

Interim announcement of the Board of Directors First quarter 2017 – ending on 31 March 2017

Antwerp, Belgium – Interim results for the period from 1 January 2017 until 31 March 2017

Net result increased to KEUR 3,508, up by 65% compared with Q1 2016 – EPRA earnings per share double as compared to Q1 2016

Xior confirms its objectifs for 2017: confirmation of the envisaged EPRA earnings of EUR 1.40 per share and associated gross dividend of EUR 1.20 as compared to a gross dividend of EUR 1.15 for 2016

EPRA earnings of EUR 0.15 per share¹ – EUR 0.25 per share after correction for IFRIC 21

EPRA earnings of KEUR 835 - EPRA earnings of KEUR 1,330 after correction for IFRIC 21




Net result (IFRS) for Q1 2017 of KEUR 2,457

The debt ratio is 51.58%, compared to 50.69% on 31 December 2016


Occupancy rate of 97.1% as compared to 97.4% per 31 December 2016

The property portfolio has risen to EUR 289 million, which is equivalent to an increase of more than 8.6% compared to 31 December 2016. If all committed acquisitions in the pipeline are completed, the portfolio will increase to approximately EUR 375 million with approximately 3,500 lettable student units.

I. KEY FIGURES

Consolidated income statement	in KEUR	31/03/2017	31/03/2016
Net rental income		3,509	2,132
Real estate result		3,352	1,963
Operating result before result on the portfolio		1,726	422
Financial result (excl. variations in the fair value of financial assets and liabilities)		-654	-270
EPRA earnings  ²		835	36
EPRA earnings  after correction for IFRIC 21		1,330	576
Result on the portfolio (IAS 40) 		900	1,210

¹ Figures per share are calculated on the basis of the weighted average number of shares, unless stated otherwise.

² Alternative performance measures (APM's) are measures used by Xior Student Housing NV to measure and monitor its operational performance. The *European Securities and Markets Authority* (ESMA) has issued guidelines applying as from 3 July 2016 for the use and explanation of alternative performance measures. The concepts considered by Xior as APM's are contained in Chapter 10.8 of the Annual Financial Report 2016. The APM's are marked with  and are accompanied by a definition, an objective and reconciliation required under the ESMA guidelines. Reference is made to X and XI of this press release.

Revaluation of financial instruments (ineffective interest rate hedges)		722	-1,112
Net result (IFRS)		2,457	134
Number of lettable student units		2,639	1,462
Consolidated balance sheet	in KEUR	31/03/2017	31/12/2016
Equity		139,127	131,630
Fair Value of investment property ³		288,721	265,873
Debt ratio (Law on Regulated Real Estate Companies) ⁴		51.58%	50.69%

Key figures per share	in EUR	31/03/2017	31/03/2016
Number of shares		5,418,833	4,857,437
Weighted average number of shares		5,418,833	4,703,666
EPRA earnings ⁵ per share 		0.15	0.01
EPRA earnings ⁶ per share  after correction for IFRIC 21		0.25	0.12
Result on the portfolio (IAS 40) 		0.17	0.26
Revaluation of financial instruments		0.13	-0.24
Net result per share (IFRS) ⁷		0.45	0.03
Closing price of the share		36.48	30.85
Net asset value per share (IFRS) (before dividend)		25.67	23.53

II. CONSOLIDATED FINANCIAL RESULTS

The financial information for the period ending on 31 March 2017 was drawn up in accordance with the International Financial Reporting Standards (IFRS).

The figures published represent consolidated figures; in line with the relevant legislation, associated companies and subsidiaries are consolidated.

1. Net rental income

In the first quarter of 2017, Xior achieved a net rental income of KEUR 3,509, compared with KEUR 2,132 in the first quarter of 2016. This is an increase of 65%. The net rental income will continue to increase in

³ The Fair Value of the investment property is the investment value as determined by an independent property expert less the transaction costs (cf. BE-REIT Association press release dated 10 November 2016). The Fair Value corresponds to the carrying amount under IFRS.

⁴ Calculated in accordance with the Royal Decree of 13 July 2014 pursuant to the Law of 12 May 2014 on Regulated Real Estate Companies.

⁵ Calculated on the basis of the weighted average number of shares.

⁶ Calculated on the basis of the weighted average number of shares.

⁷ Based on the number of shares.

2017, as certain acquisitions are planned for the second half of 2017. There are also a number of properties under construction or being refurbished that will only contribute to rental income from October 2017.



