

Interim announcement of the Board of Directors Third quarter 2016 – ending on 30 September 2016

Antwerp, Belgium – 10 November 2016 – Interim results for the period from 01/01/2016 to 30/09/2016

Xior confirms its objectives for 2016. Results for the first nine months in line with expectations, and confirmation of the expected net current result per share and associated gross dividend of EUR 1.13 for 2016. Increase in the net current result per share to EUR 0.65¹ per share per end September 2016.

Property portfolio increases to EUR 255 million, which is equivalent to an increase of more than 30% compared to 31 December 2015. On the date of this press release, Xior's portfolio includes 2,531² lettable student units, showing a 73% rise since 31 December 2015. If all acquisitions in the pipeline are completed, the portfolio will increase to approximately EUR 340 million with more than 3,000 student units, a doubling in 2 years' time.

- Net rental income of KEUR 2,786 in Q3 compared to KEUR 2,595 in Q2, an increase of 7.36%.
- Net current result of KEUR 1,833 in Q3 compared to KEUR 1,263 in Q2, an increase of 45.13%.
- The occupancy rate remained stable at 97.4%
- Debt ratio of 53.24% compared to 45.91% as at 30/06/2016

I. KEY FIGURES

Consolidated income statement	in thousand EUR	30/09/2016 (9 months)
Net rental income		7,513
Real estate result		7,396
Operating result before result on the portfolio		4,585
Financial result (excl. IAS 39)		-954
Net current result ³		3,133
Net current result excl. effects of IFRIC 21		3,286
Result on the portfolio (IAS 40)		1,298
Revaluation of financial instruments (ineffective interest rate hedges – IAS 39)		-2,471
Net result (IFRS)		1,960
Net result excl. effects of IFRIC 21		2,112

¹ Calculated on the basis of the weighted average number of shares.

² This includes the acquisition of 'Tramsingel Breda' on 11 October 2016 and the acquisition of two properties located at Kruitmolenstraat and Nieuwbrug in Brussels on 20 October 2016.

³ The net current result is the net result excluding the portfolio result and the variation in the fair value of ineffective interest rate hedges.

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Regulated information

Number of lettable student units		2,375
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Consolidated balance sheet	in thousand EUR	30/09/2016
Equity		117,942
Fair value of real estate investments ⁴		255,087
Debt ratio (Law on Regulated Real Estate Companies) ⁵		53.24%

Key figures per share	in EUR	30/09/2016
Number of shares		4,930,823
Weighted average number of shares ⁶		4,823,266
Net current result (based on the weighted average number of shares)		0.65
Net current result (based on the number of outstanding shares)		0.64
Net current result per share (excl. IFRIC 21)		0.67
Result on the portfolio (IAS 40)		0.26
Revaluation of financial instruments (IAS 39)		-0.50
Net result per share (IFRS)		0.40
Net result per share (excl. IFRIC 21)		0.43
Closing price of the share		34.10
Net asset value per share (IFRS)		23.92

II. REAL ESTATE ACTIVITIES IN THE THIRD QUARTER

1. Net rental income

In the first nine months of 2016, Xior Student Housing achieved a net rental income of KEUR 7,513: KEUR 2,132 in Q1, KEUR 2,595 in Q2 and KEUR 2,786 in Q3. This is a 7.4% increase on Q2 2016. There will be a further relative increase in this rental income in the last quarter, as certain properties did not yet generate a full rental income during the third quarter.

This mainly relates to the following properties:

- 11 Parkstraat / 91 Vlamingenstraat, Leuven: rental income as of 1 August 2016 (following a merger with CPG CVBA)
- 55-57 Tongerseweg, Maastricht (Carré): rental income as of 1 September 2016
- 1-11F Kronehoefstraat, Eindhoven (The Spot): rental income as from 1 October 2016
- 27 Tramsingel, Breda: rental income as from 12 October 2016
- 43 Kruitmolenstraat / 16 Nieuwbrug, Brussels: rental income as from 21 October 2016

⁴ The fair value of the property investments is the investment value, as determined by an independent property expert, minus transaction fees. The fair value corresponds to the carrying amount under IFRS.

