SPACE FOR GROWTH

2

MONTEA
SPACE FOR GROWTH

REGULATED INFORMATION – INTERIM STATEMENT FROM THE STATUTORY MANAGER
FOR THE PERIOD FROM 01/01/2017 TO 31/03/2017
UNDER EMBARGO UNTIL 16/05/2017 – 07:00 AM

- EPRA EARNINGS OF € 7.2 MILLION IN Q1 2017 CONSISTING OF
  - EARNINGS ON A RECURRENT BASIS OF €5.1 MILLION
  - € 1.2 MILLION ONCE-OFF SEVERANCE COMPENSATION FROM SAS AUTOMOTIVE
  - € 0.9 MILLION PROVISION RECEIVED FOR RECEIVING ONCE-OFF COMPENSATION LINKED TO THE DELIVERY OF THE PROPERTY RENTED TO DHL AVIATION NV

- EPRA RESULT PER SHARE OF € 0.73 IN Q1 2017

- OPERATING MARGIN AMOUNTS EXCEPTIONAL TO 95.4% AT THE END OF Q1 2017 OR 86.4% WITHOUT THE ABOVE MENTIONED ONCE-OFF COMPENSATION

- OCCUPANCY RATE OF 95.3% AT THE END OF Q1 2017

- AVERAGE TERM OF LEASES ON FIRST EXPIRY DATE OF 7.8 YEARS AT THE END OF Q1 2017

- INCREASE IN FAIR VALUE OF THE PROPERTY PORTFOLIO OF 2.8% TO € 556 MILLION COMPARED WITH € 552 MILLION AT THE END OF 2016

- DEBT RATIO OF 52.7% AT THE END OF Q1 2017 – AVERAGE TERM OF LOANS OF 5.2 YEARS – AVERAGE TERM OF INTEREST RATE HEDGING OF 7.6 YEARS

- OUTLOOK FOR 2017
  - PROPERTY PORTFOLIO GROWS TO € 650 MILLION
  - OCCUPANCY RATE REMAINS ABOVE 95% - TERM OF LEASES AMOUNTS TO MORE THAN 7 YEARS ON AVERAGE
  - OPERATING MARGIN OF 89% ON AN ANNUAL BASIS
  - AMBITION TO HAVE THE EPRA EARNINGS PER SHARE RISE BY 5%

Summary

- The EPRA earnings[1] of Montea for the first three months of 2017 amount to € 7.2 million and have remained stable compared to the EPRA earnings of Q1 2016, which amounted to € 7.1 million. The most significant changes are:
    - a drop in the net rental income from € 11.3 million at the end of 2016 to € 10.4 million at the end of Q1 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 compensation received from SAS Automotive in Q1 2017 as a result of closure (€ 1.2 million).
      The rental income loss as a result of the sale of 2 French properties at the end of 2016 is offset by the rental income received from investments made later in 2016 and the beginning of 2017.
    - the drop of the net rental income is offset primarily by the provision for a once-off compensation received from MG Real Estate for the delivery of the building at Brucargo, developed for the lessee DHL Aviation NV (€ 0.9 million).

- The EPRA earnings per share[2] dropped to € 0.73 for Q1 2017 compared with € 0.77 per share for Q1 2016, in spite of the stable EPRA earnings in 2017 compared to 2016 as a result of the new shares created after 31 March 2016.

- The fair value of the property portfolio rose by € 3.6 million (1%) to € 555.9 million at the end of Q1 2017 compared with € 552.3 million at the end of 2016. The fair value of the Belgian property portfolio amounts to € 285 million, that of the French portfolio to € 90 million and that of the Dutch portfolio to € 180 million.

  The growth of the fair value in Belgium is due chiefly to the acquisition of the site in Willebroek (rented to the Metro group), the purchase of the land that will be developed for Mainfreight in Genk, partially offset by a drop in the fair value of the existing portfolio owing to the new vacancy (site rented to SAS Automotive and site rented to H&M). In France, the real value of the property portfolio dropped after the sale of the third and last building (situated at Savigny-le-Temple and rented to Le Piston Français) to Patrizia Logistik Invest Europe I. The increase in the fair value of the property portfolio in the Netherlands is due mainly to the further development of the project in Aalsmeer, rented to Scotch & Soda.

