15 years

RETAIL ESTATES

Annual report 2013

Summary

The financial year of Retail Estates NV starts on 1 April and ends on 31 March. The key figures below are consolidated figures.

REAL ESTATE PORTFOLIO	31/03/13	31/03/12	31/03/11
Total shop premises	499	451	448
Total lettable area in m²	521,452	428,548	419,346
Estimated fair value in EUR (incl fixed assets held for sale)	683,081,000	550,631,000	516,365,000
Estimated investment value in EUR (incl fixed assets held for sale)	698,845,000	564,777,000	528,815,000
Total annual rental income in EUR on 31 March 2013	45,144,885	37,154,000	34,260,000
Average rent prices per m²	87.16	86.85	84.76
Occupancy rate	98.13%	98.19%	98.15%

Balance sheet information			
Shareholders' equity	269,588,000	241,336,000	229,607,000
Debt ratio R.D. 21 June 2006 (max 65%) in %	55.75%	51.08%	53.38%

RESULTS			
Net rental income	41,402,000	35,473,000	33,845,000
Property result	40,959,000	35,203,000	33,469,000
Property charges	-2,549,000	-2,165,000	-2,204,000
General costs and other operating cost and income	-2,263,000	-2,194,000	-2,067,000
Operating result before result on the portfolio	36,147,000	30,844,000	29,199,000
Result on the portfolio	8,902,000	9,346,000	10,400,000
Operating result	45,029,000	40,191,000	39,599,000
Financial result	-14,771,000	-12,977,000	-12,623,000
Net result	29,582,000	27,360,000	26,692,000
Net current result (excl result on the portfolio)	20,700,000	18,014,000	16,292,000

DATA PER SHARE			
Number of shares	5,813,122	5,437,074	5,061,663
Number of shares entitled to dividend (weighted average)	5,813,122	5,395,408	4,981,959
Net asset value (fair value)	46.38	44.39	45.36
Net asset value (fair value) excl dividend	43.48	41.59	42.66
Net asset value (investment value)	49.09	46.99	47.82
Gross dividend per share	2.9	2.8	2.7
Net dividend per share	2.175	2.212	2.295
Gross dividend yield on closing price	5.27%	6.03%	5.79%
Net dividend yield on closing price	3.95%	4.77%	4.92%
Closing price on closing date	57.98	49.21	49.36
Average price	52.12	49.29	44.79
Evolution of share price during the financial year	17.13%	0.33%	16.28%
Over-/undervaluation on net asset value (fair value) excl dividend (in %)	33.35%	18.32%	15.71%


Kruidvat
Auto 5
Bel&Bo
AVA
Alles om het te maken
DELHAIZE
ZEEMAN
idewe
HEMA

Investing in peripheral retail properties

As in other countries, the owning and letting of peripheral retail properties has become a mature niche market, with increasingly professional lessors and tenants. Peripheral retailing is constantly growing its market share at the expense of other retail channels. The properties are let out on an unfitted ('casco') basis, with clearly defined and controllable maintenance obligations. This, and the fact that the sector has few vacancy or rent collection problems, explains why property values have remained so far very stable even in difficult economic times.

Investing in Retail Estates NV

Retail Estates NV, with its team of 15 staff members, is specifically committed to the nice of peripheral retail properties and has become a reference in the sector over the last 15 years. Retail Estates NV has a strong defensive profile in terms of investment and financing strategy. Shareholders enjoy the value that this type of real estate continues to generate as well as a stable dividend policy with an annually increasing dividend.

>15 years

>98,13 %

Occupancy rate

Risk management

“Retail Estates NV limits its risks thanks to its intensive specialisation and know-how of out-of-town retailing”

know-how

Risk management

1. Market value of the real property

The value of the portfolio is assessed by independent real estate experts on a quarterly basis. A fall in value leads to a decrease in the company's equity and a rise in value leads to an increase in the company's equity.

The value of the out-of-town retail properties is mainly determined by the commercial value of the property locations. Owing to a shortage of sites in good locations, the supply and demand is exerting upward pressure, both in the market for private investors and among institutional investors. Values are generally inflation-proof due to rent indexing, but are also interest-sensitive because of the high level of debt with which many investors work. Institutional investors' willingness to invest can suffer sharp temporary falls, due to macro-economic factors influencing the availability and cost of credit. Experience shows that the private investor market, which continues to represent over 60 % of investments, is less sensitive in this respect.