This mainly relates to the following properties:


- The Amstelveen project: will generate rental income from April 2017 as a result of the rental of existing office space. Additional rental income will be generated by this property after redevelopment;
- Antonia Veerstraat, Delft and Waldorpstraat, The Hague: acquisition and rental income envisaged from mid-2017;
- KVS Project, Brussels: under construction, rental income envisaged from September 2017;
- Bondgenotenlaan, Leuven: under construction, rental income envisaged from October 2017;
- Woudestein, Rotterdam: acquisition and rental income envisaged from mid-2017.


There is also the hostel which generates rental income during the entire year but is expected to increase in the following quarters due to seasonal activity.

For the first quarter of 2017, the average occupancy rate of the property portfolio was 97.1%.

2. EPRA earnings

The EPRA earnings  (excluding the portfolio result and excluding the impact of the fair value of financial assets and liabilities) amount to KEUR 835 compared to KEUR 36 in Q1 2016. The EPRA earnings  after correction for IFRIC 21, amount to KEUR 1,330 as of 31 March 2017 compared to KEUR 576 in Q1 2016.

The EPRA earnings  per share⁸ amount to EUR 0.15 and EUR 0.25 after correction for IFRIC 21.

As a result of the application of the "IFRIC 21 levies" accounting regulations (implemented in the 2015 financial year), the figures dated 31 March 2017 include a provision for the entire year of 2017 with regard to property tax on real estate, Dutch taxes on real estate, taxes on secondary residencies and the so-called "subscription tax". This has a substantial negative impact on the result of the first quarter of 2017, as these costs are no longer spread across all quarters but are 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, whereby a quarter of the costs would be charged during each quarter, the result of the first quarter of 2017 would increase by KEUR 495. In this hypothesis, the EPRA earnings would be  KEUR 1,330.

⁸ The calculation of the EPRA earnings per share is based on the weighted average number of shares as at 31 March 2017, which is 5,418,833.

3. Net result

The net result is KEUR 2,457 as of 31 March 2017 compared with KEUR 134 as of 31 March 2016. The net result per share stands at EUR 0.45.⁹

The net result includes the impact of variations in the fair value of investment property, other portfolio results and variations in the fair value of financial assets and liabilities. EPRA earnings¹⁰ is the net result corrected for the impacts set out above.

4. Fair value of the property portfolio

On 31 March 2017, the portfolio consisted of 2,639 lettable student units. This resulted in a valuation of the property portfolio of EUR 288,720,647 on 31 March 2017, representing an 8.6% increase compared with 31 December 2016. This increase was mainly due to the acquisition of the student property located at Barbarasteeg in Delft and the contribution of two properties under construction in Brussels (KVS project).

If all committed acquisitions currently in the pipeline are implemented and taking into account the acquisition of the property in Amstelveen on 6 April 2017, this figure will rise to approximately EUR 375 million, with approximately 3,500 lettable student units.

5. Debt ratio and increase in equity

On 31 March 2017, the debt ratio was 51.58% compared to 50.69% on 31 December 2016. The debt ratio has risen slightly in 2017, mainly due to the acquisitions in January 2017, which were financed using borrowed capital. The acquisition of the KVS project in Brussels was financed via a capital increase through contribution in kind of the shares, with new shares also issued, which resulted in an increase in equity. This method of acquisition allows the portfolio to be expanded with a healthy combination of different financing sources, while keeping the debt ratio under control.

As a result of the acquisition of the redevelopment project in Amstelveen early April 2017, the pro-forma¹⁰ debt ratio amounts to 54,97% per 31 March 2017. For the further expansion of the portfolio, the Company strives to a balanced financing of both equity and debts.

⁹ Calculated on the basis of the weighted average number of shares.

¹⁰ This pro-forma calculation does not take into account the evolutions in working capital, planned (des)investments, operating result, valuation of financial instruments and valuation of the property portfolio, all of which can have an influence on the total assets and debt position of the Company and as a consequence on the debt ratio.

III. FINANCING

At the end of 2016, financing agreements were concluded with ING Belgium NV, Belfius Bank NV and KBC Bank NV. ING Belgium NV provided a total of EUR 78 million, Belfius Bank NV EUR 52 million and KBC Bank NV EUR 20 million. On 31 March 2017, the company signed a credit agreement with BNP Paribas Fortis for EUR 25 million¹¹. A total of EUR 144.7 million in financing had been drawn down as of 31 March 2017.

