



RESULTS 2016: NET RESULT OF QRF CITY RETAIL INCREASES FOR THIRD YEAR A ROW

“Since the IPO in December 2013, Qrf City Retail has doubled the Fair Value of its real estate portfolio to more than 250 MEUR. More than 70% of the portfolio is located in ten important cities in Belgium. Supported by the expansion of the portfolio, the results and profitability of Qrf City Retail have increased for the third year in a row. In 2016, EPRA earnings per share have increased with 6.8% to 1.59 EUR. On this basis, Qrf City Retail proposes an increase of the gross dividend to 1.34 EUR per share.”

– Anneleen Desmyter, CEO Qrf City Retail

Summary of consolidated annual results 2016 :

- Increase of the EPRA earnings¹ with 44.8% to 7.41 MEUR in 2016 (5.12 MEUR in 2015).
- Increase of the EPRA earnings per share with 6.8% to 1.59 EUR (1.49 EUR in 2015).
- Increase of the proposed gross dividend to 1.34 EUR per share (compared to 1.32 EUR in 2015).
- Expansion of the real estate portfolio with retail properties in Hasselt (Demerstraat 21-25) and Antwerp (Schuttershofstraat 53 and Wapper 14-16) for an investment value of 35.43 MEUR.
- Sale of non-strategic premises in Geraardsbergen (Oudenaardsestraat 17), Maasmechelen (Pauwengraaf 69-71) and Bruges (Legeweg 146-148) for a net selling price of 4.53 MEUR.
- The Fair Value of the real estate investments grows with 14.6%, going from 218.84 MEUR on 30 December 2015 to 250.72 MEUR on 30 December 2016.
- The share of inner-city retail property in the portfolio increases to 86% of the portfolio on 30 December 2016. More than 70% of the portfolio is situated in ten important cities in Belgium.
- H&M is the most important tenant of Qrf City Retail (17.9% of the portfolio), followed by Galeria Inno (11,5%).²
- Increase of the shareholders' equity, excluding minority interests, with 17.4%, from 104.54 MEUR on 30 December 2015 to 122.78 MEUR on 30 December 2016.
- Debt ratio of 49.76% on 30 December 2016.

¹ As a result of the entry into force of the ESMA guidelines concerning Alternative Performance Measures (APM) and their interpretation by the Belgian regulator, the FSMA, the wording of the item “net current result” can no longer be used. In this press release the wording of the item has been changed to “EPRA earnings”, as defined in the Best Practice Recommendations of EPRA (European Public Real Estate Association). The “EPRA earnings” fully correspond to the formerly used “Net current result”.

² On the basis of Contractual rents on an annual basis.

1. Key figures 2016

EPRA earnings 7.41 MEUR 1.59 EUR per share	Net rental income 13.58 MEUR	Fair Value of the real estate portfolio 250.72 MEUR	Occupancy rate 96.85%
Portfolio spread 86% (inner-city) 14% (periphery)	Gross dividend 1.34 EUR per share (payout ratio of 84.2%)	NAV per share 23.93 EUR (IFRS) 24.46 EUR (EPRA)	Debt ratio 49.76%

2. Transactions and achievements in 2016

2.1. Acquisitions

In the course of the financial year 2016, Qrf City Retail implemented its acquisition strategy with inner-city purchases in Hasselt and Antwerp. The properties are ideally located in the “Golden Mile” shopping streets and hence are a logical implementation of Qrf City Retail’s strategy. All units are rented out to international chains such as H&M, The Sting, Karl Lagerfeld and Royce’.

The new properties were purchased for an amount of 35.43 MEUR, and together generate additional Rental income of 1,730 KEUR. The properties have an occupancy rate of 100%.

Summary Acquisitions Qrf City Retail 2016

TRANSACTION DATE	CITY	STREET	TENANT(S)	TOTAL GROSS SURFACE	ANNUAL RENTAL INCOME ON DATE OF ACQUISITION
30 June 2016	Hasselt	Demerstraat 21-25	H&M, The Sting	4,082 m ²	1,374 KEUR
21 December 2016	Antwerp	Schuttershofstraat 53	Karl Lagerfeld	340 m ²	356 KEUR
	Antwerp	Wapper 14-16	Royce’	965 m ²	

Acquisition 30 June 2016: Hasselt (Demerstraat 21-25)

On 30 June 2016, Qrf City Retail completed the acquisition and partial contribution in kind of 100% of the shares of RIGS NV, which owns a retail property located at Hasselt, Demerstraat 21-25. The purchase price of the shares is based on the investment value of the property of 27.76 MEUR.

The Hasselt catchment area, which comprises some 390,000 consumers, makes the city an ideal location that fits well into Qrf City Retail’s investment strategy. Hasselt is also one of Belgium’s top 6 retail centres.

In that regard, Demerstraat is one of the busiest shopping streets in Hasselt, along with Koning Albertstraat and Hoogstraat. Qrf City Retail recently acquired other premises in Hasselt, at Koning Albertstraat 48-50 and at Koning Albertstraat 60.

This retail property has a total gross lettable area of 4,082 m² and is fully let to the international chain stores H&M and The Sting, providing an annual rental income of 1,374 KEUR. The property has a street frontage of approximately 20 metres and was developed in 2010 in compliance with current standards, which include a separate delivery area for the stores.

The contribution in kind happened within the framework of the authorised capital. The contributor has received 325,466 new shares of Qrf City Retail, as a remuneration for the contribution in kind in the capital of Qrf City Retail. The issue price of the

new shares is contractually set at (rounded) 24.39 EUR. These are ordinary shares that have the same rights as the existing shares, except that they will not be entitled to the dividend for the financial year ending 30 December 2016. The newly issued shares will participate in the result as from 31 December 2016.