2. Developments in the rental market

It goes without saying that there are various risks in this area. Risks may take the form of vacant properties, but can also pertain to rentability, tenant quality, building ageing, and the trend in supply and demand in the rental market. In the first instance, these risks are reflected in the evolutions of letting values. In this context, special attention should be given to the evolution of the relative importance of the various sales channels available in retail business. They consist of traditional channels such as stores in central locations and shopping malls, local shops, hypermarkets and supermarkets and large-scale peripheral stores, as well as distance selling through catalogue houses or internet sales. The relative importance of each of these individual channels constantly changes. On balance, the peripheral retail business and particularly the store premises of the type Retail Estates invests in are part of the successful concepts of the past 25 years. Several of Retail Estates' tenants have integrated the trumps of distance selling in their shopping concept, sometimes even in their stores, which is good for their market position. If the sales channels where Retail Estates invests in would become less important, this will inevitably have an adverse impact on the profitability of its tenants and put the rental value under pressure. Of course there are also payment risks, despite precautions taken by the management, which tries to do everything possible to review the creditworthiness and reliability of tenants in advance. However, the creditworthiness of tenants can change drastically during the course of the lease agreement, and the lessor cannot terminate the relationship unilaterally. A decline in the turnover of retail trade in one or several sectors may significantly harm the profitability of the tenants. In such cases, even the customary 3 to 6 month bank guarantee is insufficient to cushion all risks. The legislation on commercial lease agreements and the law on the continuity of companies provide tenants with extensive, long-term protection. In case of disputes, this legislation is often interpreted flexibly by judges, in favour of the tenant. In addition, tenants, contrary to the lessor, are legally entitled to terminate the lease agreement unilaterally, every three years.

3. Structural state of the buildings

The management does everything within its power to anticipate these risks. To this end, it implements a consistent policy on major repairs that fall under the lessor's responsibility. In practice, these repairs are mainly limited to the renovation of car parks and roofs.

4. Financial risks

Duration of the loans

Financing is concluded on a long-term basis in the form of "bullet loans", i.e. loans whose capital must be repaid in a single instalment after a period of 4 to 7 years. During the duration of the loan, the 'SICAF' (i.e. real estate investment trust) only pays the interest. As of 31 March 2013 the average term of its credit agreements is 3.4 years.

Use of financial instruments

Changing interest rates may expose the company to the risk of increased interest charges. The company implements a conservative policy, which keeps the interest risk to a minimum.

For covering the interest rate risk on long-term loans negotiated on a floating rate basis, Retail Estates NV uses of Interest Rate Swaps. The terms of these instruments are aligned with those of the underlying credits. If the Euribor interest rate (the interest rate for short-term loans) falls sharply, the market value of these instruments goes down. This drop does not, however, impact the net profit of Retail Estates NV, given that this constitutes effective hedging within the scope of IAS 39. Cash flow hedge accounting is, therefore, applied to these swaps. As a result, variations in the value of these swaps are taken directly into equity and do not appear in the income statement of the 'SICAF'.

In an interest rate swap, the floating interest rate is exchanged for a fixed interest rate. Under the interest rate policy conducted by the company, 95 % of the current loans (with a remaining term of 3.4 years) have been hedged with a fixed interest rate. In addition, a large part of the loans to be renewed are forward hedged. The average interest rate of the 'SICAF' is 4.67 %.

Counterparty risk in banking

Entering into bank loans and concluding hedging instruments with financial institutions will create a counterparty risk for the company if the financial institutions default. This risk can be limited by spreading these bank loans and hedging instruments across various banks.

Covenant risk in banking

Due to its strong track record and based on a number of covenants, financial institutions grant loans to Retail Estates NV. Failure to fulfil the covenants may result in the premature cancellation of the loans. The loans carry conventional covenants that mainly pertain to the retention of the status of a real estate investment fund ('SICAF') and the related maximum permissible indebtedness. The company satisfies all the covenants laid down by the banks. In addition to this, under Article 54 of the R.D. of 7 December 2010, Retail Estates NV will draw up a budget forecast that will be executed if, at any time, the consolidated debt ratio, within the meaning of the R.D., exceeds 50 %. The forecast will describe the measures to be taken in order to prevent the consolidated debt ratio rising above 65 % of the consolidated assets. The evolution of the debt ratio will be evaluated on a regular basis, and there will be a preliminary analysis of how every proposed investment operation would affect the company's debt ratio.

This obligation will not impact the banking covenant risk of the company.

On 31 March 2013, the consolidated debt ratio of Retail Estates NV was 55.75 % (compared to 51.08 % on 31 March 2012), which is considerably lower than the maximum debt ratio of 65 % allowed by law under the R.D. of 7 December 2010.

5. Technical risks relating to permits

The value of out-of-town retail properties largely depends on holding all the urban planning permits and licences required under the trade-premises legislation, depending on the intended purpose of the premises.

The management pays the necessary attention to this issue when acquiring and developing retail premises.

Where external circumstances require a change in retail activity, it is necessary to apply for modifications to previously granted permits.

Obtaining such modifications is frequently time-consuming and hardly transparent, with properties lying temporarily vacant even though tenants have been found.

In such situations, the management tries to limit the risks by maintaining realistic expectations of lease renewals.

6. Modification of the traffic infrastructure

By definition, out-of-town retail properties are mainly accessible by means of regional roads. For traffic safety reasons, these roads are regularly resurfaced or renewed in order to feature new roundabouts, bicycle lanes, tunnels, etc. Such reconstruction work usually benefits the commercial value of retail premises, as the traffic flow is often slowed down and the surroundings of the retail premises made safer. However, in exceptional cases, the possibility that the accessibility of some retail premises may consequently be limited cannot be excluded.