⁵ Calculated in accordance with the Royal Decree of 13 July 2014 pursuant to the Law of 12 May 2014 on Regulated Real Estate Companies.

⁶ Shares are counted from the time of issue.

This is expected to generate additional rental income amounting to approximately KEUR 600 in the fourth quarter. A number of rooms in some other properties are being renovated as part of the portfolio renovation programme.

The average occupancy rate of the property portfolio stood at 97.4% as at 30 September 2016 and remained stable compared to Q2.

2. Net current result

The net current result (excluding the portfolio result and excluding the impact of the variation in the fair value of financial assets and liabilities) amounts to KEUR 3,133.

As a result of the application of the accountancy rule 'IFRIC 21 Levies' (implemented as from the financial year of 2015), the figures for the first quarter of 2016 include a provision for the entire year of 2016 with regard to property tax on real estate and taxes on secondary residences. This had a substantial negative impact on the result of the first half of 2016, as these costs are no longer spread across all quarters but were entirely booked against the first quarter. The effect of this entry will reduce as the financial year unfolds. If these costs were to be spread, with a quarter of the costs being charged in each quarter, the result as at 30 September 2016 would increase by KEUR 153. In this hypothesis, the net result would be KEUR 2,112 and the net current result would be KEUR 3,286.

The net current result per share⁷ amounts to EUR 0.37 for Q3 as compared to 0.26 for Q2, which represents an increase of 42,31% compared to Q2.

3. Net result

The net result stands at KEUR 1,960 as at 30 September 2016 (KEUR 2,112 when the property tax is spread over the entire 2016 financial year – in accordance with IFRIC 21). The net result per share is EUR 0.40 (or EUR 0.43 if the correction for IFRIC 21 is applied).

4. Fair value of the real estate portfolio

On 30 September 2016, the portfolio consisted of 2,375 student units. This resulted in a valuation of the real estate portfolio of EUR 255,087,217 on 30 September 2016, a 31% increase since 31 December 2015. This increase is primarily a result of mergers with Devimmo and CPG, the acquisition of the 'Carré' property in Maastricht and the acquisition of 'The Spot' in Eindhoven.

⁷ The calculation of the net result per share is based on the weighted average number of shares as at 30 September 2016, which is 4,823,266.

On 30 June 2016, 573 units of the entire portfolio were still under construction. They have been operational since September 2016 and are making a full contribution to rental income⁸.

During the third quarter, the growth strategy was further rolled out, resulting in the acquisition of the following fully-let student complexes:

- The Spot Eindhoven with 95 student units
- Carré Maastricht with 143 student units and 2 retail units

On 11 October 2016, 'Tramsingel Breda' was acquired, consisting of 122 student units, and on 20 October 2016 two properties at Nieuwbrug and Kruitmolenstraat in Brussels were acquired, consisting of a total of 34 student units.

Including the acquisitions which took place in October 2016, on the date of this press release the portfolio includes 2,531 lettable student units, showing a 73% rise since 31 December 2015. This corresponds to a real estate portfolio value of KEUR 267,667.

If all acquisitions currently in the pipeline are implemented, this figure will rise to approximately EUR 340 million, with more than 3,000 student units by the end of 2017. This means the lettable units will have doubled in two years.

5. Debt ratio and increase in equity

On 30 September 2016, the debt ratio was 53.24% compared with 45.91% on 30 June 2016. The debt ratio rose in the third quarter due to the acquisitions in September 2016, which were financed using borrowed capital. The acquisition of Tramsingel Breda on 11 October 2016 was financed via a capital increase through contribution in kind of the shares of the real estate company, with new shares also issued, which resulted in an increase in equity. This method of acquisition (contribution in kind) allows the portfolio to be expanded with a healthy combination of different financing sources, while keeping the level of debt under control. Due to this capital increase on 11 October 2016, the debt ratio fell to around 51%.