Acquisition 21 december 2016 : Antwerp (Schuttershofstraat 53 en Wapper 14-16)

On 21 December 2016, Qrf City Retail has completed the acquisition of two retail premises in Antwerp (Schuttershofstraat 53 and Wapper 14-16) through a contribution in kind within the framework of the authorised capital.

The property at Schuttershofstraat 53, Antwerp, has a facade of 7 metres and an estimated gross surface area of 340 m², of which 155 m² are located on the ground floor. The building is fully let to Karl Lagerfeld, an international fashion designer with selling points everywhere in the world. Karl Lagerfeld operates two stores in Belgium, namely in Antwerp (Schuttershofstraat) and Brussels (Avenue de la Toison d'Or).

The building at Wapper 14-16, Antwerp, has a facade of 10 metres and an estimated gross surface area of 965 m², of which 171 m² are located on the ground floor. The building is fully let to Royce', a Japanese luxury chocolatier with chocolate bars and stores all over the world. The store in Antwerp is Royce's first entry in the European market.

With this transaction, Qrf City Retail strengthens its position in Antwerp, the second largest city in Belgium in terms of inhabitants (approximately 510,000 inhabitants). These inhabitants have a spending power which lies 5% above the average in Belgium. Furthermore, the city has an international character, thanks to its harbour activities, which are among the greatest of Europe.

This international look and feel is also translated to the lively streets of the city centre. With a blend of local and international retailers, Antwerp offers a unique experience on every street corner. The Schuttershofstraat is known as an important location in Antwerp for luxurious brands, such as Essentiel, Hermès, Moncler, Jimmy Choo, Burberry, Zadig & Voltaire, Ladurée and 7 For All Mankind. The Wapper is also very popular thanks to its outstanding location between the Meir and the Schuttershofstraat, and right across from the Rubenshuis, one of Antwerp's finest locations in cultural heritage.

Other properties of Qrf City Retail in Antwerp can be found at the Meir, the De Keyserlei and the Kammenstraat.

The assets generate an annual rental income of 356 KEUR. The investment value of the properties amounts to 7.68 MEUR in total. 321,285 new shares were issued.

The issue price of the new shares was contractually set at 23.89 EUR per share. The newly issued shares are ordinary shares that have the same rights as the existing shares, except that they will not be entitled to the dividend for the financial year ending 30 December 2016. The newly issued shares will participate in the result as from 31 December 2016.

2.2. Divestments

DATE	DIVESTMENT OF	SITUATED AT	CONTRACTUAL ANNUAL RENTAL INCOME	NET SELLING PRICE
29 January 2016	Two retail premises	Geraardsbergen (Oudenaardsestraat 17) Maasmechelen (Pauwengraaf 69-71)	118 KEUR	1.83 MEUR
16 December 2016	One retail premise	Bruges (Legeweg 146-148)	165 KEUR	2.70 MEUR
			283 KEUR	4.53 MEUR

The sales were realised at a net selling price (after deduction of the registration fees and other transfer costs) which lies above the Fair Value according to the latest appraisal of the independent real estate expert.

As a consequence of the aforementioned acquisitions and divestments, Qrf City Retail has increased the Fair Value of its real estate investments to more than 250 MEUR. The share of inner-city retail property in the portfolio increases to 86% of

the portfolio on 30 December 2016. More than 70% of the portfolio is situated in ten important cities in Belgium.

2.3. Capital increases

In 2016, various contributions in kind were decided on by the Board of Directors of Qrf City Retail's Statutory Manager within the limits of the authorised capital. As a consequence of these contributions in kind, Qrf City Retail strengthened its equity during 2016 by 15.62 MEUR. In that context, 646,751 new shares were issued and Qrf City Retail's share capital rose to 119.26 MEUR.

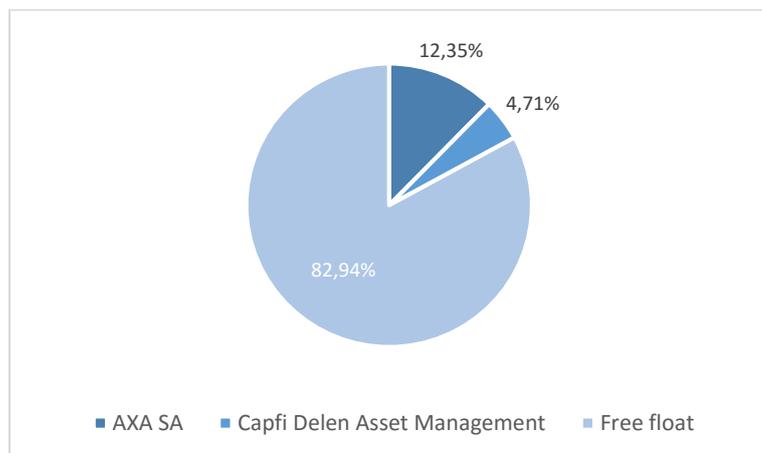
Summary capital increases Qrf City Retail 2016

DATE	CONTRIBUTION IN KIND FROM	SITUATED AT	CONTRIBUTION VALUE	INCREASE TO "CAPITAL" HEADING	INCREASE TO "ISSUE PREMIUMS" HEADING
30 June 2016	Part of the shares of RIGS NV, owner of a commercial property consisting of two units	Hasselt (Demerstraat 21-25)	7.94 MEUR	7.57 MEUR	0.37 MEUR
21 December 2016	Two retail premises	Antwerp (Schuttershofstraat 53 en Wapper 14)	7.68 MEUR	7.47 MEUR	0.21 MEUR
			15.62 MEUR	15.04 MEUR	0.58 MEUR

As a result of the capital increases detailed above, Qrf City Retail welcomed a number of new shareholders to its capital, thereby enlarging her shareholders' base.