IV. KEY PROJECTS COMPLETED IN THE FIRST QUARTER OF 2017

- Acquisition of 69 student units in Brussels via contribution in kind
Xior acquired a student complex (under construction) on 17 January 2017¹². This property is located on Ladderstraat in Brussels (KVS project). The land and structures already erected were acquired via a contribution in kind to Xior's capital. The value of the contribution was determined based on the value of the land and the structures (already completed) and has resulted in a capital increase of EUR 5,064,067 (incl. issue premium). This acquisition has a total investment value of approximately EUR 8.1 million.

- Acquisition of 108 independent student units in Delft
On 5 January 2017, Xior acquired a student property¹³ consisting of 108 brand-new, independent, furnished student units in one of the fastest-growing student cities in the Netherlands. This acquisition has a total investment value of approximately EUR 13.5 million.

V. IMPORTANT EVENTS AFTER THE END OF THE FIRST QUARTER

- Acquisition of an office complex in Amstelveen that is to be converted
On 6 April 2017, Xior acquired a development project consisting of an office complex¹⁴, which the Company intends to convert after having obtained the necessary permits. These buildings were acquired through the purchase of 100% of the shares in the real estate company involved. After the proposed redevelopment of the complex, the property will provide approximately 300 student units with a total investment value of approximately EUR 30 million.

VI. COMMITTED ACQUISITIONS IN THE PIPELINE

- Acquisition of a total of 190 student units in The Hague (72 units) and Delft (118 units) with a total investment value of approximately EUR 26.3 million, with transfer planned for mid-2017.¹⁵

¹¹ This loan was partially drawn down on 6 April 2017 for the acquisition of the Amstelveen development project (Refer to V).

¹² See Press Releases dated 9 June 2016 and 17 January 2017

¹³ See Press Releases dated 5 August 2016 and 5 January 2017.

¹⁴ See Press Release dated 7 April 2017.

¹⁵ See Press Releases dated 20 April 2016 and 2 June 2016.

- Acquisition of 280 student units in Rotterdam with an investment value of approximately EUR 30 million, with transfer planned for mid-2017.¹⁶

VII. GROWTH PROSPECTS¹⁷

Xior intends to continue to pursue its growth strategy with conviction in 2017 by adding high-quality student properties to its property portfolio.

The Company can confirm the envisaged EPRA earnings¹⁸ of EUR 1.40 per share with a gross dividend of EUR 1.20.

VIII. FINANCIAL CALENDAR

Annual General Meeting	18 May 2017
Announcement of results as at 30 June 2017	24 August 2017
Announcement of results as at 30 September 2017	10 November 2017

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¹⁶ See Press Release dated 11 May 2016.

¹⁷ These forecasts are based on the current situation and do not account for unforeseen circumstances (such as a deterioration of the economic and financial climate and/or the materialisation of risks to which the Company and its activities are exposed). Forecasts regarding dividends are subject to approval by the Annual General Meeting.

IX. FINANCIAL OVERVIEWS

CONSOLIDATED OVERVIEW OF THE FINANCIAL POSITION

ASSETS (in KEUR)	31/03/2017	31/12/2016
I. FIXED ASSETS	289,126	266,276
C. Investment property	288,721	265,873
a. Property available to let	275,527	265,873
b. Property developments	13,194	0
D. Other tangible fixed assets	250	248
a. Tangible fixed assets for own use	250	248
E. Financial fixed assets	21	21
Other	21	21
G. Trade account receivables and other fixed assets	135	135
II. CURRENT ASSETS	3,719	7,231
D. Trade account receivables	351	542
E. Tax receivables and other current assets	1,921	2,051
a. Taxes	23	172
c. Other	1,898	1,879
F. Cash and cash equivalents	899	4,098
G. Accruals and deferred payments	549	540
Prepaid property charges	396	430
Accrued rental income not due	21	
Other	132	110
TOTAL ASSETS	292,845	273,507

LIABILITIES (in KEUR)	31/03/2017	31/12/2016
EQUITY	139,127	131,630
I. Equity attributable to parent company shareholders	139,127	131,630
A. Capital	97,522	94,869
a. Issued capital	97,539	94,869
b. Capital increase costs (-)	-17	0
B. Issue premiums	34,655	32,261
C. Reserves	4,491	-515
Reserve for the balance of the variations in the fair value of property	4,044	4,044