7. Risks linked to the acquisition of real property by share

A substantial portion of the real estate portfolio has been acquired by gaining control of real estate companies. These companies are absorbed by Retail Estates NV in order to enable the full transfer of their assets and liabilities. The management takes the necessary precautions to identify possible risks prior to the acquisition and to obtain the required contractual guarantees from the seller/contributor.

8. Soil remediation

Previously, activities of a potentially polluting nature had taken place at a number of locations where the company owns retail premises. In principle, Retail Estates NV is not responsible for this sort of pollution which is of a ‘historical nature’. In general tenant activities only entail a limited risk of pollution. Moreover, this risk falls under the responsibility of the tenant. However, the procedures under the current legislation in the three regions are complex and time-consuming, potentially leading to investigation and research costs. Earth-moving regulations also represent an additional cost, if the soil on the polluted sites needs to be handled during construction works.

9. Regulatory risks

Risk in connection with regulatory developments

Changes in the regulation, inter alia with respect to tax law, environment, town planning, mobility policy and sustainable development and new provisions regarding letting real estate and the prolongation of required permits to be held by the Company may have an impact on its profitability and on the fair value of its assets.

The exit tax due by companies whose assets have been acquired by a fixed-capital real estate investment fund in case of (inter alia) a merger is calculated on the basis of Circular Letter Ci.RH.423/567.729 of the Belgian tax authorities dd. 23 December 2004, the interpretation or practical application of which may change anytime. The "actual tax value" stated in this Circular Letter is calculated less registration taxes or VAT (which would be applicable in case of a sale of the assets) any may differ from the fair value of the real estate as stated in the balance sheet of the fixed-capital investment fund in accordance with IAS 40.

Also, there may be an adverse effect of new European legislation and its transposition into Belgian law (together, “European Legislation”). European Legislation that may have a (negative) impact on the Group (if Group entities would fall within the scope of such legislation) relate inter alia to the Alternative Investment Fund Managers Directive ("AIFMD"). Taking into account the status of a public fixed-capital real estate investment fund, the company currently qualifies, under Belgian law, as an “undertaking for collective investment”. Hence, there is a risk that the company may be considered as an “alternative investment fund” (“AIF”) under the AIFMD, which needs to be transposed into Belgian law by 22 July 2013. If the company is classified as an AIF under the AIFMD (as transposed into Belgian law), the activities, operating results, profit, financial situation and prospects would be adversely impacted. The additional requirements of the AIFMD (should Retail Estates be qualified as an AIF pursuant to Belgian legislation implementing the AIFMD) would have a negative impact on the current operational model of the Group (inter alia by introducing the concept of the custodian) and its administrative and management expenses would increase.

If the company would be qualified as an AIF, it may also be adversely impacted by other applicable European Legislation (or by European legislation that may become applicable and/or become applicable in a stricter way) regarding AIF, amongst which the European Market Infrastructure Regulation on OTC derivatives, central counterparties and trade repositories (“EMIR”). By applying EMIR, the company would be exposed to margin calls on its hedging instruments. Other relevant European Legislation also encompasses "Basel III" ("Capital Requirements" Directive and Regulation proposal) and the "Financial Transaction Tax", which would have a far-reaching impact on the company if it is qualified as an AIF.

Risks in connection with the public fixed-capital real estate investment fund status

As a fixed-capital real estate investment fund, Retail Estates NV is exposed to the risk of future changes in the legislation on fixed-capital real estate investment funds. In addition, there is also a risk that the fixed-capital real estate investment fund status may not be recognised anymore. In that case, Retail Estates NV will lose the privilege of the advantageous fixed-capital real estate investment fund tax regime. Moreover, the loss of such recognition is usually considered as an event resulting in early repayment of Retail Estates NV's loans.

Risks related to the status of institutional real estate investment company with fixed capital as governed by Belgian law.

On the date of this annual report, Retail Estates controls one institutional real estate investment company, i.e. Retail Warehousing Invest (this company was registered on 23 May 2013 with the FSMA as an institutional real estate investment company; the articles of association of Retail Warehousing Invest still need to be modified in accordance with this status, after which the status of institutional real estate investment company shall become effective). Retail Warehousing Invest, just like Retail Estates, is subject, in its capacity of institutional real estate investment company, to the provisions of the Law of 3 August 2012 and to the Royal Decree of 7 December 2010, that define limitations with regard to (among others) the activities, the processing of results, conflicts of interest, and corporate governance. Meeting these specific requirements on a permanent basis shall also depend on the ability of Retail Warehousing Invest to manage its assets successfully, and to respect strict internal auditing procedures.

The risks related to this status are similar to those related to the status of public real estate investment company of Retail Estates, with the primary risk of losing the benefit of the special tax system of a real estate investment company. In addition, the loss of recognition is generally mentioned in the relevant credit agreements as an event which makes the credits closed by Retail Warehousing Invest NV repayable earlier than the due date, and the loss of this status would have a negative impact on the activities, the results, the profitability, the financial situation and the prospects of Retail Warehousing Invest and the group as a whole.