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 Chapters 6 and 7 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 ERPA 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.

- The occupancy rate dropped to 95.3% at the end of Q1 from 98.1% at the end of 2016 as a result of the new vacancy. The average term of leases until the first termination option remained stable: 7.8 years compared with 7.7 years at the end of 2016.
- The operating margin amounts to 95.4% for the first 3 months of 2017 compared with 85.0% for the same period the previous year. The increase of the operating margin is chiefly due to the provision for the once-off compensation received for the delivery of the building in Brucargo developed for the lessee DHL Aviation NV (€ 0.9 million). The operating margin for the first 3 months of 2017 amounts to 86.3% if no account is taken of the once-off compensation.

- The debt ratio amounts to 52.7% at the end of the first quarter of 2017 compared with 51.6% at the end of 2016.

- Taking account of the results for the first quarter of 2017, the outlook for Montea is as follows:

  1. Property portfolio grows to € 650 million
  2. Occupancy rate remains above 95% - Term of leases amounts to more than 7 years on average
  3. Operating margin of 89% on an annual basis
  4. Ambition to have the EPRA earnings per share rise by 5%

Table of contents

1. Management Report

1.1. Key figures

MONTEA		BE	FR	NL	31/03/2017 3 months	31/12/2016 12 months	31/03/2016 3 months
Real estate portfolio							
Real estate portfolio - Buildings (1)							
Number of sites		**24**	**13**	**10**	**47**	**47**	**48**
Surface of the real estate portfolio							
Logistics and semi-industrial warehouses	sqm	408.350	116.802	188.233	713.385	715.310	757.907
Offices	sqm	36.636	13.025	17.203	66.864	67.668	69.261
Total surface	**sqm**	**444.986**	**129.827**	**205.436**	**780.249**	**782.978**	**827.168**
Development potential	sqm	136.385	53.000	18.055	207.440	230.344	119.569
Value of the real estate portfolio							
Fair value (2)	K€	275.253	87.313	169.865	532.431	532.063	540.673
Investment value (3)	K€	282.135	93.538	181.755	557.428	558.167	566.628
Occupancy Rate	**%**	**91,7%**	**100,0%**	**100,0%**	**95,3%**	**98,1%**	**96,8%**
Real estate portfolio - Solar panels							
Fair value	K€	9.860	0	0	9.860	9.978	10.289
Real estate portfolio - Projects under construction							
Fair value (2)	K€	0	3.047	10.598	13.645	10.281	18.023
Consolidated results							
Results							
Net rental result	K€				10.432	40.518	11.297
Operating result before the porfolio result	K€				9.950	36.304	9.606
Operating margin (5)*	%				95,4%	89,6%	85,0%
Financial result (excl. Variations in fair value of the financial instruments) (6)*	K€				-2.582	-11.780	-2.405
EPRA result (7)*	**K€**				**7.221**	**24.018**	**7.116**
Weighted average number of shares					9.951.884	9.722.190	9.251.455
EPRA result per share (8)*	**€**				**0,73**	**2,47**	**0,77**
Result on the portfolio (9)	K€				-2.562	11.079	2.089
Variations in fair value of the financial instruments (10)	K€				2.746	-616	-4.606
Net result (IFRS)	**K€**				**7.405**	**34.481**	**4.598**
Net result per share	**€**				**0,74**	**3,55**	**0,50**
Consolidated balance sheet							
IFRS NAV (excl. minority participations) (11)	**K€**				**259.640**	**251.846**	**228.689**
EPRA NAV (12)*	**K€**				**281.698**	**276.651**	**257.602**
Debts and liabilities for calculation of debt ratio	K€				317.710	324.766	327.888
Balance sheet total	**K€**				**622.413**	**594.759**	**598.440**
Debt ratio (13)	**%**				**51,0%**	**51,6%**	**54,8%**
IFRS NAV per share	**€**				**26,09**	**25,31**	**23,68**
EPRA NAV per share (14)*	**€**				**28,31**	**27,80**	**26,66**
EPRA NNAV per share (15)*	**€**				**26,09**	**25,31**	**23,68**
Share price (16)	**€**				**45,11**	**46,37**	**39,45**
Premium	**%**				**72,9%**	**83,2%**	**66,6%**

