RETAIL ESTATES

Half year financial results 2011–2012

Consolidated annual statement as at 30 September 2011
In accordance with international standards for financial reporting

Key figures

PORTFOLIO	30.09.11	31.03.11
Total lettable area in m²	431.774	419.346
Occupancy rate %	98,17	98,15
Fair value of the portfolio EUR (incl assets held for sale)	543.511.000	516.365.000
Debt ratio (R.D. 7 December 2010 (max 65%)) in %	53,38	53,38

RESULTATS	30.09.11	30.09.10
Net rental income	17.598.000	16.797.000
Property result	17.436.000	16.583.000
Property charges	-1.024.000	-989.000
General costs and other operation costs and income	-1.184.000	-1.119.000
Operation result before result on the portfolio	15.228.000	14.476.000
Result on the portfolio	3.036.000	4.786.000
Operating result	18.263.000	19.262.000
Financial result	-6.479.000	-6.373.000
Taxes	-78.000	25.000
Net result	11.707.000	12.914.000
Net current result before result on the portfolio	8.671.000	8.128.000

DATA PER SHARE	30.09.11	31.03.11
Number of shares	5.395.408	5.061.663
Net asset value (fair value)	42,80	45,36
Net asset value (fair value) excl dividend	41,40	42,66
Net asset value (investment value)	45,18	47,82
Net asset value (investment value) excl dividend	43,78	45,12

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Introduction

General

Retail Estates N.V. is one of Belgium's largest real estate investment companies, specializing in retail premises on suburban sites. Its portfolio consists of 455 retail premises in Belgium and the Grand Duchy of Luxembourg, representing a total retail floor space of 431,774m² and an investment value of EUR 538.92 million (including an investment of 83.23% in the Distri-Land N.V. property certificates).

Retail Estates N.V. manages its retail properties itself and has a proven track record of developing real estate for its own account.

Retail Estates N.V. is a listed company (Euronext Brussels), with a market capitalization on 30 September 2011 of approximately EUR 264.86 million.

Risk management

Even if management tries to limit the risk factors to a minimum, careful account still has to be taken of a certain number of risks. For an overview of these risks the reader is referred to pages 4 to 9 of the 2010-2011 annual report and pages 16 to 25 of the prospectus of 19 September 2011.

1. Activities report for the first half of the 2011-2012 financial year (6 months to 30 September 2011)

1.1. Rental income and occupancy rate

Rental income during the first half of the financial year amounted to EUR 17.70 million. This is 4.01% higher than in the comparable half of the 2010-2011 financial year (EUR 17.02 million). This increase is attributable almost entirely to the growth in the real estate portfolio and the positive indexation of the rents.

Occupancy rate[1] at 30 September 2011 remained at a high 98.17%, compared with 98.15% at 31 March 2011.

1 The occupancy rate is calculated as the effective leased area versus the lettable area, expressed in m².

1.2. Fair value of the portfolio

The fair value of the real estate portfolio rose to EUR 526.50 million. The gross rental yield established by the real estate experts on this portfolio amounts to 7%.

The stability of the fair value of suburban retail properties is explained mainly by continuing interest from wealthy investors for this type of investment, partly offsetting the low interest from institutional investors. Retail Estates N.V. has observed this directly during its ongoing divestment programme.

Retail Estates N.V. also holds a significant 83.23% interest in the real estate certificates issued by Immobilière Distri-Land N.V. The fair value of this latter company's real estate portfolio as of 30 September 2011 is assessed at EUR 17.15 million versus EUR 20.63 million on 31 March 2011. The decrease is due to the sale of 4 buildings in Liège (Rocourt). Those buildings were sold for a global sales price of EUR 3.67 million. A liquidation coupon was issued on 25 October 2011. Retail Estates share of the total real value amounted to EUR 13.18 million. Retail Estates share of the sales price in the buildings sold amounted to EUR 2.66 million. With respect to the historical acquisition value, a profit of EUR 0.73 million was earned on these buildings. With respect to the real value, a profit of EUR 0.073 million was achieved.

At 30 September 2011 the real estate portfolio consisted of 455 units with a lettable surface of 431,774m².

1.3. Optimisation of the real estate portfolio

Several different projects are currently in the execution phase at this time. As part of the ongoing attention for optimisation of the retail park, the site at **Antwerp (Wilrijk)**, Boomsesteenweg 941-943 was thoroughly rebuilt from industrial use to 2 exhibition halls intended for Business-to-Business trade. As part of that rebuild, the vacant office floor was thoroughly renovated. The project was delivered on 1 November 2011.

Extensive renovations are also being carried out in **Mechelen-North**, where existing retail units are being renovated and the storage area at the rear (which was purchased previously) is being integrated into these store areas. Delivery is expected before 31 December 2011.

Work has started on Bredabaan 1 in **Antwerp (Merksem)**. The existing retail units are being modified to meet the requirements of the current and new tenants, with improved visibility and extra parking space.

1.4. Investments[2] - retail park under construction

Tongeren

Retail Estates N.V. has acquired control over Flanders Retail Invest B.V.B.A., which had obtained all necessary permits for the construction of a large-scale shopping centre in Tongeren on Luikersteenweg. The construction of the stores has started and will be completed by the end of June 2012 with a public opening scheduled for the second half of August 2012.

Twenty-seven retail units with a total surface area of approximately 32,200 m^2 are being built. The surface area of the individual retail units varies from between 600 m^2 and 3,000 m^2. As of today, 24 retail units have been leased to leading chains with an extensive range of activities, such as white goods (Vanden Borre), DIY (Hubo), toys and seasonal products (Dreamland), clothing (JBC, ZEB, E5-mode, Bel&Bo), shoes (Brantano, Torfs), home decorating (Leen Bakker and Matrassenkoning) and, last but not least, food products (Delhaize, Lidl, O'Cool and Buurtslager).

This constitutes a combination of modern retail formulas at one location that is unique for Limburg, and even for the Flemish Region.

Tongeren is hereby strengthening its positioning as a shopping city. Until recently, there were zoning reasons for the lack of any possibility of suburban shopping. Today, the city of Tongeren offers a fully-fledged selection of downtown and suburban stores that, in combination with a strong foodservice and cultural sector, is expected to create an attractive pool for the shopping public of South Limburg. The region has a population of 126,000 people (40,000 of whom live in the adjoining francophone zone). North Limburg is served by a concentration of out-of-town retail of approximately 25,000 m^2 in Lommel and the centre of Limburg has approximately 55,000 m^2 out-of-town retail in the Hasselt-Genk shopping axis.