> € 2.9

PROPOSED DIVIDEND

Letter to the shareholders

> "Retail Estates NV has a loyal group of shareholders, comprising both institutional and private investors"

Confidence

Letter to the shareholders

The financial year 2012-2013 was a special financial year, during which Retail Estates successfully continued its strategy of growth. There was an increase of the real estate portfolio of almost 25 %, resulting in an aggregate value of approximately EUR 670 million.

In the past financial year, various promoters have chosen Retail Estates as their privileged partner to bring their project development to a favourable conclusion. In the long run, Retail Estates will completely integrate these property developments into its portfolio. Major real estate projects such as T-Forum in Tongeren (26 shops) and V-Mart in Brugge (10 shops) were successfully completed in 2012. The construction works regarding the shopping park Crescend'eau in Verviers (20 shops) are progressing and expected to be completed in August 2013.

Our focus on the company's growth, however, has not distracted our attention from our most important target, i.e. the permanent improvement of the profitability of the property portfolio, by optimizing the shops and limiting the lease-related risks. At more than 20 locations, we carried out improvement works, from restructuring the shopping surfaces in order to allow our tenants to fit their shops to their needs, to demolishing shops in order to construct new buildings that are tailor-made for our tenants.

Operationally, the results were -again- very good. For the 15th year in a row, the occupancy rate remains above 98 % (98.13 %) and there were no unpleasant surprises, neither pertaining to income nor regarding the expenses. Also, the revaluation of the property portfolio by our real estate experts resulted in revaluation values exceeding the inflation - again.

In these circumstances, our policy regarding dividend remains unchanged and is continued. The proposed dividend of EUR 2.90 gross (EUR 2.175 net) for the financial year 2012-2013

T-Forum in Tongeren

represents, just as in the past years, an increase of more than 3%, which is considerably higher than the inflation pertaining to that period of time (1.23 %).

The new financial year 2013-2014 has commenced in a difficult economic context. Retail Estates already anticipated at an earlier stage by following up closely on all developments in retail. All market players, both tenants and landlords, are more cautious than ever in respect of their investment and expansion policy. Moreover, the various sales channels keep moving and peripheral stores, local shops, shops in the city centres, supermarkets and e-commerce steal clients from each other on a daily basis. We are convinced that our tenants' cautiousness guarantees that peripheral retail will keep on increasing its market share, even in difficult economic times.

We cannot possibly close this overview without drawing your attention to the 15th birthday of our stock market launch, which we celebrated on 28 March 2013. We proudly looked back and saw the impressive growth of Retail Estates, which resulted in the fact that we are now one of the key players in retail property. Together with our board of directors and our team of 15 people, who inspire our company, we will make every effort to continue implementing our long-term strategy.

We hope that we can keep on counting on your support as shareholders in the new financial year as well.

Ternat, 27 May 2013

Paul Borghgraef
Chairman of the board of directors

Jan De Nys
Managing director


V-Mart in Brugge

> € 676

MILLION IN THE FAIR VALUE OF THE REAL ESTATE PORTFOLIO

Growth

Management report

“ By means of acquisitions, investments in project developments and investments in the optimization of its real estate portfolio, Retail Estates NV aims to offer its shareholders a growing dividend policy ”

Management report

1. Strategy- investment in peripheral retail properties

Goal – investment in representative portfolio peripheral retail properties

Retail Estates NV is a niche fixed-capital real estate investment fund (“bevak”/”sicafi”) that invests directly in retail properties located on the outskirts of residential areas or along access roads to urban centres. Retail Estates NV purchases these properties from third parties or builds and markets shop premises on its own account. The properties are between 500 m^2 and 3,000 m^2. A typical retail property has an average area of 1,000 m^2.

The most important long-term goal for Retail Estates NV is to assemble and manage a portfolio of peripheral retail properties, which ensures steady, long-term growth, due to its location and the quality of its tenants. The predetermined growth results both from the value of the asset and the income generated from leasing.

Moreover, through the further upscaling of the property portfolio, Retail Estates NV intends to offer shareholders a representative sample of the market of peripheral retail properties, both in terms of location choice and the wide variety of tenants.

In the short term, the above-mentioned goals are pursued by monitoring the occupancy level of the portfolio, the rental income, and the maintenance and management costs.

The selective purchase and construction of shops at particular locations (so-called ‘clusters’) are aimed at simplifying the management and boosting the value of the portfolio. Retail Estates NV has currently identified 40 clusters, in which it is systematically increasing its investments. These represent over 72.63 % of its portfolio. They are spread all over Belgium.

Over the past years, Retail Estates NV has concentrated on continuously improving the quality of its properties and the expansion of its property portfolio.

In principle, Retail Estates NV rents its properties in a structural (i.e., shell) state, with the furnishings, fittings and maintenance left to the discretion of the tenants. Retail Estates NV’s own maintenance costs are essentially limited to the maintenance of car parks and roofs, and can be planned in advance.