(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 the transactions costs.
(4) The occupancy rate is calculated based on m². For the calculation of this occupancy rate no account was taken, nor in the numerator, nor in the denominator, of the inoccupied m² intended for redevelopment and the land bank.
(5) *The operating margin is obtained by dividing the operating result before the result on the property portfolio by the net rental result. See section 7.
(6) *Financial result (exclusive of variations in the fair value of the financial instruments): this is the financial result in accordance with the Royal Decree of July 13, 2014 regarding regulated real estate companies excluding the variation in the fair value of the financial instruments, and reflects the actual funding cost of the company.
(7) *EPRA earnings: this concerns the underlying earnings from the core activities and indicates the degree to which the current dividend payments are supported by the profit. These earnings are calculated as the net result (IFRS) exclusive of the result on the portfolio and the variations in the fair value of financial instruments. Cf www.epra.comm and section 6.
(8) *EPRA earnings per share concerns the EPRA earnings on the basis of the weighted average number of shares. Cf. www.epra.com and section 6.
(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 sale of real estate. See section 7.
(10) Variations in the fair value of financial 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 of intrinsic value before 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 according to IFRS 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 at their fair value, and 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 6.
(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 in circulation on the balance sheet date. Cf. www.epra.com and section 6.
(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 in circulation on the balance sheet date. Cf. also www.epra.com and section 6.
(16) Share price at the end of the period.

1.2. Significant events and transactions during the first quarter of 2017 in Belgium, the Netherlands and France

1.2.1. The EPRA earnings amount to € 7.2 million and have remained stable compared to the EPRA results during the same period the previous year, which amounted to € 7.1 million

The EPRA earnings of Montea for the first 3 months of 2017 amount to € 7.2 million and have remained stable compared to the EPRA earnings of Q1 2016 which amounted to € 7.1 million. The most significant changes are:

- A drop in the net rental income from € 11.3 million at the end of 2016 to € 10.4 million at the end of Q1 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 compensation received from SAS Automotive in Q1 2017 as a result of closure (€ 1.3 million).
- The rental income loss as a result of the sale of 2 French properties at the end of 2016 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 by the provision for the once-off compensation received from MG Real Estate for the delivery of the building in Brucargo developed for the lessee DHL Aviation NV (€ 0.9 million), more costs and charges on leased buildings passed on to the lessees (€ 0.2 million) and extra income from solar panels (€ 0.2 million), which leads to an increase of the property result of € 11.4 million at the end of Q1 2017 compared with € 11.0 million at the end of Q1 2016.
- Stable property result (€ 0.3 million), overheads (€ 1.1 million) during the first 3 months of the year which leads to an operating property result on the portfolio of € 10.0 million at the end of Q1 2017 compared with € 9.6 million at the end of Q1 2016.
- The higher negative financial result of € 2.6 million during the first 3 months of 2017 compared with € 2.4 million during the same period the previous year, whereby the EPRA earnings before taxes amount to € 7.4 million at the end of Q1 2017 compared with € 7.2 million at the end of Q1 2016.
- More taxes to be paid for the period Q1 2017 (€ 0.2 million) compared with the same period in 2016 (€ 0.1 million), whereby the EPRA result remains stable at the end of Q1 2017 compared with the end of Q1 2016.

The increase in the operating margin from 85.0% in the first 3 months of 2016 to 95.4% for the same period in 2017 is the result of the provision for the once-off compensation received from MG Real Estate for the delivery of the building in Brucargo developed for the lessee DHL Aviation NV € 0.9 million).

The EPRA earnings per share (€ 0.73) dropped for the first quarter of 2017, compared with the EPRA earnings per share (€ 0.77) for the first quarter of 2016, in spite of the stable EPRA earnings as a result of the newly created shares after 31 March 2016.

The average financing cost[3]* rose from 3.0% at the end of 2016 to 3.3% at the end of Q1 2017 through a higher hedging percentage (ca. 104% on average) during the first quarter of 2017 compared with the hedging percentage of 2016 (ca. 80% on average).

[3] *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.

1.2.2. Lease avtivity during the first quarter 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.

1.2.3. Investment activity during the first quarter 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)** [4]

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).

---

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

This acquisition is financed with funds that Montea raised recently from the sale of 3 properties in France (net selling price: €60.4 million)[5]

1.2.4. Development activity during the first quarter of 2017

- **13/03/2017 - Wayland Real Estate and Montea sign agreement for the future development of "LogistiekPark A12" in Waddinxveen**[6]

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.