At full occupancy, rents of approximately EUR 2.35 million annually are expected starting in September 2012.

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2 The purchase and sale values of the investments and disposals are in line with the investment values as appraised by the real estate experts.

Bruges

In Bruges (Sint-Pieters), Retail Estates N.V. is building the "V-Markt" retail park along the Sint-Pieters quay after having assumed control from Belgian Wood Centre N.V. This new retail park, which will serve the Bruges North area, will consist of 10 retail units representing a total store area of 12.095 m^2. The size of the retail units varies from between 600 m^2 and 2,000 m^2 in retail space. The units have already been largely leased to chain stores, such as Lidl and Buurtslagers (food), Hubo (DIY), shoes and clothing (Pronti & Zeeman), household products (Action), baby products (Dreambaby) and pet supplies (Maxi-Zoo).

The buildings are being built on a piece of ground that is the subject of a land lease. The leases for those buildings are expected to result in net rents of EUR 660,000 annually (after deduction of the land lease rent) for Retail Estates N.V. from 1 June 2012. Retails Estates N.V. hopes to be able to acquire the necessary administrative permits to integrate its site along the Sint-Pieters quay (2 stores with an area of 3,000 m^2) into this adjoining retail park in development and thereby to provide this retail park with a valuable access route from the Bruges inner ring road.

Namur

Retail Estates N.V. has acquired exclusive control over Champion Invest N.V., which owns a retail building in Namur (Champion), which is leased to Aldi. With a retail area of 1,320 m^2, that will result in rents of approximately EUR 0.11 million. The company is also the owner of project land which will, over time, make it possible to develop approximately 6,000 m^2 of addition retail area. A building permit for three stores, with an area of 4,000 m^2, has already been issued. The delivery of those 3 stores is expected in the second half of 2012.

This purchase strengthens the presence of Retail Estates N.V. in the Namur North retail park, where it already has 5 retail units.

1.5. Disposals[2]

Over the past half year, 7 retail units were sold to private investors for a net sales revenue of EUR 4.89 million.

The retail units sold were in Bastogne (55 m^2 unoccupied), Hoeilaart (850 m^2, leased to O'Cool), and Liège (Rocourt), (leased to Brantano (1,000 m^2), E5 mode (1,360 m^2), Well (370 m^2) and Santana International (699 m^2) and Ideal Bazar (1,000 m^2)). The real value of those units as at 30 September 2011 amounted to EUR 4.82 million.

1.6. Capital increase with application of the authorized capital

On **16 June 2011**, by means of the authorised capital, the Board of Directors implemented a capital increase in the amount of EUR 4.29 million (EUR 1.98 million in authorised capital and EUR 2.31 million in issue premiums), based on the contribution in kind of 5 retail units in Genk (Winterslag), Houthalen-Helchteren, Jodoigne, Zonhove and Kasterlee. As part of this process, 88,397 new shares were issued at an issue price of EUR 48.61 per share. That issue price was based on the average share price over the 30 days prior to the issue, less the net amount of the dividend that was made payable on 5 July, to wit, EUR 2,295.

The new shares are not eligible for profit-sharing in financial year 2010-2011, which closed on 31 March 2011. They will share fully in the profits for the new financial year that commenced on 1 April 2011.

1.7. Capital increase and merger through acquisition of subsidiaries

The **extraordinary general meeting of 27 June 2011** approved a capital increase in the amount of EUR 12 million (EUR 5.52 million in authorised capital and EUR 6.48 million in issue premium) as part of the partial split of Fun Belgium N.V., which saw 3 retail units in Sint-Joris-Winge and Mechelen being brought in. As part of this process, 245,348 new shares were issued at an issue price of EUR 48.91 per share.

The new shares are not eligible for profit-sharing in financial year 2010-2011, which closed on 31 March 2011. They will share fully in the profits for the new financial year that commenced on 1 April 2011.[3]

3 With respect to this emission, a listing prospectus was drawn up on 19 September 2011. It is available for perusal at www.retailestates.com.

The **extraordinary general meeting of 27 June 2011** decided to proceed with the merger through absorption of Dimmo Invest N.V., GL Development N.V., Caisse de Leasing N.V., Electimmo N.V. and Wennel Invest N.V. without the issue of new shares. The merger of those subsidiaries simplifies the administration and reduces the taxable income of the subsidiary companies of Retail Estates N.V.

On **14 September 2011**, the merger proposals were submitted to proceed with the merger through absorption of Asverco N.V., Depatri N.V. and Keerdok Invest N.V. That merger would be completed by the end of the year. The **extraordinary general meeting of 28 November 2011** will, in principle, decide on this merger. If a quorum is not achieved, a second extraordinary general meeting will be held on 16 December 2011. The merger of those subsidiaries simplifies the administration and reduces the taxable income of the subsidiary companies of Retail Estates N.V.

2. Amendments to articles of incorporation of Retail Estates N.V.

On **27 May 2011**, the new articles of association of Retail Estates N.V. were approved, thereby harmonising the articles of association with the new Royal Decree of 7 December 2010 with respect to real estate investment funds with fixed capital and the Act of 20 December 2010 concerning the exercise of certain rights of shareholders in listed companies.[4]

Several of those provisions will only be implemented as from 1 January 2012.

3. Analysis of results

Half-year results at 30 September 2011: net current result up by 6.67% - fair value of the real estate portfolio up by 4.14%.

For the six months to 30 September 2011, **net current result** (i.e. profit before the result on the portfolio) amounted to EUR 8.67 million, an increase of 6.67% on the same period in the previous year.

Net **rental income** rose from EUR 16.80 million to EUR 17.60 million. This is due in particular to the acquisition of 14 additional properties in the current financial year and the contribution of retail

4 The new coordinated version of the articles of association is also available for perusal on the website in the 'investor relations/official documents' section.

properties purchased in the course of the previous financial year and which are contributing 100% from this year onwards. Compared with 30 September 2010, the fair value of the real estate portfolio has grown by EUR 42.51 million. With respect to 31 March 2011, the portfolio grew by EUR 27.14 million.