6. Key realisations for the first nine months

- Acquisition of 95 student units in Eindhoven⁹

On 30 September 2016, Xior acquired 95 self-contained units located at Kronehoefstraat in Eindhoven. This is a leased site that was delivered at the end of December 2015. The student housing complex is known as 'The Spot'. This property was acquired through the purchase of 100% of the shares in the property company involved. The price of the shares in the property company is based on an agreed value for the property of EUR 10.4 million.

⁸ The rent guarantees for the properties that have now been completed will therefore be rescinded.

⁹ See Press Release dated 30 September 2016.

- Schoonmeersche Campus – HoGent

This project was finally delivered on 14 September 2016. Xior and Hogeschool Gent (HoGent) concluded a partnership agreement regarding the purchase of 318 student rooms on the Schoonmeersche Campus, situated at 42–44 Overwale, 9000 Gent, for a term of 20 years.

- Acquisition of 143 student units in Maastricht

On 1 September 2016, Xior successfully completed its acquisition of the Carré property in Maastricht.¹⁰ This meant acquiring a student property in the centre of Maastricht consisting of 143 units and retail space on the ground floor. This acquisition has a total investment value of approximately EUR 24 million.

- Change in promotorship

On 3 August 2016, the Company announced a change in its promotorship as well as intensifying the engagement of the CEO and CFO. Christian Teunissen (CEO) and Frederik Snauwaert (CFO) have acquired the full shareholding of Ben Van Loo in Aloxe NV, the main shareholder and Promoter of the Company. In doing so, the CEO and CFO increased their investment in Aloxe NV (in which they now hold shares of 82% and 18% respectively), which is also in the best interest of the further development of the Company. Following this transaction, Christian Teunissen became the Promoter of the Company together with Aloxe NV.¹¹

- Merger with CPG CVBA

On 1 August 2016, the merger by acquisition of CPG CVBA was completed.¹² Through this merger, Xior acquired a real estate property located at 91 Vlamingenstraat/11 Parkstraat in Leuven, with a total of 29 units intended for student housing. The fair value of the real estate property was estimated at EUR 2.7 million. Following this merger, 73,386 new shares were issued. This merger resulted in a capital increase (including issue premium) of EUR 1,834,650.

- Merger with Devimmo NV

On 1 March 2016, the merger by acquisition of Devimmo NV was completed. Through this merger, Xior acquired a property located at 137 Parkstraat in Leuven consisting of 73 units intended for student housing and 30 underground parking spaces. The fair value of the real estate property was estimated at EUR 6.9 million. Following this merger, 230,657 new shares were issued. This merger resulted in a capital increase (including issue premium) of EUR 5,766,425.

¹⁰ See Press Releases dated 23 May 2016 and 1 September 2016.

¹¹ See Press Release dated 3 August 2016.

¹² At the time of the merger, CPG CVBA was a subsidiary of Aloxe NV, Promoter of the Company.

7. Transactions following the Q3 closing

- Private agreement for the transfer of the retail property in Hasselt

On 21 October 2016, Xior concluded a private agreement for transfer of the retail property located at 31-33 Havermarkt in Hasselt. The agreed purchase price of this property stands at EUR 2.98 million. The actual transfer of this property is scheduled for the end of 2016. The divestment of this non-strategic retail property is fully in line with the pure player strategy of Xior, which is focused on student housing in its geographic core markets.

- Acquisition of 34 student units in Brussels

On 20 October 2016, Xior successfully completed its acquisition of two student properties at Nieuwbrug/Kruitmolenstraat in Brussels. The acquisition involved 34 student units with an investment value of approximately EUR 2.3 million.