On the 30th of December 2016, the shareholders' structure of Qrf City Retail is as follows:

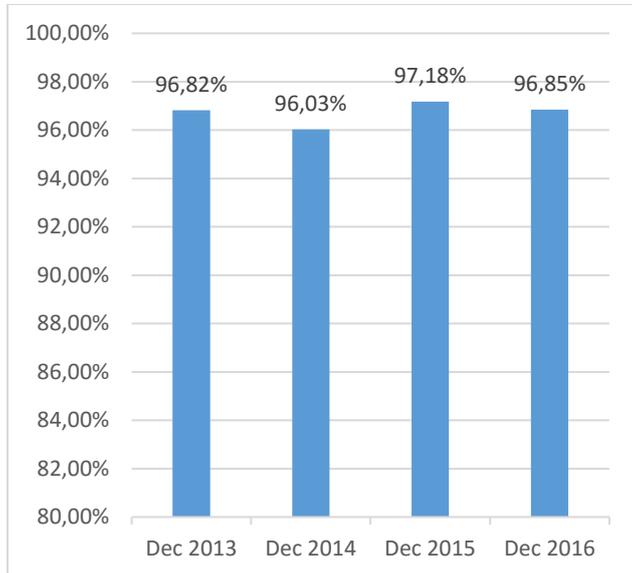
Shareholders' structure on 30 December 2016



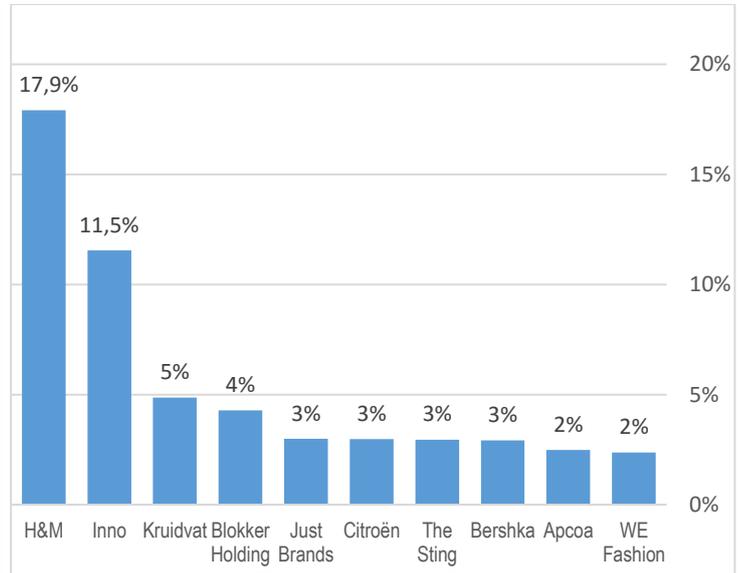
2.4. Occupancy rate and lease activity

Within the portfolio of 42 sites let to more than 100 tenants, Qrf City Retail was able to maintain the overall high Occupancy rate³ in 2016. At the end of 2016, the occupancy rate of the portfolio was 96.85%, compared to 97.18% one year earlier.

Stable occupancy rate since the IPO



10 most important tenants (% of the Contractual rents on an annual basis)



The most important tenant of Qrf City Retail is H&M (17.9% of the portfolio), followed by Galeria Inno (11.5%).⁴

2.5. Other important events of the past financial year

Foundation BE-REIT Association

On the 18th of January 2016, the BE-REIT Association was founded as a professional association that would look after and promote the interests and needs of the Belgian REIT-sector with stakeholders.

This association wants to offer a platform for initiatives coming from the BE-REIT sector and support these initiatives, by taking care of and promoting the interests of the sector, collecting knowledge and relevant sector related information. The association wants to cooperate with relevant public entities, professional associations and other stakeholders within the real estate sector, on a local and federal as well as on an international level.

Qrf City Retail is co-founder, shareholder and member of the Board of Directors of the BE-REIT Association.

Launching new website

Qrf City Retail has launched a new website in the first semester of 2016. This website was especially designed in order for the different stakeholders (retailers, investors, suppliers, governments, ...) of Qrf City Retail to stay well informed. The homepage www.qrf.be aims first and foremost at retailers, and links through to investor.qrf.be, a part custom-made for investors.

Sponsoring Qrf Retailer of the Year 2016-2017

The role of Qrf City Retail in the real estate market is not limited to the letting of premises, but is further stretched to include researching and trendspotting. This way, Qrf City Retail wants to offer an added value for its tenants.

In 2016, Qrf City Retail made great efforts in order to deliver this added value. As head sponsor of the Retailer of the Year Award, Qrf City Retail has drawn attention to a retailer that caters to the needs of his customers and is, above that, innovating

³ Occupancy rate = (Contractual rents on an annual basis) / (Contractual rents on an annual basis plus the Estimated rental value of vacant property)

⁴ On the basis of Contractual rents on an annual basis.

as well. After more than 400,000 consumers' opinions, Action was chosen Qrf Best Chain Store of Belgium, and Yves Rocher won the Qrf Webshop Award.

Furthermore, Qrf City Retail has undertaken three different researches, in cooperation with market research office Q&A, in order to investigate the wishes of the consumer. Thanks to the results of this research, Qrf City Retail can help its stakeholders to anticipate and define the ever changing retail market. By staying tuned with the modern trends and sharing this knowledge, Qrf City Retail can be a partner as well as a knowledge resource centre.

Fusion LeDi137 NV

The Board of Directors of the Statutory Manager of Qrf City Retail has approved on 18 February 2016 the transaction equated with a merger through acquisition of LeDi137 NV in accordance with articles 676 iuncto 719-727 of the Companies code. This company owned a retail premise in Leuven, Diestestraat 137. More information on this transaction can be found on the website of Qrf City Retail (investor.qrf.be), at Shareholders – Specific information on transactions.

Fusion Prado BVBA

The Board of Directors of the Statutory Manager of Qrf City Retail has approved on 17 October 2016 the transaction equated with a merger through acquisition of Prado BVBA in accordance with articles 676 iuncto 719-727 of the Companies code. This company owned a retail premise in Ghent, Langemunt 61-63. More information on this transaction can be found on the website of Qrf City Retail (investor.qrf.be), at Shareholders – Specific information on transactions.