Hylcke Okkinga, Manager Montea Nederland: "*LogistiekPark A12 provides outstanding opportunities for logistics companies. We are convinced that the superb location and spacious plot division will result in a unique master plan from this cooperation"***.**

Arnaud van der Eijk, Directeur Wayland Real Estate: "We expect with this cooperation and development, a strong increase in logistics activities within the A12 Corridor".

[5] For more information, cf. press release of 10/01/2017 or www.montea.com.
[6] For more information, cf. press release of 30/03/2017 or www.montea.com.

1.2.5. Divestment activity during the first quarter of 2017

➢ **30/03/2017 - Finalisation of the sale of the Savigny-le-Temple site (FR) [7] 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.

1.2.6. Other events during the first quarter 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.

[7] For more information, cf. press release of 10/01/2017 or www.montea.com.

2. Value and composition of the property portfolio at 31/03/2017

- **The fair value of the total property assets amounts to € 555.9 million, owing to the valuation of the property portfolio buildings (€ 532.4 million) and current developments (€ 13.6 million) on the one hand, and the value of the solar panels (€ 9.9 million) on the other.**

MONTEA SPACE FOR GROWTH	Total 31/03/2017	Belgium	France	The Netherlands	Total 31/12/2016	Total 31/03/2016
Real estate portfolio - Buildings (0)						
Number of sites	**47**	24	13	10	**47**	**48**
Warehouse space (sqm)	**713.385**	408.350	116.802	188.233	**715.310**	**757.907**
Office space (sqm)	**66.864**	36.636	13.025	17.203	**67.668**	**69.261**
Total space (sqm)	**780.249**	444.986	129.827	205.436	**782.978**	**827.168**
Development potential (sqm)	**207.440**	136.385	53.000	18.055	**230.344**	**119.569**
Fair value (K EUR)	**532.431**	275.253	87.313	169.865	**532.063**	**540.673**
Investment value (K EUR)	**557.428**	282.135	93.538	181.755	**558.167**	**566.628**
Annual contractual rents (K EUR)	**37.388**	18.910	6.900	11.578	**38.929**	**40.568**
Gross yield (%)	**7,02%**	6,87%	7,90%	6,82%	**7,32%**	**7,50%**
Gross yield on 100% occupancy (%)	**7,43%**	7,65%	7,90%	6,82%	**7,43%**	**7,70%**
Un-let property (m^2) (1)	**50.527**	50.527	0	0	**15.274**	**26.169**
Rental value of un-let property (K EUR) (2)	**2.156**	2.156	0	0	**619**	**1.074**
Occupancy rate	**95,3%**	91,7%	100,0%	100,0%	**98,1%**	**96,8%**
Real estate portfolio - Solar panels (3)						
Fair value (K EUR)	**9.860**	9.860	0	0	**9.978**	**10.289**
Real estate portfolio - Developments (4)						
Fair value (K EUR)	**13.645**	0	3.047	10.598	**10.281**	**18.023**

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

The fair value of the total property portfolio (buildings, solar panels and development) rose by € 3.6 million (1%) to € 555.9 million at the end of Q1 2017 compared with € 552.3 million at the end of 2016. The fair value of the Belgian, French and Dutch portfolios amounts to € 285 million, € 90 million and € 180 million respectively.

The growth of the fair value in Belgium is due chiefly to the acquisition of the site in Willebroek (rented to the Metro group), the purchase of the land that will be developed for Mainfreight in Genk, partially offset by a drop in the fair value of the existing portfolio owing to the new vacancy (site rented to SAS Automotive and site rented to H&M). In France, the real value of the property portfolio dropped after the sale of the third and last building (situated at Savigny-le-Temple and rented to Le Piston Français) to Patrizia Logistik Invest Europe I. The increase in the fair value of the property portfolio in the Netherlands is due mainly to the further development of the project in Aalsmeer, rented to Scotch & Soda.

- ✓ The **total surface area** of the property portfolio buildings amounts to 780,249 m², spread over 24 sites in Belgium, 13 in France and 10 in the Netherlands. The net drop of 2,729 m² compared with the end of 2016 is attributable primarily to the divestment in the first quarter of 2017 of the property situated in France, Savigny-le-Temple (rented to Le Piston Français), offset in large measure by the purchase of the logistics warehouse at Park De Hulst in Willebroek, rented to the Metro group.