5 May 2017 – Embargo until 7:00 (CET)

Regulated Information

Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-4,565	-4,565
Retained earnings from previous financial year	5,016	6
D. Net result for the financial year	2,457	5,016
II. Minority interests	0	0
LIABILITIES	153,718	141,877
I. Non-current liabilities	145,990	133,465
B. Non-current financial debts	144,532	131,315
a. Credit institutions	144,532	131,315
C. Other non-current financial liabilities	1,144	1,866
a. Permitted hedging instruments	1,144	1,866
F. Deferred taxes – liabilities	314	283
b. Other	314	283
II. Current liabilities	7,728	8,412
D. Trade and other current payables	4,987	5,729
a. Exit tax	3,466	3,469
b. Other	1,522	2,260
Suppliers	471	1,244
Tenants	446	0
Taxes, wages and social security contributions	605	1,016
E. Other current liabilities	1,539	1,583
Other	1,539	1,583
F. Accruals and deferred payments	1,201	1,100
a. Property income received in advance	423	512
c. Other	778	588
TOTAL EQUITY AND LIABILITIES	292,845	273,507

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Profit and loss statement (in KEUR)	31/03/2017	31/03/2016
I. (+) Rental Income	3,509	2,132
(+) Rental Income	3,480	1,949
(+) Rental guarantees	35	183
(-) Rent reductions	-6	
NET RENTAL INCOME	3,509	2,132
V. (+) Recovery of rental charges and taxes normally payable by the tenant on let properties	591	268
- Transmission of rental charges borne by the owner	581	251

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Regulated Information

- Calculation of withholding tax and taxes on let properties	10	17
VI. (-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at the end of the lease		
VII. (-) Rental charges and taxes normally payable by the tenant on let properties	-591	-299
- Rental charges borne by the proprietor	-505	-283
- Advance levies and taxes on let properties	-86	-17
VIII. (+/-) Other rental-related income and expenditure	-157	-137
PROPERTY RESULT	3,352	1,964
IX. (-) Technical costs	-212	-124
Recurring technical costs	-212	-124
(-) Repairs	-189	-107
(-) Insurance premiums	-23	-17
Non-recurring technical costs	0	
(-) Damages	0	
X. (-) Commercial costs	-27	-41
(-) Publicity, etc.	-27	-41
XI. (-) Costs and taxes for non-let properties	0	
XII. (-) Property management costs	-298	-114
(-) Management costs (external)	-133	-35
(-) Management costs (internal)	-165	-79
XIII. (-) Other property costs	-572	-774
(-) Architects' fees	-1	0
(-) Surveyors' fees	-33	-30
(-) Other property costs	-538	-744
(+/-) PROPERTY CHARGES	-1,109	-1,054
PROPERTY OPERATING RESULT	2,243	910
XIV. (-) General company expenses	-541	-508
XV. (+/-) Other operating income and costs	23	19
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	1,726	422
XVI. (+/-) Result on the sale of investment property	0	0
XVII. (+/-) Result on the sale of other non-financial assets	0	0
XVIII. (+/-) Variations in the fair value of investment property	907	1,244
(+) Positive variations in the fair value of investment property	1,354	1,457
(-) Negative variations in the fair value of investment property	- 446	-214
XIX. (+) Other portfolio result	-8	-34
OPERATING RESULT	2,625	1,631
XX. (+) Financial income	8	5
(+) Interest and dividends collected	8	5
XXI. (-) Net interest costs	-653	-227
(-) Nominal interest paid on loans	-457	-151
(-) Reconstitution of the nominal amount of financial debt	-16	-19
(-) Costs of permitted hedging instruments	-179	-57

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Regulated Information

XXII. (-) Other financial costs	-10	-43
- Bank costs and other commissions	-14	-35
- Other	4	-8
XXIII. (+/-) Variations in the fair value of financial assets and liabilities	722	-1,112
(+/-) FINANCIAL RESULT	68	-1,382
RESULT BEFORE TAXES	2,693	250
XXV. Corporate taxes	-239	-115
XXVI. Exit tax	3	
(+/-) TAXES	-236	-115
NET RESULT	2,457	134
EPRA EARNINGS	835	36
RESULT ON THE PORTFOLIO	900	1,210
VARIATIONS IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	722	-1,112
EPRA EARNINGS  PER SHARE (in EUR)	0.15	0.01

X. ALTERNATIVE PERFORMANCE MEASURES (APMs): RECONCILIATION TABLES

	31/03/2017	31/03/2016
EPRA earnings		
Net result	2,457	134
Variations in the fair value of investment property	-907	-1,244
Other portfolio income	8	34
Income from the sale of investment property	0	0
Variations in the fair value of financial assets and liabilities	-722	1,112
EPRA earnings	835	36

	31/03/2017	31/03/2016
EPRA earnings after correction for IFRIC 21		
Net result	2,457	134
Variations in the fair value of investment property	-907	-1,244
Other portfolio income	8	34
Income from the sale of investment property	0	0
Variations in the fair value of financial assets and liabilities	-722	1,112
IFRIC 21 impact	494	540
EPRA earnings after correction for IFRIC 21	1,330	576