After deduction of property charges, this gives a property result of EUR 17.43 million compared with EUR 16.58 million last year.

Property charges amount to EUR -1.024 million compared with EUR -0.99 million the year before. The increase is thus in line with the increase in rental income. After deducting general costs, the investment company reached an operating result before result on the portfolio of EUR 15.23 million. The operating margin amounts to 86.53%.

Net earnings from **sales of investment properties** amount to EUR 0.092 million on sales totaling EUR 4.89 million. The variations in the fair value of investment properties amount to EUR 2.94 million, representing the net surplus of various positive and negative variations.

The **financial result** is EUR 6.48 million, which is EUR 0.11 million more negative than for the same period in 2010. Retail Estates N.V. finances its real estate portfolio with long-term bank loans at fixed interest rates. The average interest rate at 30 September 2011 was 4.97% (including margin).

The **net result** for the first half is EUR 11.71 million, consisting of the net current result of EUR 8.67 million and the result on the portfolio of EUR 3.03 million. Per share this represents for the first half a profit available for distribution of EUR 1.66.

The fair value of the property portfolio, including assets held for sale, amounted as of 30 September 2011 to EUR 543.51 million compared with EUR 516.37 million as of 31 March 2011.

The net asset value (fair value) per share amounted as of 30 September 2011 to EUR 41.40 (excluding 50% of the expected dividend). As of 31 March 2011 this was EUR 42.66 (excluding dividend).

The debt ratio amounted at 30 September 2011 to 53.38% and is equal to the debt ratio of March 2011.

4. Prospects

The macro-economic uncertainties do not permit predictions as to the evolution of the fair value of the property or the negative variations in the fair value of interest rate hedging instruments. The evolution of the net asset value of the share, which is sensitive to such variations and uncertainties, is therefore uncertain.

At the end of last fiscal year 2010-2011, a net current result was projected on the assumption of a stable result. Based on the results of the first half this objective is maintained. The expected dividend[5] (EUR 2.80 gross per share) is confirmed. This represents a 3.7% increase on 2010-2011. These expectations were filled in the hypothesis of stable consumer spending and provided a limited but positive evolution of rents.

5. Future-oriented statements

This half-yearly report contains a number of future-oriented statements. Such statements are subject to risks and uncertainties which mean that the actual results can differ significantly from those expected on the basis of such future-oriented statements in this interim statement. Significant factors that can influence such results include changes in the economic situation and commercial and environmental factors.

5 Pursuant to Article 7 of the Royal Decree of 7 December 2010, the dividend is determined based on the statutory (unconsolidated) financial statements of Retail Estates N.V.


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Financial Report

1A. Abbreviated consolidated income statement

Abbreviated consolidated income statement (in 000 €)	30.09.11	30.09.10
	17.704	17.022
Rental related expenses	-106	-225
NET RENTAL INCOME	***17.598***	***16.797***
Recovery of property expenses		
Recovery of charges and taxes normally payable by tenants on let properties	1.379	1.493
Charges and taxes normally pyable by tenants on let properties	-1.510	-1.681
Other rental related income and expenses	-31	-25
PROPERTY RESULT	***17.436***	***16.583***
Technical costs	-516	-460
Commercial costs	-25	-50
Charges and taxes on unlet properties	-22	-4
Property management costs	-457	-450
Other property charges	-4	-24
PROPERTY CHARGES	***-1.024***	***-989***
OPERATING PROPERTY RESULT	**16.412**	**15.595**
Operating corporate costs	-1.184	-1.119
Other current operating income and expenses		
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**15.228**	**14.476**
Result on disposals of investment property	92	62
Result on sales of other non financial assets		
Changes in fair-value of investment property	2.944	4.724
OPERATING RESULT	**18.264**	**19.262**
Financial income	401	176
Interest charges	-6.840	-6.506
Other financial charges	-40	-42
FINANCIAL RESULT	***-6.479***	***-6.373***
RESULT BEFORE TAXES	**11.785**	**12.889**
Taxes	-78	25
NET RESULT	**11.707**	**12.914**
Attributable to:		
Equity holders of the parent	11.707	12.914
Minority interests		
Note:		
Net Current result (Groupe)	***8.671***	***8.128***
Result on portfolio	*3.036*	*4.786*

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RESULT PER SHARE	30.09.11	30.09.10
Number of ordinary shares	5.395.408	4.903.555
Weighted average number of shares	5.240.232	4.822.600
Net current result per ordinary share (in €)	2,23	2,68
Diluted net current result per share (in €)	2,23	2,68
Distributable result per share (in €)	1,66	1,71
Net current result per share (in €)	1,65	1,69

1B. Statement of other comprehensive income

Statement of other comprehensive income (in 000 €)	30.09.11	30.09.10
Net profit	11.707	12.914
Other components of other comprehensive income		
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-398	-757
Changes in the fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	-12.611	-3.715
COMPREHENSIVE INCOME OF THE FIRST HALF YEAR	**-1.302**	**8.441**

2. Abbreviated consolidated balance sheet

ASSETS (in 000 €)	30.09.11	31.03.11
Non-current assets	**526.906**	**506.981**
Immobilisations corporelles	74	74
Development projects[1]	526.498	505.588
Other tangible fixed assets	312	264
Non-current financial assets		1.033
Trade receivables and other non-curent assets	22	22
Current assets	**25.190**	**15.296**
Assets held for sale	17.013	10.778
Trade receivables	4.221	682
Tax receivables and other current assets	1.972	2.482
Cash and cash equivalents	954	1.150
Deferred charges and accrued income	1.030	205
TOTAL ASSETS	**552.096**	**522.278**

1 Including development projects (IAS 40).

SHAREHOLDERS' EQUITY AND LIABILITIES (in 000 €)	30.09.11	31.03.11
EQUITY	**230.944**	**229.607**
Shareholders' Equity attributable to shareholders of the parent company	**230.944**	**229.607**
Capital	*120.293*	*112.989*
Share premium	*42.205*	*33.418*
Reserves	*56.739*	*56.509*
Net result for the financial year	*11.707*	*26.692*
Minority interests		
Liabilities	**321.152**	**292.671**
Non-current liabilites	285.378	273.958
Provisions		
Non-current financial debts	*261.612*	*261.768*
Credit institutions	261.612	261.768
Financial lease		
Other non-current liabilities	*23.766*	*12.189*
Current liabilities	**23.121**	**18.713**
Current financial debts	*23.121*	*7.177*
Credit institutions	23.121	7.177
Financial lease		
Trade debts and other current debts	*9.637*	*8.914*
Other current liabilities	*343*	*361*
Accrued charges and deferred income	*2.673*	*2.260*
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**552.096**	**522.278**

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DEBT RATIO	30.09.11	31.03.11
Debt ratio[1]	53,38%	53,38%

1 The debt ratio is calculated as follows: Obligations (excluding provisions, accrued charges and deferred income, financial instruments and deferred taxes), divided by the total assets (excluding financial instruments).