Most of its tenants are well-known retail chains with trading name Brantano, Blokker, FUN, Carpetright and Krëfel, …

As of the end of March 2013, Retail Estates NV had 499 premises in its portfolio. The retail lettable area amounted to 521,452 m², while the occupancy rate measured in rented square metres was 98.13 %.

A total of ± 30,000 m² of retail floor space has received planning permission and is under development. This will be reflected in the calculation of the occupancy level upon provisional delivery of the buildings.

On 31 March 2013, the fair value of the property portfolio of Retail Estates NV and its subsidiaries is estimated by the independent property experts at EUR 675.59 million (excluding transaction costs of 2.5 %) and at EUR 691.17 million at investment value (including transaction costs).

Retail Estates NV has invested a total of EUR 15.15 million in "Distri-Land" real estate certificates. It currently holds 84.75 % of the issued "Distri-Land" real estate certificates. The issuer of these real estate certificates owns 13 retail properties with an investment value of EUR 19.82 million. Retail Estates NV has built up its shareholding stake on the one hand through a successful public exchange bid in December 2003, and on the other hand through purchases on the stock market. Retail Estates NV views its stake in this real estate certificate as a strategic one. The company records the value of these certificates as a real estate investment and recognises income from this certificate as rental income. Given that it does not hold shares in Immobilière Distri-Land (the issuer of the certificates), this company is not consolidated.

Acquisition criteria

Retail Estates NV seeks to optimise its real estate portfolio, in terms of profitability and potential capital gains, by paying attention to a number of criteria which serve as guidelines when acquiring real estate:

Choice of location

Based on the insight that the management has acquired into the profitability of its tenants, the locations that are selected aim to offer Retail Estates NV's tenants the best chances of success. In this respect, the company seeks to achieve a healthy balance between the supply of retail properties and the demand from retailers.

Rental level and initial profitability

In order to reconcile the profitability expectation of Retail Estates NV and its tenants over the long term, special attention is paid to rental levels. Experience shows that the excessive rents charged by certain project developers produce a high level of rotation when sales do not rapidly meet the retailers' expectations.

Geographical distribution

Retail Estates NV spreads its investments over all major centres across Belgium. In practice, however, it hardly ever invests in the Brussels Region, due to the extremely low supply of out-of-town premises there. As a result, the fixed-capital investment fund prefers to concentrate its investments in Flanders and Wallonia and especially in sub-regions with strong purchasing power (mainly the Brussels – Ghent – Antwerp triangle, and the "green axis" of Brussels – Namur – Luxembourg).

Development and redevelopment of property for our own account

Retail Estates NV has significant experience in custom developing new shops for its tenants. Experience shows that such developments offer architecturally attractive retail premises which generate a higher initial income than shops offered on the investment market. The importance of redeveloping peripheral shopping clusters into large groups of modern, connected retail premises is increasing by the year. Such redevelopments generally allow one to increase the amount of lettable space and to better align the premises with the tenant's needs. Another distinct advantage of redevelopments is that parking and road infrastructure is improved, and shop premises are modernised.

Diversity of tenants

Retail Estates NV seeks to have as many different retail sectors as possible represented in its list of tenants, with a preference for sectors known to have valuable retail outlets. In times of economic hardship, not all retail sectors are equally affected by a possible fall in turnover. A good distribution over various sectors limits the risks attached to negative economic developments.

2. An investment through the fixed-capital real estate investment fund Retail Estates NV

Retail Estates NV is a fixed-capital real estate investment fund ("bevak"/"sicafi"). As such, it is subject to a set of rules on risk diversification, distribution of profits and debt management stipulated in a number of Belgian Royal Decrees. Providing it respects the above-mentioned rules, the company benefits from an exceptional tax regime. This regime allows Retail Estates NV to pay virtually no corporate tax on its earnings, thereby ensuring that the result available for distribution is higher than for real estate companies that do not enjoy this status. Retail Estates NV, as a fixed-capital real estate investment fund, also has additional assets, such as its strongly diversified real property portfolio, and the fact that it has been incorporated for an indefinite period of time.

Investments in peripheral retail properties have, over the years, become more attractive, owning to a stricter permit policy adopted by the government, a very limited supply of high-quality shop locations, and the continuously high level of demand. The internationalisation of the retail property market, in conjunction with the shift from city centre to out-of-town shopping, has had a positive influence on the peripheral retail property market. This influence, as well as the tendency to further institutionalise the investment market for peripheral retail properties, not only explains the rise in rents, but also the increase in the fair value of this property in the longer term.

With the share of Retail Estates NV, each shareholder has an investment instrument which can be traded freely and cashed in at any time via Euronext. The shares of Retail Estates NV are entirely held by the public and a number of institutional investors. On 31 March 2013, 45.45 % of the stock was held by institutional shareholders who in accordance with the transparency legislation and Retail Estates NV's articles of association, have reported that they have stakes exceeding the statutory threshold of 3 % and/or 5 % (further explanation on page 30 of the annual report).

In the Euronext pricing lists, which are published in the daily press and on the Euronext website, shareholders can follow the evolution of their investments at all times. The company also has a website (www.retailestates.com) with relevant shareholder information.

