next due date, if there are rent reduction or the rent is not contractually constant.
	This annual income amounted to € 42.8 million per year on 30/06/2017.
	The aforementioned rental amounts are the net rental income minus additional payments for municipal charges and any insurance premiums.

The occupancy rate for the entire portfolio, calculated on the basis of the floor space, amounts to 95.8%.

Annex 10: Overview of the property portfolio on 30/06/2017

	Construction year / Year most important renovations	Offices m²	Warehouses m²	Total m²	Contracted Rent Income	Estimated Rental Value (*)	Occupancy rate (as % of total m²)
Belgium							
AALST (ABDEFG), TRAGEL 48-58	1975 - 2002 - 2009	2.098	16.606	18.704	611.083	597.440	100,0%
AALST (CHIJ), TRAGEL 48-58	2002 - 2009	540	19.017	19.557	1.243.603	858.762	100,0%
AALST (KLM), TRAGEL 48-58	1985 - 2009	1.397	4.591	5.988	278.313	255.615	100,0%
BORNEM, INDUSTRIEWEG 4-24	1977 - 2016	1.437	13.163	14.600	606.349	573.855	100,0%
GRIMBERGEN, EPPEGEMSESTWG 31-33	1980 - 1995 - 1996 - 2003 -2014	2.033	31.136	33.169	1.210.295	1.392.784	98,4%
HOBOKEN SMALLANDLAAN 7	2001	402	3.836	4.238	125.000	85.980	100,0%
NIJVEL, RUE DE L'INDUSTRIE	2000	1.385	12.649	14.034	203.443	552.325	100,0%
PUURS, SCHOONMANSVELD 18	1998	1.334	11.907	13.241	0	583.000	100,0%
EREMBODEGEM, INDUSTRIELAAN 27	1973 - 2007	3.457	13.316	16.773	906.376	840.380	99,3%
MECHELEN, ZANDVOORTSTRAAT 16	1984 - 1990 - 1998 - 2013	1.979	27.246	29.225	997.950	941.030	0,0%
VORST, HUMANITEITSln 292, SITE LIPTON	1984 - 2007	778	4.819	5.597	359.877	254.220	100,0%
VORST, HUMANITEITSln 292, SITE CM	1966 - 2007 - 2014	0	7.150	7.150	372.902	286.000	100,0%
VORST, HUMANITEITSln 292, SITE RESTAURANT (STATION)	1971 - 1995	2.110	0	2.110	202.160	189.900	100,0%
VORST, HUMANITEITSln 292, SITE METRO	2015	0	3.850	3.850	551.297	269.500	100,0%
VORST, HUMANITEITSln 292, SITE CdS	2016	0	10.505	10.505	522.258	457.900	100,0%
MILMORT, AVENUE DU PARC INDUSTRIEL	2000	1.625	28.912	30.537	241.556	1.106.695	53,9%
HEPPIGNIES, RUE BRIGADE PIRON	2011	730	13.381	14.111	811.199	564.830	100,0%
ZAVENTEM, BRUCARGO 830	2012	4.328	23.951	28.279	2.195.244	1.999.390	100,0%
ZAVENTEM, BRUCARGO 831	2013	1.896	7.891	9.787	640.487	677.685	100,0%
GENT, EVENSTUK	2013 - 2016	755	48.154	48.909	1.707.748	1.862.778	100,0%
ZAVENTEM, BRUCARGO 763	1995 -1999 / 2007 / 2009	1.198	4.875	6.073	323.000	333.215	100,0%
GENT, KORTE MATE	2011	1.012	12.024	13.036	318.000	608.620	100,0%