NET ASSET VALUE PER SHARE (in €)	30.09.11	31.03.11
Net asset value per share (fair value)[1]	42,80	45,36
Net asset value per share (investment value)[2]	45,18	47,82
Net asset value per share (fair value) excl dividend[1]	41,40	42,66
Net asset value per share (investment value) excl dividend[2]	43,78	45,12

1 The net assets per share (fair value) is calculated as follows: shareholders' equity divided by the number of shares.

2 The net asset per share (investment value) is calculated as follows: shareholders' equity excluding the impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties divided by the number of shares.

3. Abbreviated statement of changes in equity

TABLE OF CHANGES TO EQUITY (In € thousands)	Capital Ordinary shares
Balance according to IFRS on 31 March 2010	**103.851**
- Net appropriation of profits 2009-2010	
- Transfer of portfolio result to reserves	
- Transfer of net current result to reserves	
- Reclassification between reserves	
- Dividend for financial year 2009-2010	
- Capital increase through contribution in kind	5.950
- Minority interests	
- Costs of capital increase	-223
- Other	
- Global result 30/09/2010	
Balance according to IFRS on 30 September 2010	**109.578**
Balance according to IFRS on 31 March 2011	**112.989**
- Net appropriation of profits 2010-2011	
- Transfer of result from the portfolio to reserves	
- Transfer of net current result to reserves	
- Dividend for financial year 2010-2011	
- Capital increase through contribution in kind	7.509
- Costs of capital increase	-205
- Global result 30/09/11	
Balance according to IFRS on 30 September 2011	**120.293**

*Detail of the reserves (In € thousands)	Legal reserves	Reserve for the positive / negative balance of changes in fair value of investment properties
Balance according to IFRS on 31.03.2010	**295**	**63.615**
- Net appropriation of profits 2009-2010		
- Transfer of portfolio result to reserves		1.760
- Transfer of net current result to reserves		
- Reclassification between reserves		-1.473
- Capital increase through contribution in kind		
- Minority interests		
- Costs of capital increase		
- Other		-27
- Global result 31.03.10		
Balance according to IFRS on 30.09.2010	**295**	**63.875**
Balance according to IFRS on 31.03.2011	**334**	**63.874**
- Net appropriation of profits 2010-2011		
- Transfer of result from the portfolio to reserves		10.395
- Transfer of net current result to reserves		
- Reclassification between reserves		-1.536
- Capital increase through contribution in kind		
- Costs of capital increase		
- Global result 30/09/11		
Balance according to IFRS on 30 September 2011	**334**	**72.733**

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Share Premium	Reserves*	Net result for the financial year	Minority interest	Total Equity
24.358	**46.988**	**15.309**	**534**	**191.040**
				0
	1.760	-1.760		
	1.897	-1.897		
	39	-39		
		-11.614		-11.614
5.360				11.310
			-534	-534
				-223
	-27			-27
	-4.472	12.914		8.442
29.718	**46.185**	**12.913**	**0**	**198.394**
33.418	**56.509**	**26.692**	**0**	**229.608**
				0
	10.395	-10.395		0
	2.844	-2.844		0
		-13.453		-13.453
8.788				16.297
				-205
	-13.009	11.707		-1.302
42.206	**56.739**	**11.707**	**0**	**230.945**

Available reserves	Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	Results carried forward from previous financial years	TOTAL
1.023	**-11.179**	**-16.218**	**9.452**	**46.988**
				1.760
			1.897	1.897
1.473			39	39
				0
				-27
	-757	-3.715		-4.472
2.496	**-11.936**	**-19.933**	**11.388**	**46.185**
2.497	**-12.449**	**-9.096**	**11.349**	**56.509**
				10.395
			2.844	2.844
1.536				0
	-398	-12.611		-13.009
4.033	**-12.847**	**-21.707**	**14.193**	**56.739**

4. Abbreviated cashflow statement

in 000 €	30.09.11	30.09.10
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**1.150**	**642**
1. Cash-flow from operating activities	**6.610**	**7.303**
Net result of the financial year:	**11.706**	**12.914**
Operational result	18.264	19.262
Interest paid	-6.907	-6.243
Interest received	3	3
Dividends received		
Corporation tax paid	-108	-2.352
Accrued interest		
Others	454	2.244
Non-cash elements to be added to/deducted from result	**-2.985**	**-4.643**
Depreciation and Writedowns		
- Depreciation / Writedowns (or writeback) on intangible and tangible assets (+/-)	81	90
- Depreciation / Writedowns (or writeback) on trade receivables	-30	52
Other non-cash elements		
- Variation de la juste valeur des immeubles de placement	-2.944	-4.724
- Bénéfice sur la vente des immeubles de placement	-92	-62
- Provisions		
Change in working capital requirements	**-2.111**	**-967**
Movements of assets:		
- Trade receivables	-2.788	1.311
- Tax receivables and other current assets	509	-1.182
- Deferred charges and accrued income	-825	-454
Movements of liabilities:		
- Trade debts and other currents debts	597	-1.203
- Other current liabilities	-18	128
- Accrued charges and deferrred income	413	432
2. Cash-flow from investment activities	**-8.482**	**-7.786**
Purchase of Intangible assets	-26	-14
Purchase investment properties	-11.769	-6.643
Disposal of investment properties and properties held for sale	5.114	4.447
Purchase of shares of investment companies	-1.697	-5.541
Disposal of shares of investment companies		
Purchase of other tangible asset	-103	-34
Trade receivables and other non-current assets		
Disposal of non-current financial assets		

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3. Cash-flow from financing activities	**1.676**	**2.522**
Change in financial liabilities and financial debts		
- Increase in financial debts	36.502	22.398
- Decrease in financial debts	-21.168	-7.337
Change in other liabilities		
- Increase (+) / Decrease (-) in other liabilities		-168
- Decrease minority interests		-534
Dividends	-13.453	-11.614
- Dividend for the previous year (-)		
Costs of capital increase	-205	-223
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**954**	**2.681**

Rounding to the nearest thousand can lead to rounding differences with the balance sheet and income statement in the tables above.