The net asset value of the share forms an important indication of its value. The net asset value (NAV) is calculated by dividing the consolidated shareholders' equity by the number of shares. The NAV (fair value), including the dividend of EUR 2.90, amounted to EUR 46.38 on 31 March 2013. This is an increase of 4.48 % (EUR 44.39 in the previous year). On 31 March 2013, the stock market price of the share was EUR 57.98, representing a premium of 25.01 %.

The NAV (fair value, including dividend, but excluding the value of the financial instruments) was EUR 51.56 in the year under review compared to EUR 49.20 in the previous year. This increase is due to the positive variations in the value of the real estate investments, and the result of the financial year.

3. Significant events in the past financial year (01/04/2011-31/03/2012)

Investments – retail parks (EUR 135.34 million)

Infradis Real Estate NV

On **26 April 2012**, Retail Estates acquired exclusive control over Infradis Real Estate NV, by acquiring all of the shares of this company. **Infradis Real Estate NV** owns a store in Namur, which is let to New Vanden Borre since August 2012, and a complex in Zaventem, consisting of 2 stores, which are let to Ixina and Carpetright, and of 6 small and medium-sized units, mainly let to Carpetright, and a logistics company of the Colruyt group. At the time of the acquisition, the company also owned a building in Korbeek-Lo, which was sold for EUR 2.15 million (in line with the fair value) and a building in Drogenbos (fair value EUR 7.31 million), which was traded for buildings in Bouge and Hasselt (with fair values of EUR 1.67 million, resp. EUR 5.82 million). As at 31 March 2013, the investment value of the buildings of Infradis Real Estate NV amounted to EUR 18.49 million. These buildings represent a rental income of EUR 1.29 million.

Brugge (Sint-Pieters) – V-Mart

On **1 May 2012**, the retail park **V-Mart in Bruges** was completed. This new retail park consists of 10 shops, with a total shopping surface of 11,592 m² and net rental income of EUR 0.73 million. It represents a fair value of EUR 11.11 million. All stores are let to chain stores such as Hubo, Lidl, Maxizoo, Pronti and others. The buildings were constructed as part of a building rights agreement regarding a plot of land owned by a third party.

Tongeren (T-Forum)

On **1 July 2012**, 27 stores in the retail park **T-Forum in Tongeren** were completed. They represent an aggregate shopping surface of 31,039 m² and rental income of EUR 2.36 million. As at 31 March 2013, this shopping complex represents a fair value of EUR 38.52 million.

Retail Warehousing Invest NV

On **4 July 2012**, Retail Estates acquired control over **Retail Warehousing Invest NV**. This company owns 32 stores, 22 of which are concentrated in retail parks in Lommel (5 stores), Gembloux (10 stores) and Châtelet (7 stores). The remaining 10 stores are located in Soignies (2 stores), Anderlues (2 stores), Bouillon (2 stores), Fleurus (1 store), Thuin (1 store) and Libramont (2 stores). The stores result in rental income of EUR 3.27 million and represent a fair value of EUR 49.77 million as at 31 March 2013.

Namen

In **Bouge**, 2 stores were acquired. They are let to Carrefour and C&A. Also, in Jambes, we bought a plot of land that is let to Quick Restaurants.

In **Champion**, 3 stores were completed as part of a development project and delivered to Maisons du Monde, Trafic and a wok restaurant.

In aggregate, 6 stores were acquired in Namur, with a fair value of EUR 14.36 million and rental income of EUR 0.93 million.

On **20 December 2012**, we acquired control over Erpent Invest NV, the owner of an office villa located in Erpent, which will be demolished and replaced by a store and offices. The completion of this project is expected to take place in 2014.

Verviers

Retail Estates NV has acquired control over the public limited liability (“naamloze vennootschap”) “**VRP 1**”. This company builds a retail park with 20,899 m² of shopping surface in **Verviers**. Retail Estates NV acquired a 51 % interest by means of an initial investment of EUR 4.25 million and, in case its partner exits, Retail Estates NV has the prospect of acquiring all of the shares at the earliest upon delivery of the retail park to its tenants in August 2013. The commercialisation of the shopping premises to be let is on-going and is supported by Retail Estates. To date, 70 % of the retail park is let to, inter alia, Decathlon, Maison du Monde and Red Market.

Real estate portfolio optimisation (EUR 9.2 million)

Antwerp (Merksem)

In **Merksem**, along the Bredabaan, an existing store with a warehouse was rebuilt into 2 stores, which were let to Fun and X2O. The site was expanded with a large parking area, which was constructed on a neighbouring plot of land, which was acquired with a view hereto. The new complex represents a rental income of EUR 0.52 million and a fair value of EUR 7.95 million.

Bruges (Sint-Pieters)

In **Bruges**, along the Sint-Pieterskaai, an existing store was rebuilt with a view to integrating it into the adjacent retail park V-Mart. The new store consists of 3 stores. 2 of these are let. The renewed complex represents a rental income of EUR 0.21 million and a fair value of EUR 3.24 million.