ZAVENTEM, BRUCARGO 738-1	2014	1.574	4.471	6.045	482.142	488.775	100,0%
WILLEBROEK, DE HULST SITE NEOVIA	2014	512	21.500	22.012	0	953.940	0,0%
WILLEBROEK, DE HULST SITE DACHSER	2014	1.652	7.381	9.033	1.019.849	844.155	100,0%
WILLEBROEK, DE HULST SITE FEDERAL MOGUL	2016	789	28.328	29.117	1.444.751	1.334.490	100,0%
EREMBODEGEM, WATERKERINGSTRAAT 1	2016	1.516	14.423	15.939	996.573	951.851	100,0%
Total Belgium		**42.988**	**473.848**	**516.836**	**22.509.911**	**23.857.894**	**92,8%**
France							
0 €	0	0	0	0	0	0	0,0%
FEUQUIERES, ZI DU MOULIN 80	1995 - 1998 - 2000	763	8.230	8.993	358.000	247.308	100,0%
ROISSY, RUE DE LA BELLE ETOILE 280	1990 - 2001	737	3.285	4.022	319.695	281.540	100,0%
BONDOUFLE, RUE HENRI DUNANT 9-11	1990	1.307	2.678	3.985	236.353	239.100	100,0%
DECINES-CHARPIEU, RUE ARTHUR RIMBAUD 1	1996	1.108	2.713	3.821	374.396	293.080	100,0%
LE MESNIL AMELOT, RUE DU GUE 4	1992 - 2015	1.375	7.241	8.616	836.666	775.422	100,0%
ALFORTVILLE, LE TECHNIPARC	2001	0	1.995	1.995	220.490	219.450	100,0%
ROISSY, RUE DE LA BELLE ETOILE 383	2001	1.965	4.492	6.457	646.458	615.885	100,0%
LE MESNIL AMELOT, RUE DU GUE 1-3	1998	1.211	4.043	5.254	496.183	472.860	100,0%
SAINT PRIEST, RUE NICEPHORE NIEPCE	2008	1.000	15.803	16.803	603.060	662.544	100,0%
MARENNES, LA DONNIERE	1998 - 2000 / 2001	524	19.965	20.489	864.926	860.538	100,0%
SAINT-LAURENT-BLANGY, ACTIPARK	2006	747	18.828	19.575	635.558	604.856	100,0%
SAINT-MARTIN-DE-CRAU	2002	1.300	18.445	19.745	825.274	795.400	100,0%
Alfortville, 8 rue Félix Mothiron	2016	156	1.333	1.489	163.911	163.911	100,0%
Total France		**13.181**	**118.135**	**131.316**	**7.084.570**	**6.735.494**	**100,0%**
Netherlands							
ALMERE, STICHTSE KANT	2008	510	25.338	25.848	1.196.211	1.291.901	100,0%
WADDINXVEEN, EXPORTWEG	2009	2.069	17.380	19.449	974.753	1.290.887	100,0%
OSS, VOLLENHOVERMEER	2014	680	26.825	27.505	1.045.040	1.218.225	100,0%
BEUNINGEN, ZILVERWERF	2009	2.987	14.908	17.895	1.035.436	909.753	100,0%
S HEERENBERG, DISTRIBUTIEWEG	2009	2.376	20.593	22.969	1.385.956	1.391.685	100,0%
HEERLEN, BUSINESS PARK AVENTIS	2015	4.787	9.273	14.060	1.475.126	1.176.973	100,0%
APELDOORN, IJSELDIJK	2011	701	8.308	9.009	553.538	617.128	100,0%
TILBURG, GESWORENHOEKSEWEG	2004	1.546	19.150	20.696	1.001.874	1.078.210	100,0%
Tilburg, NSK	2016	1.681	18.249	19.929	1.000.000	1.025.757	100,0%
Total Netherlands		**19.371**	**220.137**	**239.507**	**13.232.530**	**13.543.365**	**100,0%**
Total		**75.539**	**812.120**	**887.659**	**42.827.011**	**44.136.753**	**95,8%**

