



## STABLE FIRST QUARTER 2017

- Fair Value of the property portfolio grows to 253.28 MEUR at 31 March 2017.
- Sale of a non-strategic property in Merksem (Bredabaan 448-452) for a net selling price of 1.1 MEUR.
- Purchase of a land and property position in the inner city of Leuven for an investment value of 3.8 MEUR.
- Stable occupancy rate of 96.91% at 31 March 2017.
- Increase of the IFRS NAV per share with 1.8% to 24.36 EUR at 31 March 2017 and an increase in the EPRA NAV per share with 1.5% to 24.83 EUR.
- Debt ratio of 48.43% at 31 March 2017.

Occupancy rate	Contractual rents on an annual basis	Portfolio spread
96.91%	14.09 MEUR	86% (inner city) 14% (periphery)
Fair Value of the real estate portfolio	NAV per share	Debt ratio
253.28 MEUR	24.36 EUR (IFRS) 24.83 EUR (EPRA)	48.43%

## 1. Key figures

Consolidated key figures		31/03/2017	30/12/2016
<b>Real estate portfolio</b>			
Fair Value of the real estate portfolio <sup>1</sup>	(KEUR)	253 284	250 724
Total gross surface	(m <sup>2</sup> )	88 194	89 185
Contractual rents on an annual basis <sup>2</sup>	(KEUR)	14 086	14 220
Estimated rental value of vacant property	(KEUR)	449	462
Gross portfolio yield <sup>3</sup>		5.56%	5.67%
Occupancy rate <sup>4</sup>		96.91%	96.85%
<b>Balance sheet</b>			
Shareholders' equity (excl. minority interests)	(KEUR)	124 972	122 776
Debt ratio (under the RREC Act) <sup>5</sup>		48.43%	49.76%
<b>Key figures per share</b>			
Total number of shares outstanding at the end of the period		5 129 802	5 129 802
Closing price of the share at the end of the period	(EUR)	25.00	26.90
Market capitalisation	(KEUR)	128 245	137 966
IFRS NAV per share <sup>6</sup>	(EUR)	24.36	23.93
Premium/discount on the IFRS NAV (end of period)		2.6%	12.4%
EPRA NAV per share <sup>7</sup>	(EUR)	24.83	24.46
Premium/discount on the EPRA NAV (end of period)		0.7%	9.9%

## 2. Property activities

### 2.1. Acquisitions and divestments in the first quarter of 2017

#### *Divestment on 9 January 2017: Merksem (Bredabaan 448-452)*

On 9 January 2017, Qrf City Retail sold a non-strategic property in Merksem (Bredabaan 448-452) for a net selling price (after deduction of registration fees and other transfer costs) of 1.1 MEUR. The net selling price was above the latest Fair Value, as estimated by the independent property assessor.

#### *Acquisition on 19 January 2017: Leuven (Jan Stasstraat 12 – Bogaardenstraat 1-3)*

On 19 January 2017, Qrf City Retail acquired a building and adjoining land located at Jan Stasstraat 12 – Bogaardenstraat 1-3. The site directly adjoins the property located at Bondgenotenlaan 58, which has been in the Qrf portfolio since December 2015. The investment value of the acquisition was 3.8 MEUR. The property is leased to Bpost and generates 75 KEUR in annual rental income. This is a strategic acquisition that further strengthens Qrf's position in and around Bondgenotenlaan. It will contribute towards maximising the potential at this excellent location in the commercial heart of Leuven.

<sup>1</sup> The 'Fair Value' of the real estate portfolio is the investment value as defined by an independent chartered surveyor, from which the transfer costs are deducted. The Fair Value is equivalent to the book value under IFRS.

<sup>2</sup> Contractual rents on an annual basis = The index-adjusted base rental prices as contractually set in the rental contract before the deduction of gratuities or other incentives allowed to the tenant.

<sup>3</sup> Gross portfolio yield = (Contractual rents on an annual basis) / (Fair Value of the real estate portfolio).

<sup>4</sup> Occupancy rate = (Contractual rents on an annual basis) / (Contractual rents on an annual basis including the estimated rental value of vacant property).

<sup>5</sup> Calculated according to the het R.D. of 13th July 2014 pursuant to the Regulated Real Estate Companies Act of 12 May 2014.

<sup>6</sup> IFRS NAV per share = *Net Asset Value* per share according to IFRS.

<sup>7</sup> EPRA NAV per share = *Net Asset Value* per share according to EPRA *Best Practices Recommendations*.

## 2.2. Developments in the property portfolio in the first quarter of 2017

The Fair Value of the property portfolio was 253.28 MEUR at 31 March 2017 (compared with 250.72 MEUR at 30 December 2016). This increase is attributable mainly to the sale of the property in Merksem (Bredabaan 448-452) and the purchase of the property in Leuven (Jan Stasstraat 12 – Bogaardenstraat 1-3).