- ✓ Montea also has a total land bank of ca. 207,440 m² with **development potential** at existing sites.

- ✓ The gross property yield on the total property investments in buildings amounts to 7.32%, based on a fully rented portfolio, compared with 7.43% on 31/12/2016.

- ✓ The contractual annual rental income (exclusive of rental guarantees) amounts to € 37.4 million, down by 7.8% from 31/03/2016, chiefly due to the sale of 3 French properties at the end of 2016 and beginning of 2017, partially offset by the rental income of new investments after 31 March 2016.

- ✓ The occupancy rate amounts to 95.3%[8]. The vacancy consists of the building in Willebroek for which severance compensation was obtained in 2016 from Neovia Logistics, and the building in Puurs, formerly rented to H&M. The property, that was rented to SAS Automotive but for which a one-time break-off fee was received, has in the meantime been rented to Bleckmann België NV.

[8] The occupancy rate is calculated as a function of the occupied m² compared to the total m². In this calculation, projects in (re)development are not taken into account in the numerator or the denominator.

3. Summary of the condensed consolidated financial statements for the first quarter closed on 31/03/2017

3.1. Condensed consolidated (analytical) income statement for the first quarter closed on 31/03/2017

MONTEA SPACE FOR GROWTH — **ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical**	**31/03/2017** 12 months	**31/03/2016** 3 months
CONSOLIDATED RESULTS		
NET RENTAL RESULT	**10.432**	**11.297**
PROPERTY RESULT	**11.421**	**10.949**
% compared to net rental result	**109,5%**	**1**
TOTAL PROPERTY CHARGES	**-304**	**-249**
OPERATING PROPERTY RESULT	**11.117**	**10.700**
General corporate expenses	-1.158	**-1.109**
Other operating income and expenses	-10	**15**
OPERATING RESULT BEFORE THE PORTFOLIO RESULT	**9.950**	**9.606**
% compared to net rental result	**95,4%**	**1**
FINANCIAL RESULT excl. Variations in fair value of the hedging instruments	**-2.582**	**-2.405**
EPRA RESULT FOR TAXES	**7.368**	**7.201**
Taxes	-147	**-85**
		0
EPRA Earnings	**7.221**	**7.116**
per share	**0,73**	**0,77**
		0
Result on disposals of investment properties	238	**0**
Result on disposals of other non-financial assets	0	**0**
Changes in fair value of investment properties	-2.799	**2.089**
Other portfolio result	0	**0**
PORTFOLIO RESULT	**-2.562**	**2.089**
Changes in fair value of financial assets and liabilities	2.746	**-4.606**
RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**2.746**	**-4.606**
		0
NET RESULT	**7.405**	**4.598**
per share	**0,74**	**0,50**

3.2. Notes on the condensed consolidated (analytical) income statement for the first quarter closed on 31/03/2017

The **net rental income** amounts to € 10.4 million, a drop of € 0.9 million from the end of Q1 2016 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 closure (€ 1.3 million).
The rental loss as a result of the sale of the 2 French properties at the end of 2016 is offset by the rental income received from investments made later in 2016 and in the beginning of 2017.

The drop in the net rental income is more than offset by the provision for the once-off compensation received from MG Real Estate for the delivery of the building in Brucargo developed for the lessee DHL Aviation NV (€ 0.9 million), more costs and charges on leased buildings passed on to the lessees (€ 0.2 million) and extra income from solar panels (€ 0.2 million), which leads to **an increase of the property result** of € 11.4 million at the end of Q1 2017 compared with € 11.0 million at the end of Q1 2016.

The property costs (€ 0.3 million) and overheads (€ 1.1 million) remained stable during the first 3 months of the year, which leads to an operating property result on the portfolio of € 10.0 million at the end of Q1 2017 compared with € 9.6 million at the end of Q1 2016.

A **higher negative financial result (exclusive of the valuation of the hedging instruments)** of € 2.6 million during the first 3 months of 2017 compared with € 2.4 million during the same period the previous year ensures EPRA earnings before taxes of € 7.4 million at the end of Q1 2017 compared with € 7.2 million at the end of Q1 2016.