5. Notes on the abbreviated consolidated half year figures

5.1. Basis for preparation

The interim financial report for the first half-year ending on 30 September 2011 has been prepared using accounting standards consistent with International Financial Reporting Standards as implemented by the Belgian Royal Decree of 7 December 2010 with respect to the accounting, annual accounts and consolidated annual accounts of public real estate investment companies, and amending the Royal Decree of 10 April 1995 with respect to real estate investment companies, and in accordance with the requirements of IAS 34 'Interim Financial Reporting'.

In determining the fair value of investment properties in accordance with IAS 40 'Investment Property', an estimated amount of transfer taxes and costs is deducted by the independent property appraiser. The impact on the fair value of investment property of these estimated transfer taxes and costs on the hypothetical disposal of investment properties is recognized directly in equity under the heading 'Impact on fair value of estimated transfer taxes and costs on the hypothetical disposal of investment properties' expressly provided for in the above Royal Decree. In the first half-years ending on 30 September 2011 and 30 September 2010 amounts of, respectively EUR -0.40 and EUR -0.76 million were directly recognized in equity via this heading.

In these condensed interim financial statements the same accounting principles and calculation methods are applied as in the consolidated financial statements for the year ending on 31 March 2011.

5.2. Application of IFRS 3 Business Combinations

The company transactions of the past six months are not treated as a business combination as defined by IFRS 3. The company believes IFRS 3 is not applicable, given the nature and size of the company over which control has been acquired. These are companies owning a limited number of premises, and which it is not intended to maintain as independent businesses.

5.3. Declaration by the person responsible within Retail Estates N.V.

In accordance with Article 13§2 of the Royal Decree of 14 November 2007, Jan De Nys, managing director, declares that, to his knowledge,

a) the condensed interim financial statements prepared on the basis of financial reporting principles consistent with IFRS and with IAS 34 'Interim Financial Reporting' as adopted by the European Union, give a true and fair view of the net worth, financial position and results of Retail Estates N.V. and of the companies included in the consolidation.

b) the interim report presents an accurate description of the main events occurring during the first six months of the current financial year, their influence on the condensed interim financial statements, the main risk factors and uncertainties for the remaining months of the financial year, and the main transactions between related parties and their possible impact on the condensed interim financial statements where these transactions are of significant importance and were not concluded at normal market conditions.

5.4. Segmented information

IFRS 8 defines an operating segment as follows: An operating segment is a component of an entity: (IFRS 8.2):

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

Given that suburban retail properties make up 92.69% of the Retail Estates portfolio, a breakdown of activities by operating segment is not relevant. The Board of Directors does not use any other segment in taking its decisions.

FINANCIAL REPORT

5.5. Valuation of projects

In line with the revised IAS 40 standard, project developments are included under investment property. On purchase they are stated at cost, including incidental expenses and non-deductible VAT.

After initial recognition, projects are valued at fair value once contractors have been found, the necessary licences acquired, and the properties let. This fair value amount is based on the valuation by the real estate appraiser, after deducting still outstanding work.

5.6. Rental income

During the first half of the year, Retail Estates N.V. expanded its property portfolio with 14 retail units. These represent an annual rental income of EUR 1.26 million. In the consolidated figures as of 30 September 2011 these new units represent a rent flow of EUR 0.32 million.

A number of properties were also divested in the first half. These represent an annual rental income of EUR 0.35 million. In the consolidated figures as of 30 September 2011, rental income from these properties amounts to EUR 0.11 million..

Rental income (in 000 €)	30.09.11	30.09.10
Rent	17.321	16.549
Guaranteed income		
Operational lease income	383	488
Lease discounts		
Rental benefits ('incentives')		-15
Compensation for premature termination of lease contracts		
Total rental income	**17.704**	**17.022**

The rise in rental income is mainly due to the growth of the real estate portfolio and the indexation of the rents.

The following table shows by way of theoretical exercise the amount by which annual rental income could potentially drop on the assumption that tenants do not renew their leases at the expiry of their contracts and no subsequent rehiring takes place. This does not affect the theoretical risk of all tenants exercising their legal right of termination at the of the current three year period: in this case, all retail shops will by definition be empty within 3 years and 6 months. Rents in the table below are the expected annual rentals and therefore deviate from the total rental income in the above table.

in 000 €	30.09.11	30.09.10
Within one year	1.507	807
Between one and five years	7.046	5.754
More than five years	27.600	28.464

Rental income type

Retail Estates concludes commercial rental contracts for its units, for a period of at minimum 9 years, which can usually be terminated after the expiry of the third and sixth year, subject to six months' notice prior to expiry date. The rents are usually paid monthly in advance (sometimes quarterly). They are indexed annually on the anniversary of the rental agreement.

Taxes and levies, including advance property tax, the insurance premium and the common charges are borne by the tenant in principle. To guarantee compliance with the obligations imposed on the tenant by virtue of the agreement, the tenant must provide a rental guarantee, usually in the form of a bank guarantee worth 3 months of rent.

At the start of the agreement an inventory of fixtures is drawn between the parties by an independent real estate expert. At the expiry of the agreement the tenant must return the premises it hired in the state described in the inventory of fixtures on taking up occupancy subject to normal wear and tear.

The tenant cannot transfer the rental agreement or sublet the premises fully or partially, unless it has prior written permission from Retail Estates N.V. The tenant is obliged to register the agreement at its own expense.