	31/03/2017	31/03/2016
Result on the portfolio		
Income from the sale of investment property	0	0
Variations in the fair value of investment property	907	-1,244
Other portfolio income	-8	34
Result on the portfolio	900	1,210

	31/03/2017	31/03/2016
EPRA earnings per share		
Net result	2,457	134
Variations in the fair value of investment property	-907	-1,244
Other portfolio income	8	34

5 May 2017 – Embargo until 7:00 (CET)

Regulated Information

Income from the sale of investment property	0	0
Variations in the fair value of financial assets and liabilities	-722	1,112
Weighted average number of shares	5,418,833	4,703,666
EPRA earnings per share	0.15	0.01
IFRIC 21 impact	494	540
EPRA earnings per share after correction for IFRIC 21	0.25	0.12
Average interest rate	31/03/2017	31/03/2016
Nominal interest paid on loans	457	151
Costs of permitted hedging instruments	179	57
Capitalised interest	6	116
Average outstanding debt for the period	141,907	76,028
Average interest rate	1.83%	1.71%
Average interest rate excl. costs of permitted hedging instruments	1.32%	1.40%
Average financing costs	31/03/2017	31/03/2016
Nominal interest paid on loans	457	151
Costs of permitted hedging instruments	179	57
Capitalised interest	6	116
Reconstitution of the nominal amount of financial debt	16	19
Bank costs and other commissions	14	20
Average outstanding debt for the period	141,907	76,028
Average financing costs	1.91%	1.91%
Average financing costs excl. costs of permitted hedging instruments	1.40%	1.61%

XI. Lexicon of the Alternative Performance Measures (APM) used by Xior Student Housing

APM terms	Definition	Use
EPRA earnings	The net result +/- variations in the fair value of investment property +/- other result on the portfolio +/- income from the sale of investment property +/- variations in the fair value of financial assets and liabilities	Measuring the income from the strategic operating activities, excluding variations in the fair value of investment property, other result on the portfolio, the income from the sale of investment property and variations in the fair value of financial assets and liabilities. This indicates the extent to which dividend payments are supported by the earnings.
EPRA earnings after correction for IFRIC 21	The net result +/- variations in the Fair Value of investment property +/- other result on the portfolio +/- income from the sale of investment property +/- variations in the fair value of financial assets and liabilities +/- impact of IFRIC 21 divided over the four quarters.	Measuring the income from the strategic operating activities, excluding variations in the fair value of investment property, other result on the portfolio, the income from the sale of investment property and variations in the fair value of financial assets and liabilities and with correction for the impact of IFRIC 21. This indicates the extent to which dividend payments are supported by the earnings.
Result on the portfolio	Income from the sale of investment property +/- variations in the fair value of investment property +/- other result on the portfolio	Measuring the realised and unrealised gain/loss on investment property
Average interest rate	Interest charges including IRS interest expense divided by the average outstanding debt during the period	Measuring the average debt interest costs to allow a comparison with peers and analysis of the evolution over time
Average interest rate excl. IRS interest charges	Interest charges excluding IRS interest expense divided by the average outstanding debt during the period	Measuring the average debt interest costs to allow a comparison with peers and analysis of the evolution over time
Average financing costs	Interest costs including IRS interest expense + arrangement fees and commitment fees, divided by the average outstanding debt during the period	Measuring the average debt financing cost to allow a comparison with peers and analysis of the evolution over time
Average financing cost excl. IRS interest charges	Interest charges including IRS interest charges + arrangement fees and commitment fees, divided by the average outstanding debt during the period	Measuring the average debt financing cost to allow a comparison with peers and analysis of the evolution over time
EPRA earnings per share	The net result +/- income from the sale of investment property +/- variations in the fair value of investment property +/- other result on the portfolio +/- variations in the Fair Value of financial assets and liabilities, divided by the average number of shares	Comparability with other RRECs and international property players
EPRA earnings per share after correction for IFRIC 21	The net result +/- income from the sale of investment property +/- variations in the fair value of investment property +/- other result on the portfolio +/- variations in the fair value of financial assets and liabilities, +/- correction for IFRIC 21, divided by the average number of shares	Comparability with other RRECs and international property players

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 immediately feels at home.

Xior Student Housing has been accredited as a public RREC under Belgian law since 24 November 2015. Xior Student Housing NV's shares have been listed on Euronext Brussels (XIOR) since 11 December 2015. On 31 March 2017, Xior Student Housing had a property portfolio worth approximately EUR [287] million. More information is available at www.xior.be.

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