- Acquisition of 122 student units in Breda

On 11 October 2016, Xior successfully completed its acquisition of the Tramsingel property in Breda.¹³ This acquisition was achieved by the contribution in kind of 100% of the shares in the property company 'Woonfront-Tramsingel Breda B.V.' to Xior's capital. The price of the shares in the property company is based on the global investment value of the property held by this company, i.e. approximately EUR 12.4 million. The transaction strengthened the equity position, which stood at EUR 10,631,947 (capital including issue premium).

8. Acquisitions in the pipeline

If all acquisitions currently in the pipeline are implemented, the fair value of the property portfolio will rise to approximately EUR 340 million, with more than 3,000 student units by the end of 2017.

- Acquisition of a total of 190 student units in The Hague (72 units) and Delft (118 units) at a total investment value of approximately EUR 26.3 million, with transfer planned for mid-2017.¹⁴
- Acquisition of 280 student units in Rotterdam at an investment value of approximately EUR 30 million, with transfer planned for September 2017 at the earliest.¹⁵
- Acquisition of 69 units in Brussels at an investment value of approximately EUR 8.41 million, with transfer planned to take place in 2017.¹⁶
- Acquisition of 108 units in Delft with an investment value of approximately EUR 12.4 million, with transfer planned for January 2017.

¹³ See Press Releases dated 2 June 2016 and 11 October 2016.

¹⁴ See Press Releases dated 20 April 2016 and 2 June 2016.

¹⁵ See Press Release dated 11 May 2016.

¹⁶ See Press Release dated 9 June 2016.

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Regulated information

In December 2016, the Company intends to further optimise its internal group structure through internal mergers of five subsidiaries within the Group. Merger proposals to this end were submitted on 18 October 2016. These mergers will lead to operational and administrative simplifications and will help to achieve synergies within the Xior Group. As the activities of the subsidiaries in question fall within the sphere of activities of the Xior Group, and given that these companies do not have their own staff, retaining these separate legal entities does not generate any economic advantages.

9. Outlook¹⁷

Barring any unforeseen circumstances, for the 2016 financial year Xior confirms its projected net current result per share and the associated gross dividend of EUR 1.13 (at a payout ratio of 100%, and subject to approval by the shareholders' meeting), in line with the projection found in the IPO prospectus. On 30 September 2016, the net current result per share was EUR 0.65.

III. FINANCIAL CALENDAR*

Announcement of results as at 31 December 2016 (Annual Communiqué)	22 February 2017
Publication of the Annual Financial Report	14 April 2017
Shareholders' meeting	18 May 2017
Announcement of results as at 31 March 2017	5 May 2017
Announcement of results as at 30 June 2017	24 August 2017
Announcement of results as at 30 September 2017	10 November 2017

* Dates are subject to change.

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¹⁷ Based on the weighted average number of shares and therefore taking account of dividend entitlements for the shares issued in connection with the mergers with Devimmo NV and CPG CVBA]. It should also be recalled that in connection with the capital increase of 11 October 2016, a coupon detachment took place. Given that the new Xior shares issued on 11 October 2016 only confer a *pro rata temporis* right (subject to approval by the shareholders' meeting) to the dividend for the 2016 financial year (they will in fact only participate in Xior profits as of the date of issue), coupon number 1 of the existing shares will be detached before the new shares are listed on Euronext Brussels. The existing Xior shares have been listed since 12 October 2016 ex-coupon number 1.

About Xior Student Housing

Xior Student Housing NV is the first Belgian public RREC specialising in the student housing segment in Belgium and the Netherlands. Within this property segment, Xior Student Housing offers a variety of accommodation, ranging from rooms with communal facilities to en-suite rooms and fully-equipped studios. Since 2007, as owner-operator, Xior Student Housing has built high-quality, reliable student housing for students looking for the ideal place to study, live and relax. A place with that little bit extra, where every student will feel at home right away.

Xior Student Housing has been accredited as a public RREC under Belgian law since 24 November 2015. Xior Student Housing's shares have been listed on Euronext Brussels (XIOR) since 11 December 2015. On 30 September 2016, Xior Student Housing had a property portfolio worth approximately EUR 255 million. More information is available at www.xior.be.

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