More taxes to be paid for the period Q1 2017 (€ 0.2 million) compared with the same period in 2016 (€ 0.1 million) ensures **a stable EPRA result** at the end of Q1 2017 compared with that at the end of Q1 2016.

The **operating margin** amounts to 95.4% for the first 3 months of 2017 compared with 85.0% for the same period the previous year. The increase of the operating margin is chiefly due to the provision for the once-off compensation received for the delivery of the building in Brucargo developed for the lessee DHL Aviation NV.

- **EPRA earnings of € 7.2 million**

The EPRA earnings amount to € 7.2 million for the first quarter of 2017 compared with € 7.1 million for the same period the previous year.

- **EPRA earnings of € 0.73 per share**

The **EPRA earnings per share** dropped from € 0.77 for the first quarter of 2016 to € 0.73 for the first quarter of 2017, in spite of the stable EPRA earnings as a result of the new shares created after 31 March 2016.

KEY RATIO'S	31/03/2017	31/12/2016	31/03/2016
Key ratio's (€)			
EPRA result per share (1)	0,73	2,47	0,77
Result on the portfolio per share (1)	-0,26	1,14	0,23
Variations in the fair value of financial instruments per share (1)	0,28	-0,06	-0,50
Net result (IFRS) per share (1)	0,74	3,55	0,50
EPRA result per share (2)	0,73	2,41	0,74
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	9.251.455
Number of shares outstanding at period end	9.951.884	9.951.884	9.658.932

- **Positive non-cash result of € 0.2 million determined by earnings from the sale of the building in Savigny-le-Temple. The positive change in the valuation of the hedging instrument of € 2.7 million and the negative change in the valuation of the property portfolio of € 2.7 million cancel each other out.**

The positive change in the hedging instruments of € 2.7 million is due to the expected rise in the long-term interest rates.

The negative variation in the valuation of the property portfolio of € 2.7 million is mainly due to the drop in the fair value of the existing Belgian portfolio as a result of the new vacancy (site previously rented to SAS Automotive and site rented to H&M).

- **Positive net result amounts to € 7.41 million**

The **net result** on 31/03/2017 amounts to € 7.4 million (€ 0.74 per share) compared with € 4.6 million (€ 0.50 per share) for the same period in 2016.

3.3. Condensed consolidated balance sheet on 31/03/2017

CONSOLIDATED BALANCE SHEET (EUR)	31/03/2017 Conso	31/12/2016 Conso	31/03/2016 Conso
NON-CURRENT ASSETS	**556.800.576**	**545.461.627**	**569.912.799**
CURRENT ASSETS	**65.612.582**	**49.297.472**	**28.526.998**
TOTAL ASSETS	**622.413.158**	**594.759.099**	**598.439.797**
SHAREHOLDERS' EQUITY	**259.758.186**	**251.964.960**	**228.807.009**
Shareholders' equity attributable to shareholders of the parent company	259.639.703	251.846.477	228.688.526
Minority interests	118.483	118.483	118.483
LIABILITIES	**362.654.971**	**342.794.139**	**369.632.788**
Non-current liabilities	326.439.308	310.381.242	324.804.680
Current liabilities	36.215.664	32.412.897	44.828.108
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**622.413.158**	**594.759.099**	**598.439.797**

3.4. Notes to the consolidated balance sheet on 31/03/2017

- On 31/03/2017 the **total assets** (€ 622.4 million) consist mainly of property investments, developments and solar panels (89% of the total). The remaining amount of the assets consists of intangible, other tangible and financial assets and current assets, including cash investments and trade and tax receivables.

- The **total liabilities** consist of the shareholders' equity of €259.7 million and total commitments of € 362.6 million.

  The total commitments of € 362.6 million consist of:
  - Drawn lines of credit for an amount of € 204.0 million;
  - Outstanding debenture loan of € 109.2 million;
  - Leasing debts still payable of € 0.6 million;
  - The cumulated negative value of the hedging instruments of € 22.1 million;
  - € 26.8 million in trade payables, other debts and accrued charges and deferred income.

  ↳ Montea has at times taken out lines of credit from six financial institutions for a total of € 345 million, of which €204 million have been drawn. In 2017 and 2018, € 10 million and € 26.7 million in credit lines will become due.