2.6. Transactions after the balance sheet date

Sale of Merksem (Bredabaan 448-452)

On 9 January 2017, Qrf City Retail has sold a non-strategic retail premise situated at Merksem (Bredabaan 448-452) for a net selling price of 1.13 MEUR. The net selling price is above the Fair Value, according to the most recent appraisal by an independent real estate expert.

Change in management

After having worked at Qrf City Retail for three years, Bert Weemaes⁵ has decided to take up a new challenge and end his mandate as COO (Chief Operating Officer) and effective manager at Qrf City Retail. In consultation, he has continued to work at Qrf City Retail until 30 January 2017, in order to guarantee continuity.

Fusion Imrohém NV

On 6 February 2017, the Board of Directors of the Statutory Manager of Qrf City Retail has approved the transaction equated with a merger through acquisition of Imrohém NV in accordance with articles 676 iuncto 719-727 of the Companies code. This company owned a retail premise in Aalst, Nieuwstraat 29-33. More information on this transaction can be found on the website of Qrf City Retail (investor.qrf.be), at Shareholders – Specific information on transactions.

Fusion TT Center Plus NV

On 6 February 2017, the Board of Directors of the Statutory Manager of Qrf City Retail approved the transaction equated with a merger through acquisition of TT Center Plus NV in accordance with articles 676 iuncto 719-727 of the Companies code. This company owned a retail premise in Hasselt, Koning Albertstraat 48-50. More information on this transaction can be found on the website of Qrf City Retail (investor.qrf.be), at Shareholders – Specific information on transactions.

⁵ Bert Weemaes EBVBA

3. Financial results for 2016

The financial year 2016 covers the period from 31 December 2015 to 30 December 2016.

Consolidated key figures		2016	2015
Real estate portfolio			
Fair Value of the real estate portfolio ⁶	(KEUR)	250 724	218 844
Total gross surface	(m ²)	89 185	86 957
Contractual rents on an annual basis ⁷	(KEUR)	14 220	12 910
Estimated rental value of vacant property	(KEUR)	462	370
Gross portfolio yield ⁸		5.67%	5.82%
Occupancy rate ⁹		96.85%	97.18%
Profit-and-loss account			
Net rental income	(KEUR)	13 581	9 305
Operating result before result on the portfolio	(KEUR)	10 526	7 109
Operating margin ¹⁰		77.5%	76.4%
Portfolio result	(KEUR)	373	-535
Financial result	(KEUR)	-2 722	-1 929
Net result (group share)	(KEUR)	7 782	4 581
Adjustment for Portfolio result	(KEUR)	-373	+535
Adjustments for Changes in the fair value of the financial assets and liabilities (non-effective interest rate hedging - IAS 39)	(KEUR)	0	0
EPRA earnings ¹¹	(KEUR)	7 409	5 116
Balance sheet			
Shareholders' equity (excl. minority interests)	(KEUR)	122 776	104 541
Debt ratio (under the RREC Act) ¹²		49.76%	49.27%
Key figures per share			
Total number of shares outstanding at the end of the period		5 129 802	4 483 051
Weighted average number of shares ¹³		4 653 684	3 433 149
Net result per share	(EUR)	1.67	1.33
EPRA earnings per share	(EUR)	1.59	1.49
Gross dividend per share	(EUR)	1.34	1.32
Pay-out ratio ¹⁴		84.2%	88.6%
Gross dividend yield (based on the closing price at the end of the period)		5.0%	4.9%
Closing price of the share at the end of the financial year	(EUR)	26.90	26.93
IFRS NAV per share ¹⁵	(EUR)	23.93	23.32
Premium/discount on the IFRS NAV (end of period)		12.4%	15.5%
EPRA NAV per share ¹⁶	(EUR)	24.46	23.81
Premium/discount on the EPRA NAV (end of period)		9.9%	13.1%

⁶ 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.

⁷ 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.

⁸ Gross portfolio yield = (Contractual rents on an annual basis) / (Fair Value of the real estate portfolio)

⁹ Occupancy rate = (Contractual rents on an annual basis) / (Contractual rents on an annual basis including the estimated rental value of vacant property)

¹⁰ Operating margin = (Operating result before result on the portfolio) / (Net rental income)

¹¹ EPRA earnings = Net result (group share) excluding the portfolio result and changes in the fair value of the non-effective interest rate hedges.

¹² Calculated according to the R.D. of 13 July 2014 pursuant to the Regulated Real Estate Companies Act of 12 May 2014.

¹³ Shares are counted pro-rata temporis from the time of issue. The time of issue differs in this case from the time of profit-sharing.

¹⁴ Pay-out ratio = (Gross dividend per share) / (EPRA earnings per share)

¹⁵ IFRS NAV per share = *Net Asset Value* per share according to IFRS.

¹⁶ EPRA NAV per share = *Net Asset Value* per share according to EPRA Best Practise Recommendations.

3.1. Results

The **net rental income** rose by 46.0% from 9.31 MEUR in 2015 to 13.58 MEUR in 2016. This is attributable mainly to the acquisition of additional properties since 30 December 2015 and the full contribution in 2016 of properties that Qrf City Retail purchased in 2015.

The **operating margin** increased from 76.4% in 2015 to 77.5% in 2016.

As a result, the **operating result before the result on the portfolio** has increased with 48.1% from 7.11 MEUR in 2015 to 10.53 MEUR in 2016.

The **portfolio result** for 2016 was 0.37 MEUR, consisting of positive changes in the Fair Value of the real estate portfolio for an amount of 0.21 MEUR and a positive result on the sale of real estate investments of 0.16 MEUR.