The Contractual rents on an annual basis were 14.09 MEUR at 31 March 2017 (compared with 14.22 MEUR at 30 December 2016).

The Gross portfolio yield of the portfolio was 5.56%.

The Occupancy rate of the portfolio rose slightly to 96.91% at 31 March 2017 (compared with 96.85% at 30 December 2016).

## 3. Balance sheet

The shareholder's equity (excl. minority interests) grew by 1.8% to 124.97 MEUR at 31 March 2017 (compared with 122.78 MEUR at 30 December 2016).

The Debt ratio fell from 49.76% at 30 December 2016 to 48.43% at 31 March 2017.

The IFRS NAV per share increased by 1.8% from 23.93 EUR at 30 December 2016 to 24.36 EUR at 31 March 2017. The EPRA NAV per share increased over the same period by 1.5% from 24.46 EUR to 24.83 EUR.

## 4. Outlook for 2017

### *The Netherlands as a second market*

On 2 May 2017, Qrf City Retail announced the acquisition of a portfolio of 5 premium retail premises at top locations in the Netherlands for a total investment value of approximately 28.8 MEUR. Together, the five premises generate more than 1.38 MEUR in annual rental income, spread across a floor area of 4,370 m<sup>2</sup>. The retail units are fully leased to well-known brands such as America Today, KFC, Mango and Only. The commercial lease agreements have a weighted average residual lease term (until the first break option) of 5.0 years.

The acquisition was fully funded by bank loans. As a result of this transaction, Qrf City Retail's debt ratio will rise to approximately 56%.

The Fair Value of the properties will rise to approximately 280 MEUR, spread across Belgium (90%) and the Netherlands (10%).

Entering the Dutch market will further support Qrf City Retail's growth story. In addition, Qrf City Retail is entering a market in which the retail sector has undergone enormous changes in recent years. The severe economic crisis in the Netherlands has not only caused a number of bankruptcies, but it has also prompted the changes and progress necessary to serve 'tomorrow's shopper' even better. Now that the Dutch economy is performing well again and consumer confidence is on the rise, it is the right time for Qrf City Retail to make its entry into the Dutch retail property market.

### *Retail sector*

Economic growth in the Eurozone is clearly improving. We are seeing this improvement in the economy in Belgium and even more in the Netherlands. Against this background, inflation is on the up, while consumer confidence and spending is increasing in Qrf City Retail's key operating countries.

At the same time, the retail sector is in transition as consumer patterns evolve. Leisure time and relaxation (eating out, travelling, experience, etc.) on the one hand and fixed costs (mobile telephony, Internet, online content, etc.) on the other make up an increasingly large part of the household budget. Retailers need to capitalise on the integration and fusion of online and offline shopping and offering customers services and a retail experience.

Qrf City Retail believes in the role of the city centre as a place where people live, work and consume. Which is why Qrf City Retail in 2017 intends to continue fulfilling an important role in the inner city retail landscape in Belgium and the Netherlands.

Qrf City Retail aims to create added value for its stakeholders, not just by offering high-quality retail outlets in good locations, but also by providing market knowledge and advice. By playing the role of partner and think tank in addition to property investor, Qrf City Retail is able to help build a successful retail sector in the city centre.

Caution regarding forward-looking statements

This press release contains forward-looking statements involving risks and uncertainties, including statements regarding Qrf City Retail's plans, targets, expectations and intentions. Readers are reminded that such forward-looking statements involve known and unknown risks and are subject to major corporate, economic and competitive uncertainties to a large extent outside the control of Qrf City Retail. Should one or more of these risks or uncertainties materialise, or should assumptions used prove incorrect, the final results could substantially vary from those anticipated, expected, estimated or projected. Qrf City Retail consequently assumes no responsibility for the accuracy of these forecasts.

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**About Qrf City Retail**

Qrf City Retail is a listed Belgian REIT (BE-REIT) specialising in the niche market of retail properties in Belgium and the Netherlands. More specifically, the company focuses on the acquisition, development and leasing of centrally located city premises, within areas known as the "Golden Mile" – inner-city streets with major catchment areas. In doing so, Qrf City Retail targets cities with a catchment area of at least 50,000 consumers and specific streets with high numbers of footfall. At 31 March 2017, the real estate portfolio consisted of 42 retail properties with a total fair value of 253 MEUR. On 2 May 2017, Qrf City Retail announced the acquisition of multiple retail premises in the Netherlands. As a result of these transactions, the portfolio's fair value will increase to approximately 280 MEUR.

Qrf City Retail has been listed on Euronext Brussels (QRF:BB) since December 2013. At 31 March 2017, the company's market capitalisation was 128 MEUR.