5.7. Investment properties

Investment and revaluation table (in 000 €)	Investment properties		Assets held for sale		TOTAL	
	30.09.11	31.03.11	30.09.11	31.03.11	30.09.11	31.03.11
Amount at the end of the preceding financial year	**505.588**	**448.326**	**10.778**	**1.274**	**516.366**	**449.600**
Acquisition of real estate investment companies	1.526	39.255		9.207	1.526	48.462
Activated financial costs	390	425			390	425
Acquisition of investment properties	27.313	16.665			27.313	16.665
Disposal via the sale of real estate investment companies						
Sale of property investments	-3.427	-7.191	-1.686	-1.629	-5.113	-8.820
Other transfers	-7.921	-1.926	7.921	1.926		
Change in fair value (+/-)	3.029	10.033			3.029	10.032
Amount at the end of the financial year	**526.498**	**505.588**	**17.013**	**10.778**	**543.511**	**516.366**
Investment property at investment value	**538.920**	**517.767**	**17.438**	**11.047**	**556.358**	**528.814**

During the first half of the financial year control was acquired of one property company at a cost of EUR 1.70 million, paid in cash, producing a EUR 1.55 million increase in property investments, a EUR 0.6 million variation in working capital and a EUR 0.45 million increase in financial debt.

FINANCIAL REPORT

5.8. Financial debts

Division according to the due date of credit lines (in 000 €)	30.09.11	31.03.11
Non-current		
Bilateral loans - floating or fixed rate	261.612	261.768
Financial lease		
Subtotal	**261.612**	**261.768**
Current		
Bilateral loans - floating or fixed rate	23.121	7.177
Investment credits – variable or fixed interest		
Advances on current account – variable interest		
Financial lease		
Subtotal	**23.121**	**7.177**
Total	**284.733**	**268.945**

Division according to maturity of non-current financial debts (in 000 €)	30.09.11	31.03.11
Between 1 and 2 years	11.771	19.022
Between 2 and 5 years	161.462	154.290
More than 5 years	88.379	88.455

Of the total amount of loans, EUR 230.06 million carry a floating interest rate. These are all long term loans. 89.4% of the loans are hedged by interest rate swap contracts, that swap floating against fixed interest rates. The average interest rate on the loans is 4.97%. In principle Retail Estates N.V. covenants a debt ratio ceiling of 60% with its banks.

5.9. Post balance sheet events

On 14 September 2011, the merger proposal was submitted with respect to a merger by absorption by Retail Estates N.V. of Depatri N.V., Asverco N.V. and Keerdok Invest N.V. as companies to be taken over. An initial extraordinary general meeting will be held on 28 November 2011. If the required quorum is not achieved, a second extraordinary general meeting is scheduled for 16 December 2011.

6. Limited review report of the consolidated half-year financial information for the six months period ended 30 September 2011

To the board of directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes 5.1 to 5.9 (jointly the "interim financial information") of Retail Estates NV/SA ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 September 2011. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 September 2011 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

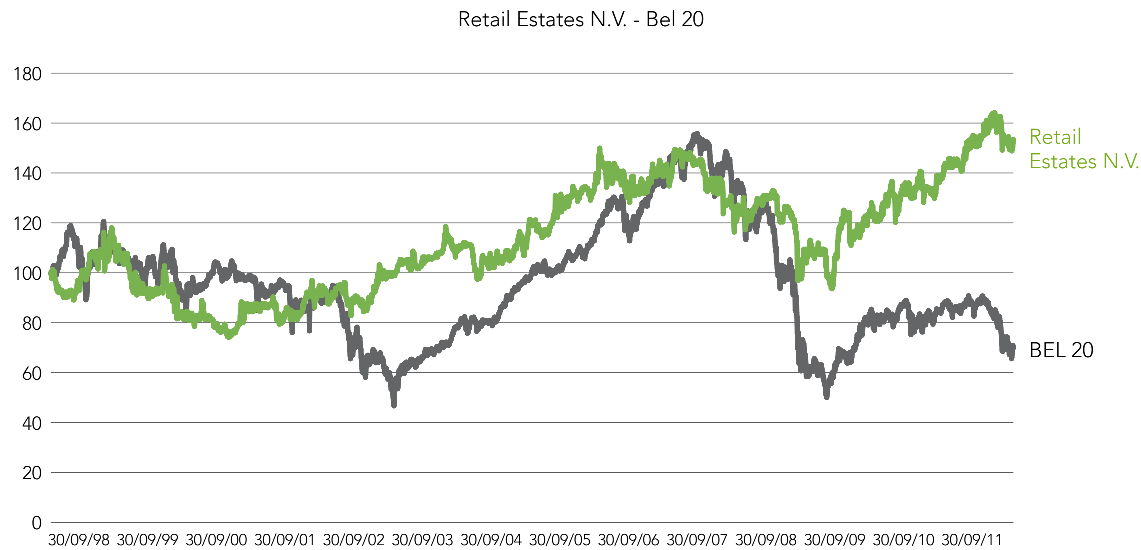
Diegem, 25 November 2011

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Rik Neckebroeck

Share Performance

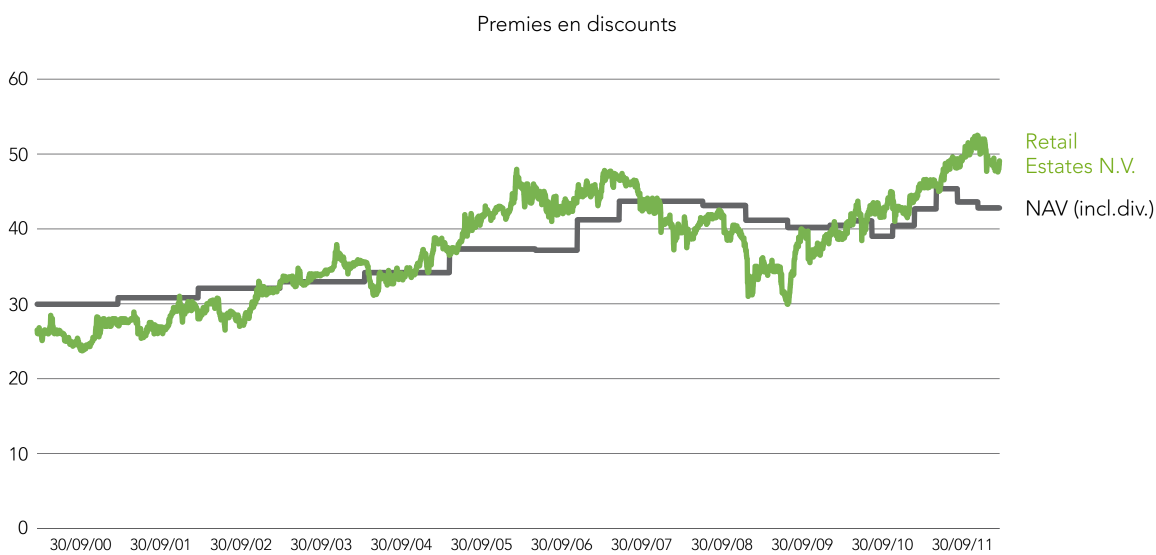
1. Stock market performance



During the first six months of 2011-2012 the stock market price fluctuated between EUR 47.61 and EUR 52.50. The graph above shows the share performance of the Retail Estates shares versus the BEL 20 since the initial public offering. The Retail Estates share has increased in value over the period by 53.5% while the BEL 20 has declined by 30.19%. The average closing price during this period was EUR 49.94.