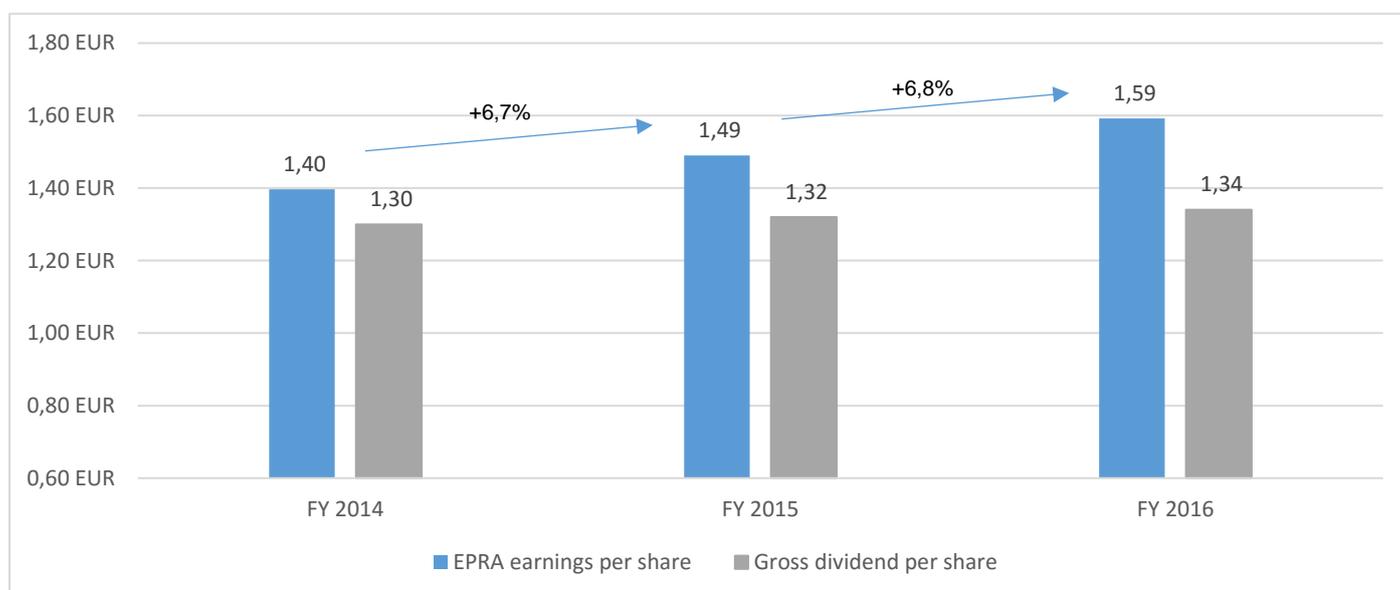
The **financial result** for 2016 was -2.72 MEUR (Compared to -1.93 MEUR in 2015). The increase in financial charges is explained by a rise in financial debts in 2016. This increase in financial debts was offset partly by a drop in the Average cost of financing¹⁷ from 2.52% in 2015 to 2.29% in 2016. Qrf City Retail has not recorded any negative variation in the Fair Value of financial assets and liabilities in the profit-and-loss account because all hedging instruments qualified as effective hedges for IFRS purposes.

The **net result** (IFRS) rose from 4.58 MEUR in 2015 to 7.78 MEUR in 2016, or from 1.33 EUR per share in 2015 to 1.67 EUR per share in 2016.

After adjustment for the portfolio result and changes in the Fair value of financial assets and liabilities, Qrf City Retail recorded a rise in the **EPRA earnings** of 44.8% to 7.41 MEUR in 2016 (compared to 5.12 MEUR in 2015). The **EPRA earnings per share** rose by 6.8% from 1.49 EUR in 2015 to 1.59 EUR in 2016.

Based on this solid results, the Board of Directors of the Statutory Manager decided to propose to the Ordinary General Meeting of Shareholders on 16 May 2016 to pay a **gross dividend** of 1.34 EUR per share, an increase of 1.5% compared with the dividend of 1.32 EUR paid out in May 2016 for the 2015 financial year. Consequently, the pay-out ratio fell from 88.6% in 2015 to 84.2% in 2016. In this way Qrf City Retail creates additional reserves to enable future growth.

Evolution EPRA earnings and gross dividend per share since the IPO (in EUR)



¹⁷ Average cost of financing = (Net interest cost on a yearly basis) / (Average amount of outstanding debt)

3.2. Balance sheet

At 30 December 2016, the **Fair Value of the real estate portfolio** stood at 250.72 MEUR, compared to 218.84 MEUR on 30 December 2015, an increase of 14.6%. Overall, the portfolio was valued by the real estate appraiser at a **Gross rental yield** of 5.67%.

The **shareholder's equity**, excluding minority interests, grew by 17.4% from 104.54 MEUR at 30 December 2015 to 122.78 MEUR at 30 December 2016. Given that the number of outstanding shares rose from 4,483,051 at 30 December 2015 to 5,129,802 at 30 December 2016, the IFRS NAV per share increased by 2.6% from 23.32 EUR at 30 December 2015 to 23.93 EUR at 30 December 2016. The EPRA NAV per share rose by 2.7% from 23.81 EUR to 24.46 EUR over the same period.

The Debt ratio increased from 49.27% at 30 December 2015 to 49.76% at 30 December 2016.