Liège (Grivegnée)

In a retail park along the Boulevard de Froidmont, an existing store let to Aldi was extended to a sales area of 1,464 m², at the request of the tenant.

Kasterlee

On **1 September 2012**, a leasing agreement with Aldi came into force, with a term 18 years. The leasing agreement pertains to a newly constructed store. Prior to the agreement, an outdated store was demolished and adjacent plots of land were bought. This new store represents a fair value of EUR 1.61 million and rental income of EUR 0.11 million (exclusive of VAT).

Blegny (Barchon)

On **28 September 2012**, we bought a villa in Barchon for EUR 0.42 million. This acquisition must be seen in the light of an expansion of the existing retail park in Barchon and the improvement of its development.

Peruwelz

In **Peruwelz**, an existing store (Aldi) was demolished (650 m²) and a new store was constructed, which is let to Fabrimode (Bel & Bo for EUR 57,000 - 650 m²) and Action (EUR 90,000 – 1,100 m²).

Divestments (EUR 18.94 million)

Hence, in the past financial year, 14 stores, 2 carcass apartments, 1 food service building, 3 plots of land, 1 small and middle-sized building and 1 villa were sold to private investors, with a net sales profit of EUR 19.25 million.

The sold buildings are located in Aubange (3 buildings, 1,198 m²), Bruges (1 small and middle-sized building, 1,675 m²), Courcelles (2 apartments, 1,473 m²), Dilsen (3 buildings, 767 m²), Drogenbos (1 building – 3,900 m²), Fléron (food service building, 471 m²), Grivegnée (1 building, 395 m²), Korbeek-lo (1 building, 1,300 m²), Maldegem (1 building, 1,000 m²), Sint-Genesius-Rode (1 villa, 250 m²) and Molenbeek (4 buildings, 3,249 m²). At the time of the sale, the fair value of these buildings was EUR 18.94 million.

Investments: conclusion

The purchases and own developments in the financial year 2012-2013, decreased by divestments, resulted in a real property portfolio increase of EUR 125.60 million. As a result of these investments, the total rental income in the financial year 2012-2013 rose by EUR 4.65 million. If the acquisitions had occurred on 1 April 2012, the rental income would have increased by EUR 6.53 million.

Management of the real property portfolio

Occupancy rate

The occupancy rate of the real property portfolio of Retail Estates NV is 98.13 %.

It goes without saying that the occupancy rate has to be viewed as a ‘snapshot’ taken at a particular point in time, and, thus, concealing a series of changes which occurred over the previous financial year. It does not offer any guarantee for the future, given that the imperative legislation governing commercial leases provides for a triennial termination option for all tenants.

Rental income

During the past financial year, Photo Hall and 4 smaller tenants filed for bankruptcy. Retail Estates NV has come off almost unscathed (with a claim of EUR 0.06 million on the bankruptcy estate).

The frozen food chain O'Cool had applied for protection against its creditors on the basis of the law on the continuity of enterprises. On 16 May 2013, it obtained approval of its restructuring plan and thus completed the legal procedure. The restructuring plan provides for full repayment of unpaid debts. At the time, O'Cool had 110 shops in Belgium, 9 of which are leased by Retail Estates NV. The aggregate rental income of these 9 stores amounts to EUR 693,670. These 9 stores are situated in good locations in the most important clusters. As at 31 March 2013, late payment amounted to EUR 0.04 million. This collection risk is fully covered by bank guarantees.

At the end of this financial year, outstanding trade receivables amount to EUR 0.27 million. A total of EUR 0.075 million concerns the revolving fund and the reserve fund. Given the guarantees received – both rental guarantees and the requested bank guarantees – the credit risk on the trade receivables is limited to around 17 % (EUR 0.042 million) of the outstanding amount on 31 March 2012.

Damage claims

No properties suffered serious fire damage or other major calamities in the past financial year.

Capital increases by board of directors (in the framework of the authorised capital):

On **4 July 2012**, we acquired control over **Retail Warehousing Invest NV** (formerly Databuild Investments NV), by acquiring a 62.5 % share participation, part of which (308 shares) was purchased and part of which (317 shares) was acquired through a contribution in kind. This contribution took place within the framework of the authorised capital. At this occasion, a capital increase of EUR 10.01 million took place (EUR 4.69 million registered capital and EUR 5.32 million issue premiums). In this respect, 208,607 new shares were issued with an issue price of EUR 48. These new shares are profit-sharing with respect to the profits of the financial year starting on 1 April 2012. The 37.5 % of the shares that has not been acquired are owned by private individuals who work in the peripheral retail store project development business.

On **27 July 2012**, the board of directors achieved a capital increase of EUR 8.04 million by applying the authorised capital (EUR 3.77 million of registered capital and EUR 4.27 million by means of a contribution in kind in the context of an optional dividend). 68.27 % of the shareholders have opted to subscribe to new shares, as a result of which 167,441 new shares were issued. These will be profit-sharing in the profits as of 1 April 2012. The new shares were issued for an issue price of EUR 48.