Annex 11: Overview of the impact of the adjusted valuation rules

MONTEA		30/06/2017 6 months	31/12/2016 RESTATED (0) 12 months	30/06/2016 RESTATED (0) 6 months	31/12/2016 12 months	30/06/2016 6 months
Consolidated results						
Results						
Net rental result	K€	20.039	40.518	20.871	40.518	20.871
Operating result before the porfolio result	K€	19.224	36.304	18.661	36.304	18.661
Operating margin (5)*	%	95,9%	89,6%	89,4%	89,6%	89,4%
Financial result (excl. Variations in fair value of the financial instruments) (6)*	K€	-5.441	-11.780	-4.833	-11.780	-4.833
EPRA result (7)*	**K€**	**13.000**	**24.018**	**13.711**	**24.018**	**13.711**
Weighted average number of shares		**9.951.884**	**9.722.190**	**9.488.689**	**9.722.190**	**9.488.689**
EPRA result per share (8)*	**€**	**1,31**	**2,47**	**1,45**	**2,47**	**1,45**
Result on the portfolio (9)	K€	-3.167	**8.801**	**83**	11.079	2.318
Variations in fair value of the financial instruments (10)	K€	4.847	-616	-6.087	-616	-6.087
Net result (IFRS)	**K€**	**14.680**	**32.204**	**7.714**	**34.481**	**9.942**
Net result per share	**€**	**1,48**	**3,31**	**0,81**	**3,55**	**1,05**

MONTEA **ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical**	30/06/2017 6 months	31/12/2016 RESTATED (0) 12 months	30/06/2016 RESTATED (0) 6 months	31/12/2016 12 months Conso	30/06/2016 6 months Conso
EPRA Earnings	**13.000**	**24.018**	**13.711**	**24.018**	**13.711**
per share (1)	**1,31**	**2,47**	**1,45**	**2,47**	**1,45**
Result on disposals of investment properties	769	8.131	0	6.291	0
Result on disposals of other non-financial assets	0	0	0	0	0
Changes in fair value of investment properties	-3.936	670	83	4.788	2.318
Other portfolio result	0	0	0	0	0
PORTFOLIO RESULT	**-3.167**	**8.801**	**83**	**11.079**	**2.318**
Changes in fair value of financial assets and liabilities	4.847	-616	-6.087	-616	-6.087
RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**4.847**	**-616**	**-6.087**	**-616**	**-6.087**
NET RESULT	**14.680**	**32.204**	**7.714**	**34.481**	**9.942**
per share	**1,48**	**3,31**	**0,81**	**3,55**	**1,05**

MONTEA	**CONSOLIDATED BALANCE SHEET (K EUR)**	30/06/2017 6 months	31/12/2016 RESTATED (0) 12 months	30/06/2016 RESTATED (0) 6 months	31/12/2016 Conso 12 months	30/06/2016 Conso 6 months
	TOTAL SHAREHOLDERS' EQUITY	**247.433**	**251.965**	**225.754**	**251.965**	**225.748**
	Shareholders' equity attributable to shareholders of the parent company	**247.314**	**251.846**	**225.636**	**251.846**	**225.629**
A.	Share capital	200.285	200.282	200.330	200.282	200.330
B.	Share premiums	32.439	32.439	32.439	32.439	32.439
C.	Reserves	-90	-13.079	-14.847	-15.356	-17.082
D.	Net result of the financial year	14.680	32.204	7.714	34.481	9.942
	Minority interests	**118**	**118**	**118**	**118**	**118**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**647.170**	**594.759**	**609.297**	**594.759**	**609.297**