3.3. Financial structure

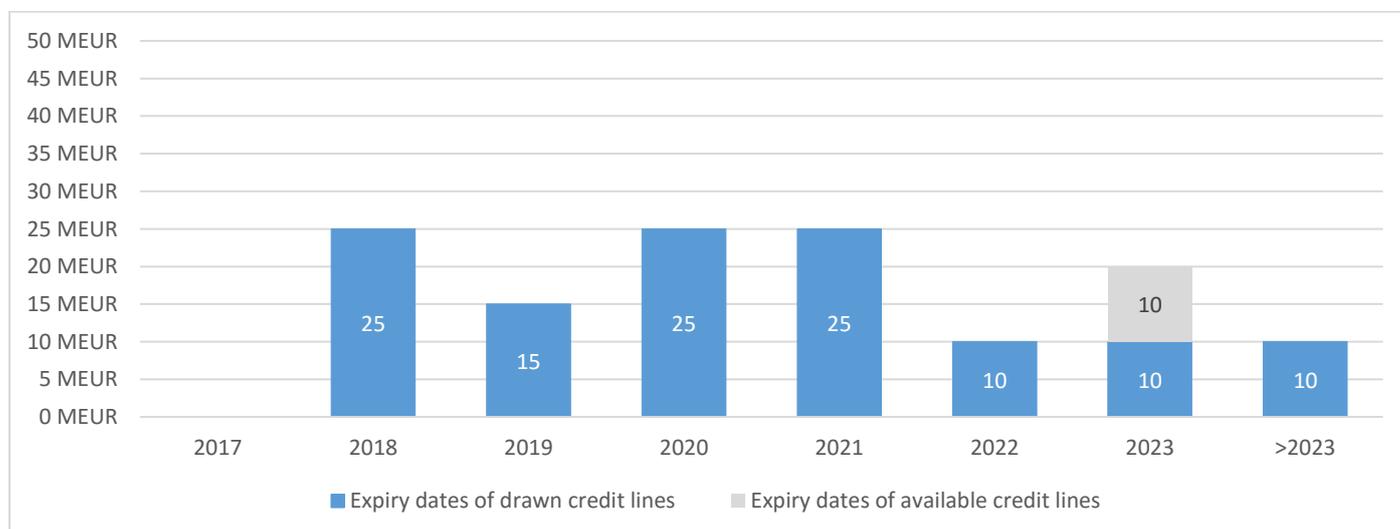
Composition of the debts

On 30 December 2016, Qrf City Retail had 120 MEUR financial debts. These are exclusively long-term financial debts. Qrf City Retail does not have short-term financial debts. The financial debts consist exclusively out of bilateral credit lines from six financial institutions, with expiry dates that are well spread between 2018 and 2026, and a weighted average residual duration of 4.4 years.

At the end of 2016, Qrf City Retail disposes over 130 MEUR of credit lines. An amount of 10 MEUR of the credit lines is not drawn and available.

The Average cost of financing is 2.29% in 2016 (opposed to 2.52% in 2015).

Due dates of the effective and non-effective lines of credit on 30 December 2016 (in MEUR)

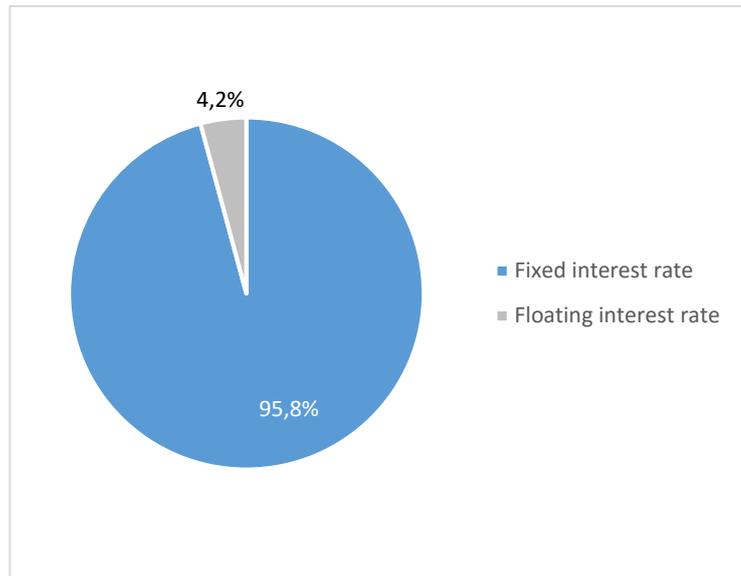


Interest rate hedges

On 30 December 2016, the effective lines of credit had a fixed interest for 95.8% of the cases (unless for a sum amounting to 115 MEUR), for example by using the Interest Rate Swaps as a hedge. The hedges have the same duration as the underlying credit facilities. Because these hedges correspond with the underlying credit facilities considering the sum and duration, they qualify as effective hedges in the sense of IAS 39.

The total value of the hedges on the closure date was negative for the amount of 2.57 MEUR, because of a decline of the interests after the closure of the hedges. The management of Qrf City Retail wishes to stress the fact that they want to protect the association against potential interest rises.

Proportion fixed and variable interest rate



4. Outlook for 2017

Despite a challenging retail market, Qrf City Retail recorded solid results in 2016 for the third year in a row. The past couple of years, a number of retailers in the market filed for bankruptcy. However, these recent events have had no significant effect on Qrf City Retail's results.

Qrf City Retail remains prudent about the uncertain economic and geopolitical climate for 2017. In the context of low interest rates and a high demand for quality real estate, the yields in real estate have sharpened. In this context, Qrf City Retail keeps investing in retail premises situated in the "Golden Mile", the inner-city streets that are dominant in their catchment area. Retailers keep investing in new projects and new shopping concepts, and the market keeps bringing forth opportunities that offer perspectives to existing players and newcomers.

Within a sector in transition, Qrf City Retail wants to continue fulfilling an important role within the inner-city retail market. Qrf City Retail wants to create added value for its stakeholders, not only by offering quality retail properties, but also by passing on knowledge and advice. By fulfilling the role of partner and think tank apart from being a real estate investor, Qrf City Retail can help build a successful inner-city retail sector, both within the borders of Belgium and abroad.