- The **debt ratio**[9] amounts to 52.7%. The slight change in the debt ratio is due primarily to the further debt financing of the Castanea project in Willebroek and the development projects in progress.

  ↳ Montea moreover meets all the debt ratio covenants which it has concluded with its financial institutions and bond holders, under the terms of which Montea's debt ratio may not exceed 60%.

- The **EPRA NAV** on 31/3/2017 amounts to € 28.31 per share compared with € 27.80 per share on 31/12/2016.
  The **EPRA NNNAV** per share amounts to €26.09 on 31 March 2017 compared with € 25.31 on 31 December 2016.

[9] Calculated in accordance with the Royal Decree of 13 June 2014 on regulated real estate companies.

4. Significants events after the balance sheet date

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

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[11]**

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.

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

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

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

These new purchases will be financed using the resources recently acquired by Montea from the sale of 3 properties in France (net sale price of € 60.4 million) [12].

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".*

[12] For more information, cf. press release of 10/01/2017 or www.montea.com.

➢ 8/05/2017 – Enlargement of the existing Delta Wines site in Waddinxveen with ca 4,900 m² (NL)

In 2014[13] Montea acquired the 20,000 m² logistics distribution centre rented to Delta Wines, a European distributor in wine with a leading role in the Dutch market. This site is strategically located with connections to the Hague–Utrecht–Arnhem–Rührgebied.

To keep pace with the sustained growth of Delta Wines, Montea will enlarge the existing distribution centre with ca. 4,900 m² on the adjoining plot of land. An application for the environmental permit has been filed, and this extension is scheduled for delivery in the first quarter of 2018. The design and execution are carried out by Unibouw. A very strict schedule must ensure that part of the extension is already available for the Christmas rush of Delta Wines.

PPhoto, left to right:
J. van der Geest (Montea), V. Schenk (Delta Wines),
R. Zopfi (Delta Wines), R. Wintjes (Unibouw), G. Sterkenburg (Unibouw)

➢ 15/05/2017 – 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.

[13] For more information, cf. the press release of 6/06/2013 or www.montea.com.

5. Outlook

- Investment pipeline

  In the present climate of yield compression and in view of the sound investment policy pursued by Montea, it is more difficult to acquire quality, A class building on the basis of reasonable yields. As a result, build-to-suit projects are becoming increasingly more important in our investment portfolio. We expect the property portfolio to grow to € 650 million in financial year 2017.

- Occupancy ratio and term of the leases

  On 31/03/2017, the occupancy rate amounts to 95.3%, mainly as a result of the current vacancy in the building in Willebroek for which severance compensation was obtained in 2016 from Neovia Logistics, and the building in Puurs, formerly rented to H&M. The property rented to SAS Automotive has in the meantime been rented to Bleckmann België NV. Montea aims to keep the occupancy rate above 95%.

  The average term of leases until the first termination option amounts to 7.8 years. Based on the already announced growth, Montea expects to maintain the average term of its leases above 7 years by the end of the financial year.

- Financing strategy

  Taking into account a debt ratio limit of 60%, Montea still has an investment capacity of € 112 million. Montea is endeavouring to pursue a diversified financing policy, where the aim is to bring the term of our loans (now 5.2 years) in line with the term of our leases (now 7.8 years on average). We expect that the hedge ratio (now 104%) will drop to 85% by the end of 2017, as a result of the growth of the portfolio.

- Operating margin

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

- EPRA earnings

  Montea aspires to increase the EPRA earnings per share by 5% in 2017 compared with the EPRA earnings per share in 2016, on the basis of net earnings from purchased projects, the estimated extension of certain leases, and the rental of the current vacancy.

3. EPRA Performances Measures

EPRA result

	(in EUR X 1 000)	**31.03.2017**	**31.03.2016**
	Net result (IFRS)	**7.405**	**4.598**
	Changes for calculation of the EPRA result		
	To exclude:		
(i)	Variations in fair value of the investment properties and properties for sale	2.799	-2.089
(ii)	Result on sale of investment properties	-238	-
(vi)	Variations in fair value of the financial assets and liabilities	-2.746	4.606
	EPRA result	**7.221**	**7.115**
	Weighted average number of shares	9.951.884	9.251.455
	EPRA result per share (€/share)	**0,73**	**0,77**