CONSOLIDATED PROFIT & LOSS ACCOUNT (EUR x 1.000)	30/06/2017	31/12/2016 RESTATED (0)	30/06/2016 RESTATED (0)	31/12/2016 12 months Conso	30/06/2016 6 months Conso
	6 months	12 months	6 months		
OPERATING RESULT BEFORE PORTFOLIO RESULT	**19.224**	**36.304**	**18.668**	**36.304**	**18.661**
Result on disposal of investment properties	769	8.131	0	6.291	0
Result on disposal of other non-financial assets	0	0	0	0	0
Changes in fair value of investment properties	-3.936	670	83	4.788	2.318
Other portfolio result	0	0	0	0	0
OPERATING RESULT	**16.057**	**45.105**	**18.751**	**47.383**	**20.979**
Financial income	234	656	338	656	338
Net interest charges	-5.650	-12.308	-5.143	-12.308	-5.143
Other financial charges	-26	-128	-28	-128	-28
Change in fair value of financial assets & liabilities	4.847	-616	-6.087	-616	-6.087
FINANCIAL RESULT	**-594**	**-12.396**	**-10.920**	**-12.396**	**-10.920**
Share in the result of associates and joint ventures	0	0	0	0	0
PRE-TAX RESULT	**15.463**	**32.709**	**7.831**	**34.987**	**10.059**
Corporation tax	-783	-506	-117	-506	-117
Exit tax	0	0	0	0	0
TAXES	**-783**	**-506**	**-117**	**-506**	**-117**
NET RESULT	**14.680**	**32.204**	**7.714**	**34.481**	**9.942**
Attributable to:					
Shareholders of the parent company	14.680	32.204	7.714	34.481	9.942
Minority interests	0	0	0	0	0
EPRA EARNINGS	**13.000**	**24.018**	**7.624**	**24.018**	**7.624**
Number of shares in circulation at the end of the period	9.951.884	9.951.884	9.951.884	9.951.884	9.951.884
Weighted average of number of shares of the period	9.951.884	9.722.190	9.488.689	9.722.190	9.488.689
NET RESULT per share (EUR)	**1,48**	**3,31**	**0,81**	**3,55**	**1,05**

CONSOLIDATED CASH FLOW STATEMENT (EUR x 1.000)	30/06/2017	31/12/2016 RESTATED (0)	31/12/2016 12 months
	6 months	12 months	Conso
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR (A)	**3.350**	**4.930**	**4.930**
Net result	**14.680**	**32.204**	**34.481**
Financial cash elements (not dedectable of the net profit) to become the operating result	**5.441**	**11.780**	**11.780**
Received interests	-234	-656	-656
Payed interests on finances	5.675	12.436	12.436
Received dividends	0	0	0
Taxes (dedected from the net result) to become the operating result	**783**	**506**	**506**
Non-cash elements to be added to / deducted from the result	**-2.423**	**-8.480**	**-10.758**
Depreciations and write-downs	**40**	**211**	**211**
Depreciations/write-downs (or write-back) on intangible and tangible assets (+/-)	104	200	200
Write-downs on current assets (+)	0	11	11
Write-back of write-downs on current assets (-)	-65	0	0
Other non-cash elements	**-2.462**	**-8.691**	**-10.968**
Changes in fair value of investment properties (+/-)	3.936	-670	-4.788
IAS 39 impact (+/-)	-4.847	616	616
Other elements			
Realized gain on disposal of investment properties	-769	-8.131	-6.291
Provisions	0	0	0
Taxes	-783	-506	-506
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS (B)	**18.481**	**36.009**	**36.009**

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY (EUR x 1000)	Share capital	Share premiums	Reserves	Result	Deduction of transfer rights and costs	Minority interests	Shareholders' equity
			RESTATED (0)	RESTATED (0)	RESTATED (0)		
ON 31/12/2014	**176.061**	**14.650**	**-13.480**	**6.107**	**0**	**100**	**183.438**
Elements directly recognized as equity	**9.227**	**6.243**	**5.731**	**0**	**0**	**0**	**21.201**
Capital increase	9.227	6.243	0	0	0	0	15.470
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	5.130	0	0	0	5.130
Positive change in value of solar panels (IAS 16)	0	0	213	0	0	0	213
Own shares	0	0	388	0	0	0	388
Own shares held for employee option plan	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0
Corrections	0	0	0	0	0	0	0
Subtotal	**185.288**	**20.893**	**-7.749**	**6.107**	**0**	**100**	**204.639**
Dividends	0	0	-15.263	0	0	0	-15.263
Result carried forward	0	0	6.107	-6.107	0	0	0
Result for the financial year	0	0	0	18.880	0	0	18.880
ON 31/12/2015	**185.288**	**20.893**	**-16.905**	**18.880**	**0**	**100**	**208.256**
Elements directly recognized as equity	**14.994**	**11.546**	**3.646**	**0**	**0**	**18**	**30.204**
Capital increase	14.994	11.546	0	0	0	0	26.540
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	4.117	0	0	0	4.117
Positive change in value of solar panels (IAS 16)	0	0	-720	0	0	0	-720
Own shares	0	0	249	0	0	0	249
Own shares held for employee option plan	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	18	18
Corrections	0	0	0	0	0	0	0
Subtotal	**200.282**	**32.439**	**-13.259**	**18.880**	**0**	**118**	**238.460**
Dividends	0	0	-18.700	0	0	0	-18.700
Result carried forward	0	0	18.880	-18.880	0	0	0
Result for the financial year	0	0	0	32.204	0	0	32.204
	0	0	0		0	0	
ON 31/12/2016	**200.282**	**32.438**	**-13.079**	**32.204**	**0**	**118**	**251.965**