5. Financial calendar 2017

	Datum
Dividend 2016 – Ex date*	21/12/2016
Dividend 2016 – Record date*	22/12/2016
Publication of the annual results 2016	22/02/2017
Publication Annual Financial Report 2016	14/04/2017
Publication of the Q1 update for 2017	10/05/2017
Annual General Meeting of Shareholders	16/05/2017
Dividend 2016 – Payment date	22/05/2017
Publication of half-yearly results for 2017 and publication of the half yearly report for 2017	23/08/2017
Publication of the Q3 update for 2017	15/11/2017

* For more information about the detachment of coupon no°3, please read the press release of 19 December 2016 and the website of Qrf City Retail (investor.qrf.be) under Shareholders – Dividend Policy.

Audit procedures

The Company Auditor has confirmed that the audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting data included in this press release.

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. 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 30 December 2016, the real estate portfolio consisted of 42 retail properties with a total fair value of more than 250 MEUR.

Qrf City Retail has been listed on Euronext Brussels (QRF:BB) since December 2013. At 30 December 2016, the company's market capitalisation was 138 MEUR.

APPENDIX 1: FINANCIAL STATEMENTS¹⁸

I. STATE OF THE CONSOLIDATED RESULTS

A. Consolidated profit-and-loss statement

Figures in thousands EUR		30/12/2016	30/12/2015
(+)	Rental income	13,614	9,441
(+)	Writebacks carried forward and discounted rents	0	0
(+/-)	Rental-related expenses	-33	-137
NET RENTAL INCOME		13,581	9,305
(+)	Recovery of property charges	0	0
(+)	Recovery of rent charges and taxes normally borne by the tenant on the leased buildings	880	895
(-)	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0
(-)	Charges and taxes normally payable by tenants on let properties	-835	-806
(+/-)	Other rental-related income and expenditure	0	0
PROPERTY RESULT		13,626	9,394
(-)	Technical costs	-310	-85
(-)	Commercial costs	-95	-129
(-)	Costs and taxes on un-let properties	-119	-193
(-)	Real estate management costs	-485	-336
(-)	Other real estate charges	0	0
PROPERTY CHARGES		-1,009	-742
OPERATING PROPERTY RESULT		12,617	8,651
(-)	Corporate operating charges	-2,099	-1,476
(+/-)	Other operating charges and income	8	-67
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		10,526	7,109
(+/-)	Result on disposal of investment properties	164	0
(+/-)	Result on disposal of other non-financial assets	0	0
(+/-)	Changes in the fair value of investment properties	209	-535
(+/-)	Other result on the portfolio	0	0
PORTFOLIO RESULT		373	-535
OPERATING RESULT		10,899	6,574
(+)	Financial income	9	4
(-)	Net interest costs	-2,604	-1,792
(-)	Other financial costs	-127	-140
(+/-)	Changes in the fair value of financial assets and liabilities	0	0
FINANCIAL RESULT		-2,722	-1,929
(+/-)	Share in the result of associated corporations and joint ventures	0	0

¹⁸ Basic assumptions concerning the figures at 30 December 2016: The financial information regarding the period ending at 30 December 2016 is drafted in accordance with International Financial Reporting Standards (IFRS), as these have been accepted and set by the European Commission. This financial report has to be read together with the financial report on the financial year ending on 30 December 2016. The published numbers in this report are consolidated numbers; in conformity to the relevant legislation, holdings and subsidiaries have been consolidated.

PRE-TAX RESULT		8,177	4,646
(+/-)	Corporate tax	-407	-75
(+/-)	Exit tax	0	0
TAXES		-407	-75
NET RESULT		7,770	4,570
Attributable to:			
Group shareholders		7,782	4,582
Minority interests		-12	-11
Explanation:			
EPRA EARNINGS *		7,409	5,116
RESULT ON THE PORTFOLIO		373	-535

* EPRA earnings = Net result (group share) excluding the portfolio result and the changes in the Fair Value of the non-effective hedges.

B. Statement of comprehensive income

Figures in thousands EUR

	30/12/2016	30/12/2015
I. NET RESULT	7,769	4,570
II. OTHER ELEMENTS OF THE OVERALL RESULT	-508	-471
(+/-) B. Variations on the effective part of the Fair Value of allowed hedges of the cash flow as defined in IFRS.	-508	-471
OVERALL RESULT	7,262	4,099
Attributable to:		
Group shareholders	7,274	4,111
Minority interests	-12	-11

II. RESULT PER SHARE

	30/12/2016	30/12/2015
Number of ordinary shares in circulation at the end of the period	5,129,802	4,483,051
Weighted average number of shares during the period ¹⁹	4,653,684	3,433,149
EPRA earnings per share (in EUR)	1.59	1.49
Portfolio result per share – group share (in EUR)	0.08	-0.16
NET PROFIT PER ORDINARY SHARE – GROUP SHARE (in EUR)	1.67	1.33
DILUTED NET RESULT PER SHARE – GROUP SHARE (in EUR)	1.67	1.33

¹⁹ Shares are being counted from the moment of issue. The issue moment differs in this case from the moment of profit. In total, 4,483,051 shares are entitled to the dividend of financial year 2016.

III. CONSOLIDATED BALANCE SHEET
A. Assets

Numbers in thousands EUR

		30/12/2016	30/12/2015
ASSETS			
FIXED ASSETS		250,749	218,874
A	Goodwill	0	0
B	Intangible fixed assets	0	0
C	Property investments	250,724	218,844
D	Other tangible fixed assets	25	31
E	Financial fixed assets	0	0
F	Financial leasing receivables	0	0
G	Trade receivables and other fixed assets	0	0
H	Deferred taxes - assets	0	0
CURRENT ASSETS		7,943	4,521
A	Assets intended for sale	0	0
B	Current financial assets	0	0
C	Finance leasing receivables	0	0
D	Trade receivables	660	583
E	Tax receivables and other current assets	172	227
F	Cash and cash equivalents	7,005	3,600
G	Accruals – assets	107	110
TOTAL ASSETS		258,692	223,395