2. Dividend and yield

	30.09.11	31.03.11	30.09.10
Net asset value (fair value)	42,80	45,36	40,46
Net asset value (investment value)	45,18	47,82	42,89
Net asset value per share (fair value) excl dividend	41,40	42,66	39,11
Net asset value per share (investment value)	43,78	45,12	41,54
Gros dividend		2,7	
Net dividend		2,295	
Share price on closing date	49,09	49,36	44,00



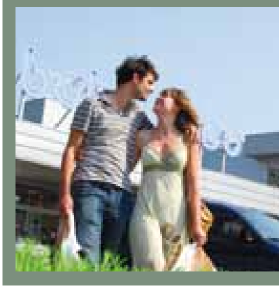
The net asset value per share on a fair value basis is EUR 42.80.

The change in net asset value is explained by the further decline in fair value of interest rate hedging instruments and the payment of a dividend for the 2010-2011 financial year.

3. Shareholder's calendar

Interim statement on results for the 3rd quarter of 2011-2012 financial year	17 February 2012
Announcement of results for 2011-2012 financial year	25 May 2012
General meeting for 2011-2012 financial year	25 June 2012
Dividend payable	3 July 2012

Real estate report



Valuation at 30 September 2011

1. Real estate expert's report

Retail Estates N.V. uses Cushman & Wakefield and CB Richard Ellis as its real estate expert. In practice, each real estate expert values a part of the real estate portfolio.

Report by Cushman & Wakefield

The report of Cushman & Wakefield dd. 30 September 2011 covers a portion of the property of Retail Estates N.V. and its subsidiaries.

We obtain a rounded **Investment Value** as at **30/09/2011** for Retail Estates N.V. of **EUR 337.117 million** and a rounded **Fair Value** of **EUR 329.058 million**. On the basis of the investment value, the portfolio increases in absolute terms with **0.17%** compared to 30/06/2011. This gives a yield of **7.05%** to the portfolio.

The portfolio of **Distri-Land Immobilière N.V.** has as at **30/09/2011** a **rounded Investment value** of **EUR 17.584 million** and a rounded **Fair Value** of **EUR 17.155 million**. The investment value in absolute terms decreased compared to 30/06/2011 due to the sale of several properties. This gives a yield of **7.25%** for Distri-Land N.V.

"The typical characteristic of the retail warehouse market is the stability since a few years.

The past six months were also characterized by a healthy demand for limited spaces. Tenants on good locations are not willing to leave their properties, and that's what causes the limited supply. Little or almost no vacancy can be observed, and the few new developments are easily filled with tenants at stable rental levels. Tenants seem to produce enough turnover to pay their rents, which in an international context are not that high. In the bigger portfolio's we only notice a marginal increase in the unpaid rents.

The investment market has stood its grounds. We noted an increasing demand of private investors of individual properties and volumes up to EUR 2.0 million. This increasing demand has lead to slight decreasing yields for these types of sales. Retail warehouses are more than ever favored by the investors and consequently the retail warehouses are sold quickly and at sharp yields. On the contrary to last year, we also noted a slightly higher demand for bigger volumes. The yields have stabilized in this segment and a slight increase in the price can be noted. For the bigger volumes, there is again a bigger demand from German funds, but only in case the project are fully let to strong tenants. In this segment no sales were done, due to the fact that there is no offer.

To conclude, we are rather positive about the evolution of this market in the next six months."

Report by CB Richard Ellis

The report by CB Richard Ellis dd. 30 September 2011 covers a portion of the property of Retail Estates N.V. and its subsidiaries. The **investment value** of this real estate is herewith estimated at **EUR 174.76 million** and the **fair value** at **EUR 170.50 million**. These properties represent a **rental income** of **EUR 12.27 million**, representing a **gross return** of **7.02%.**

2. Note

The investment market is evolving in various directions under the influence of the global economic uncertainties. On the one hand a number of foreign institutional investors have realized their investments faster than originally intended in order to secure their capital gains and reinvest in their home markets where the credit crisis is offering new purchasing opportunities. On the other hand the private market remains active, with wealthy private investors showing continuing interest in transactions of between EUR 1 and 5 million. The rental market remains active, but is more sensitive than in the past to location quality, with a preference for retail properties on multi-shop sites (retail parks) or along major city access roads with strong concentrations of similar properties (retail clusters). Isolated buildings in well-populated residential areas are popular with food supermarkets.

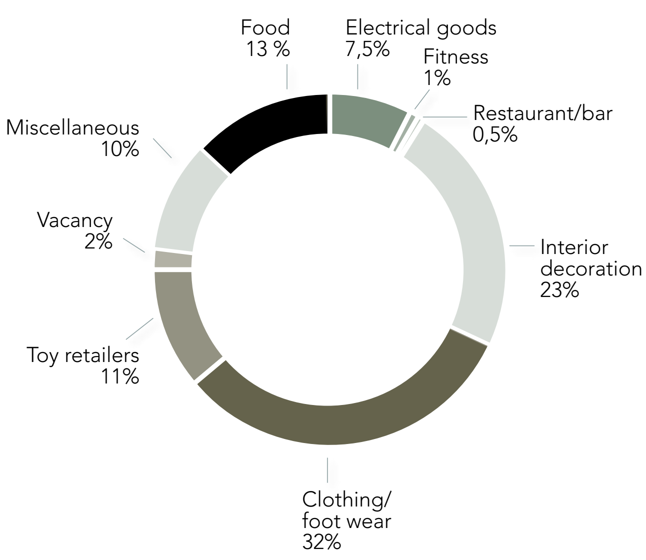
3. Distribution by sector

Clothing and footwear shops (32% compared with 33% at 31 March 2011) together with food, electrical goods and toy retailers account for more than 63.5% of the leased space. The great difficulty in obtaining socio-economic permits for these activities makes these buildings more likely to appreciate in value, and tends to promote strong tenant loyalty to existing locations.