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY (EUR x 1000)	Share capital	Share premiums	Reserves	Result	Deduction of transfer rights and costs	Minority interests	Shareholders' equity
ON 31/12/2014	**176.061**	**14.650**	**4.333**	**6.107**	**-17.813**	**100**	**183.438**
Elements directly recognized as equity	**9.227**	**6.243**	**6.044**	**0**	**-5.443**	**0**	**16.071**
Capital increase	9.227	6.243					15.470
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties			5.443		-5.443		0
Positive change in value of solar panels (IAS 16)			213				213
Own shares			388				388
Own shares held for employee option plan							0
Minority interests							0
Corrections							0
Subtotal	**185.288**	**20.893**	**10.377**	**6.107**	**-23.256**	**100**	**199.508**
Dividends			-15.262				-15.262
Result carried forward			6.107	-6.107			0
Result for the financial year				24.010			24.010
ON 31/12/2015	**185.288**	**20.893**	**1.222**	**24.010**	**-23.256**	**100**	**208.256**
Elements directly recognized as equity	**14.994**	**11.546**	**3.439**	**0**	**-2.070**	**18**	**27.927**
Capital increase	14.994	11.546	0	0	0	0	26.540
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	3.910	0	-2.070	0	1.840
Positive change in value of solar panels (IAS 16)	0	0	-720	0	0	0	-720
Own shares	0	0	249	0	0	0	249
Own shares held for employee option plan	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	18	18
Corrections	0	0	0	0	0	0	0
Subtotal	**200.282**	**32.440**	**4.661**	**24.010**	**-25.326**	**118**	**236.184**
Dividends	0	0	-18.700	0	0	0	-18.700
Result carried forward	0	0	24.010	-24.010	0	0	0
Result for the financial year	0	0	0	34.481	0	0	34.481
ON 31/12/2016	**200.282**	**32.439**	**9.971**	**34.481**	**-25.326**	**118**	**251.965**

Annex 12: Auditor's report

Building a better working world

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Report of the statutory auditor to the shareholders of Montea Comm VA on the review of the interim condensed consolidated financial statements as of 30 June 2017 and for the six-month period then ended

Introduction

We have reviewed the accompanying interim consolidated balance sheet of Montea Comm VA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2017 and the related interim consolidated profit & loss accounts, the abbreviated consolidated statement of comprehensive income, the statement of changes in shareholder's equity and the consolidated cash flow statement for the six-month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated statement of financial position total of € 647.170 thousand and a consolidated profit for the six-month period of € 14.680 thousand. Management is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting* ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

Scope of Review

We conducted our review in accordance the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" applicable to review engagements. 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 conducted in accordance with the International Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements do not give a true and fair view of the financial position of the Group as at 30 June 2017, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34, as adopted for use in the European Union.

Brussels, 7 August 2017

Ernst & Young Réviseurs d'Entreprises SCCRL
Statutory auditor
represented by

Joeri Klaykens*
Partner
* Acting on behalf of a BVBA/SPRL

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