B. Liabilities

Figures in thousands EUR		30/12/2016	30/12/2015
LIABILITIES			
SHAREHOLDERS' EQUITY		123,053	104,831
I. Equity capital attributable to the shareholders of the parent company		122,776	104,541
A	Capital	119,151	104,192
	a. <i>Subscribed capital</i>	119,261	104,225
	b. <i>Costs of capital increases</i>	-110	-33
B	Issue premiums	1,459	883
C	Reserves	-5,616	-5,115
D	Net result for the financial year	7,782	4,582
II. Minority interests		277	290
LIABILITIES		135,639	118,563
I. Non-current liabilities		126,607	112,997
A	Provisions	0	0
B	Non-current financial debts	119,907	104,853
	a. <i>Credit institutions</i>	119,907	104,853
	b. <i>Financial leasing</i>	0	0
	c. <i>Other</i>	0	0
C	Other non-current financial liabilities	2,571	2,063
D	Trade debts and other non-current debts	0	0
E	Other non-current liabilities	80	80
F	Deferred taxes – liabilities	4,050	6,001
	a. <i>Exit tax</i>	3,780	5,731
	b. <i>Other</i>	270	270
II. Short-term liabilities		9,032	5,567
A	Provisions	0	0
B	Short-term financial debts	0	1,000
	a. <i>Credit institutions</i>	0	1,000
	b. <i>Financial Leasing</i>	0	0
	c. <i>Other</i>	0	0
C	Other short-term financial liabilities	0	0
D	Trade debts and other short-term debts	7,419	2,701
	a. <i>Exit tax</i>	4,631	693
	b. <i>Other</i>	2,788	2,008
E	Other short-term liabilities	1,327	1,422
F	Accruals - liabiliteis	286	444
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		258,692	223,395

IV. CONSOLIDATED CASH FLOW STATEMENT

Numbers in thousands EUR	30/12/2016	30/12/2015
CASH AND CASH EQUIVALENTS AT START OF PERIOD	3,600	2,835
1. Cash flow from business activities	5,189	2,527
Net result	7,769	4,570
Unpaid interests and bank charges	-59	93
Adjustment of the result for non cash-flow transaction	489	-658
- Depreciation of activated financing costs	54	0
- Depreciation of intangible and other material fixed assets	19	17
- Result of the sale of real estate investments	-169	0
- Increase/decrease of the provisions (+/-)	795	0
- Variation in the Fair Value of real estate investments and development property	-210	-657
Variations in the working capital requirement	-3,009	-1,478
Movement of assets:	91	957
- Trade receivables	32	432
- Tax receivables and other current assets	55	473
- Accruals	3	52
Movement of liabilities:	-3,100	-2,435
- Other short-term financial liabilities	0	0
- Other non-current liabilities	0	-6
- Deferred taxes – liabilities	0	58
- Trade debts and other short-term debts	-2,526	50
- Other short-term liabilities (incl. tax debts)	-446	-2,343
- Accruals	-128	-78
2. Cashflow from investment activities	6,481	-30,901
Acquisitions of intangible and other tangible fixed assets	-13	0
Acquisitions of shares in real estate companies	2,412	-28,466
Acquisitions of real estate	-308	-2,438
Investments in existing real estate investments	-139	0
Income from the sale of real estate investments	4,529	0
Bank interests received	0	4
3. Cashflow from financing activities	-8,266	29,140
Drawdown of loans	-18,663	-10,555
Income from the issue of shares	0	0
Costs related to capital increase	-28	-33
Drawdown of loans	15,000	44,000
Payment of dividends	-4,575	-4,254
Payment of transaction costs	0	-18
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,005	3,600

APPENDIX 2: APM – ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority (ESMA) has published regulations that are applicable from the 3rd of July 2016 for the use and explanation of alternative performance measures.

Alternative performance measures are measures used by Qrf City Retail in presenting its financial results that are not defined by law or in the *International Financial Reporting Standards* (IFRS).

Below, there is an overview of the alternative performance measures that are used in this press release and their reconciliation.

EPRA NAV: Net Asset Value according to the *Best Practice Recommendations* of EPRA.

This is the Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.

Figures in thousands EUR		30/12/2016	30/12/2015
IFRS NAV (group shareholders)		122,776	104,541
(iv)	Fair Value of financial instruments	2,571	2,063
(v.a)	Deferred tax	270	270
	Minority interests with regards to deferred tax	-132	-132
EPRA NAV		125,484	106,742
	Number of shares	5,129,802	4,483,051
EPRA NAV per share (in EUR)		24.46	23.81

EPRA earnings: Net result (group share) with exclusion from the portfolio result and the variations on the Fair Value of the non-effective interest hedges. This term is used in accordance to the *Best Practice Recommendation* of EPRA.

Figures in thousands EUR		30/12/2016	30/12/2015
IFRS result (group share)		7,782	4,582
(i)	Changes in the Fair Value of real estate investments	-209	535
(ii)	Profit or loss on the sale of real estate investments	-164	0
EPRA result		7,409	5,117
Weighted average number of shares		4,653,684	3,433,149
EPRA earnings per share (in EUR/share)		1.59	1.49

Average cost of financing: This is the average cost of the outstanding financial debts over the period. This is calculated by dividing the “Net interest costs” on an annual basis by the average amount of outstanding debt.

Figures in thousands EUR	30/12/2016	30/12/2015
XXI. Net interest costs	2,604	1,792
Weighted average amount of financial debt during the period	113,822	71,139
Average cost of financing	2.29%	2.52%

Operating margin: This APM measures the operating performance of the company as a percentage of the rental income and is calculated by dividing the “Operating result before result on the portfolio” by the “Net rental income”.

Figures in thousands EUR	30/12/2016	30/12/2015
Operating result before the result on the portfolio	10,526	7,109
Net rental income	13,581	9,305
Operating margin	77.51%	76.40%