EPRA NAV

	(in EUR X 1 000)	**31.03.2017**	**31.12.2016**
	IFRS NAV	**259.640**	**251.846**
	NAV per share (€/share)	**26,09**	**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	**259.640**	**251.846**
	To exclude		
(iv)	IV. Fair value of financial instruments	22.058	24.804
	EPRA NAV	**281.698**	**276.651**
	Number of shares in circulation per end period	9.951.884	9.951.884
	EPRA NAV per share (€/share)	**28,31**	**27,80**

EPRA NNNAV

	(in EUR X 1 000)	**31.03.2017**	**31.12.2016**
	EPRA NAV	**281.698**	**281.698**
	Number of shares in curculation at the end of the period	9.951.884	9.951.884
	EPRA NAV (€/share)	**28,31**	**28,31**
	To add:		
(i)	I. Fair value of financial instruments	-22.058	-22.058
(ii)	II. Revaluation of the fair value of financing at fixed interest rate	-	-
	EPRA NNNAV	**259.640**	**259.640**
	Nmber of shares in circultation at the end of the period	9.951.884	9.951.884
	EPRA NNNAV (€/share)	**26,09**	**26,09**

EPRA VACANCY RATE

(in EUR X 1 000)	**(A)**	**(B)**	**(A/B)**	**(A)**	**(B)**	**(A/B)**
	Estimated rental value (ERV) for vacancy	**Estimated rental value portfolio (ERV)**	**ERPA Vacancy rate**	**Estimated rental value (ERV) for vacancy**	**Estimated rental value portfolio (ERV)**	**ERPA Vacancy rate**
			(in %)			*(in %)*
	31/03/2017	31/03/2017	31/03/2017	31/12/2016	31/12/2016	31/12/2016
Belgium	1.596	20.442	7,8%	429	19.914	2,2%
France	-	6.572	0,0%	-	7.175	0,0%
The Netherlands	-	11.659	0,0%	-	11.659	0,0%
Total	**1.596**	**38.673**	**4,1%**	**429**	**38.748**	**1,1%**

4. Detail of the calculations of the APMs used by Montea

RESULT ON PORTFOLIO (in EUR X 1 000)	31.03.2017	31.03.2016
Result on sale of property investments	238	-
Variations in the fair value of property investments	-2.799	2.089
RESULT ON PORTFOLIO	**-2.562**	**2.089**

FINANCIAL RESULT excl. variations in fair value of financial instruments (in EUR X 1 000)	31.03.2017	31.03.2016
Financial result	165	-7.011
To exclude:		
Variations in fair value of financial assets & liabilities	-2.746	4.606
FINANCIAL RESULT excl. variation in fair value of financial instruments	**-2.582**	**-2.405**

OPERATING MARGIN (in EUR X 1 000)	31.03.2017	31.03.2016
Net rental result	10.432	11.297
Operating result (before the result on the portfolio)	9.950	9.606
OPERATING MARGIN	**95,4%**	**85,0%**

AVERAGE COST OF DEBT (in EUR X 1 000)	31/03/2017	31/12/2016
Financial result	165	-10.296
To exclude:		
Variations in fair value of financial assets and liabilities	-2.746	616
TOTAL FINANCIAL CHARGES (A)	-2.582	-9.680
AVERAGE FINANCIAL DEBTS (B)	317.710	324.766
AVERAGE COST OF DEBT (A/B) (*)	**3,3%**	**3,0%**

* Excluding exceptional settlement costs in 2016 of € 2.1 million

5. Financial calendar

- 16/05/2017 General meeting of shareholders
- 16/05/2017 Interim statements on 31/03/2017
- 19/05/2017 Ex date
- 22/05/2017 Record date
- 23/06/2017 Pay date (rights distribution)
- 08/08/2017 Half-yearly report 30/06/2017
- 07/11/2017 Interim statements 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 31/03/2017 Montea's property portfolio represented total space of 780,249 m² across 47 locations. Montea Comm. VA has been listed on NYSE Euronext Brussels (MONT) and Paris (MONTP) since 2006.

MEDIA CONTACT

Jo De Wolf
+32 53 82 62 62
jo.dewolf@montea.com

FOR MORE INFORMATION

www.montea.com

Follow MONTEA in SHAREHOLDERSBOX of:

DE TIJD

L'Echo