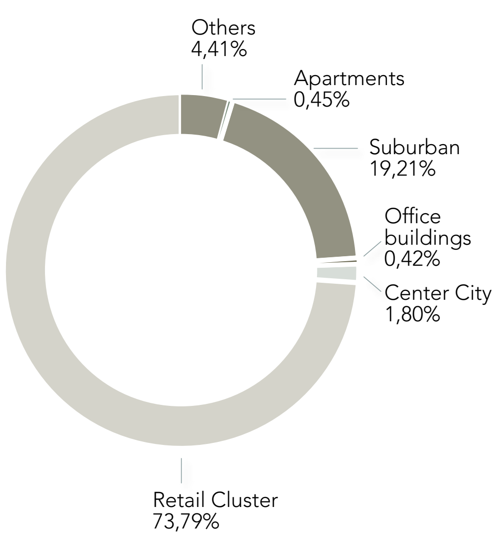
The larger margins in the interior decoration and home furnishings sector make it possible to obtain sizeable rent increases in favorable economic climates, but it is this sector that is hardest hit by any downtrend in consumer confidence. This segment represents 23% of Retail Estates N.V.'s property portfolio (compared with 24% at 31 March 2011).

The 'Miscellaneous' (10%) heading contains primarily apartments, SME premises and restaurant. Retail Estates N.V. invests in real estate with such end uses only when these are ancillary to retailing premises.

Distribution by sector (m^2)



Type of building (m^2)



4. Breakdown by type of building

Retail Estates N.V. invests in principle only in suburban retail property. Under pressure from changing planning requirements more and more retail properties are being integrated into mixed-use buildings, that is buildings intended primarily as shop premises, but with office or residential functions on the upper floors. The company does not invest in office units or residential property. Since the selling of floors with different functions leads to complex ownership situations, Retail Estates N.V. prefers to retain ownership of the entire building.

Moreover, as part of package deals, Retail Estates N.V. acquires real estate portfolios containing properties with semi-logistic functions, like the Brantano office and distribution centre at Erembodegem.

Key figures

	RETAIL ESTATES	
	30/09/2011	31/03/2011
Estimated fair value (incl assets held for sale)	543.511.000	516.365.000
Contractual rents	35.183.044	34.260.000
Contractual rents inc. value of vacant property	35.712.378	34.456.027
Yield in % (fair value)	7%	7%
Total m² premises in portfolio	431.774	419.346
Number of premises	455	448
Occupancy rate in %	98,17%	98,15%

Information générale

Lexicon

Debt ratio	The debt ratio is calculated as follows: Obligations (excluding provisions, accrued charges and deferred income, financial instruments and deferred taxes), divided by the total assets (excluding financial instruments).
Dividend yield	The dividend yield is the gross dividend divided by the average stock market price of the share over the financial year.
Fair value of a property investment (according to Beama interpretation of IAS 40)	This value is equal to the amount at which a property might be exchanged between well-informed parties agreeing and acting in conditions of normal competition. From the perspective of the seller this means after deduction of registration fees. In practice this means that the fair value is equal to the investment value divided by 1.025 (for buildings with a value more than EUR 2.5 million) or the investment value dividend by 1.10/1.125 for buildings with a value less than EUR 2.5 million).
Free float	The free float is the number of shares that are traded freely on the stock exchange and therefore not in permanent ownership.
Gross dividend	Gross dividend per share is the operating profit dividend by the number of shares.
Investment value of an investment property	This is the value of a building as estimated by the independent real estate expert, including transfer costs and without deducting registration fee. This value corresponds to the formerly used terms 'value deed in hand'.
Net asset value (fair value)	Total shareholders' equity divided by the number of shares.
Net asset value(investment value)	Total shareholders' equity adjusted for the impact on the fair value of estimated transaction rights and costs in the hypothetical disposal of investment properties, divided by the number of shares.
Net dividend	The net dividend is equal to the gross dividend after retention of 15% withholding tax.
Occupancy rate	The occupancy rate is calculated as the ratio of the effectively leased out space to the space available for leasing, expressed in m².

Information sheet

NAME:	Retail Estates N.V.
STATUS:	Real estate investment company with fixed capital established according to Belgian law
ADDRESS:	Industrielaan 6, B-1740 Ternat, Belgium
TELEPHONE:	+32 (0) 2 568 10 20
FAX:	+32 (0) 2 581 09 42
EMAIL:	info@retailestates.com
SITE WEB:	www.retailestates.com
RPR:	Brussels
VAT NUMBER:	BE 434.797.847
NUMÉRO D'ENTREPRISE:	0434.797.847
INCORPORATED ON:	12 July 1988
STATUS AS REAL ESTATE INVESTMENT COMPANY WITH FIXED CAPITAL GRANTED ON:	27 March 1998
STATUTORY PERIOD OF ESTABLISHMENT:	Unlimited
MANAGEMENT:	Internal
AUDITORS:	Deloitte auditors – Berkenlaan 8B 1831 Diegem, represented by Mr Rik Neckebroeck
FINANCIAL YEAR CLOSING:	31 March
CAPITAL:	EUR 121,398,805.20
NUMBER OF SHARES:	5,395,408
GENERAL MEETING:	Last Monday of June
SHARE LISTING:	Euronext - continuous market
FINANCIAL SERVICES:	KBC Bank
VALUE REAL ESTATE PORTFOLIO:	investment value 556.36 million EUR - fair-value 543.51 million EUR (incl value of the real estate certificates "Distri – land N.V.")
REAL ESTATE EXPERTS:	Cushman & Wakefield and CB Richard Ellis
NUMBER OF PROPERTIES:	455
TYPE OF PROPERTIES:	Suburban retail
LIQUIDITY PROVIDER:	KBC Securities

RETAIL ESTATES

VASTGOEDBEVAK - SICAFI

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