The aforementioned capital increases have resulted in a registered capital of EUR 130,797,517.19, represented by 5,813,122 shares.

Merger by acquisition of subsidiaries

On **30 November 2012**, the board of directors of Retail Estates N.V. has approved a merger by means of an acquisition of the public limited liability companies ("naamloze vennootschappen") Belgian Wood Center NV and Champion Invest NV. The merger of these subsidiaries facilitates the administrative management and leads to a decrease of the taxable income of Retail Estates NV's subsidiaries.

Events after the balance sheet date

Aankoop bijkomende aandelen VRP 1 NV

On **21 May 2013**, Retail Estates NV acquired an additional EUR 3.45 million participation in the company VRP 1 NV (please also refer to note 45), as a result of which Retail Estates NV now holds a 70% participation in VRP 1 NV.

Acquisition of additional shares Erpent Invest NV

In **May 2013**, Retail Estates NV acquired the remaining shares of the company Erpent Invest NV, for a purchase price of EUR 0.4 million. Retail Estates NV now owns 100% of the shares.

Contribution building Spa

On **31 March 2013**, the company signed an agreement in principle regarding the contribution within the framework of the authorised capital of 2 building in Spa. These buildings have a fair value of EUR 1.18 million and rental income of EUR 0.089 million.

4. Corporate governance declaration

This declaration is given by way of application of the provisions of the Belgian Corporate Governance Code 2009 and the law of 6 April 2010 amending the Belgian Companies Code.

Retail Estates NV applies the Code of 12 March 2009 as its reference code (hereinafter referred to as "the Code").

The Corporate Governance Charter can be found at the website: www.retailestates.com. On 30 November 2013, a new version was approved by the board of directors, taking into account the latest developments.

Remuneration report

Introduction and context

Retail Estates NV has prepared a remuneration report with regard to the remuneration policy for its directors. Retail Estates NV does not have a management committee ("*directiecomité*"/"*comité de direction*"). The board of directors has 9 non-executive and 2 executive directors, i.e., the executive chairman and the managing director who together assume the effective management of Retail Estates NV and its subsidiaries.

The report was prepared by the remuneration committee in accordance with Article 96§3 of the Belgian Companies Code and was approved by the board of directors of 27 May 2013.

It will be submitted to the annual shareholders' meeting of 5 July 2013 which is to approve or disapprove the report by a separate vote.

Remuneration policy

Principle

The remuneration policy of Retail Estates NV is prepared in such a way that it takes into account a market-compliant remuneration, which enables the Company to attract and retain talented directors, while also considering the size of the company and its financial prospects. Moreover, this remuneration must also be proportionate to the responsibilities associated with the capacity of a director in a listed company. On the other hand, the expectations of the shareholders must also be met.

The remuneration and nomination committee analyses the applied remuneration policy on a yearly basis and assesses whether an adjustment needs to be made and makes the necessary recommendations to the board of directors, which in turn must propose their recommendations to the shareholders' meeting.

Internal procedure – financial year 2012-2013

The remuneration committee met twice over the past financial year to verify and adjust where necessary the remuneration budgets of the directors individually and the personnel budget in its entirety, in accordance with the responsibilities of the persons in question and the medium and long-term objectives that the board of directors has established for the company. In this respect, the executive directors are analysed both in terms of the overall remuneration level and the distribution of the different components. In addition, the remuneration committee has defined, analysed and established the objectives for the level of the managing director's variable remuneration and the procedure for the realisation of the underlying objectives for the financial years 2012-2013 and 2013-2014.

In view of the foregoing, a limited benchmarking was carried out with executive director positions of comparable listed real estate companies.

A similar analysis and benchmarking is carried out each year for the non-executive directors.

Remuneration of the directors

Executive directors

1. In the course of the financial year 2012-2013, the following remuneration (in EUR) was awarded to the managing director:

Jan De Nys – managing director	2012-2013
Fixed remuneration	185,000
Variable remuneration	30,000
Bonuses – group insurances	35,000
TOTAL	**250,000**

2. The remuneration of the position of managing director, assumed by Mr. Jan De Nys since the initial public offering of Retail Estates NV in March 1998, takes into account his experience and track record in terms of establishing and developing the company. It further builds on the foundation of his experience gained in the retail environment in Belgium and abroad, as well as his commercial, legal and financial knowledge which is necessary for the development of a portfolio of peripheral retail properties and the daily management of a listed company.

The fixed remuneration is indexed annually on 1 April. The variable remuneration of the managing director is determined annually by the board of directors, and is based on a proposal made by the remuneration committee. The allowance shall not exceed 25 per cent of the fixed remuneration. It is linked to the achievement of a number of qualitative and quantitative criteria for which for the financial year 2012-2013 concerned the following:

- Financial criteria (weighting 25 %):
  Net current profits per share excluding all variations in fair value of the assets and interest rate hedging instruments and the results achieved on the realisation of assets;

- Portfolio management (weighting 25 %):
  Collection management and occupancy level;

- Real estate portfolio optimisation (weighting 25 %):
  Develop "clusters", improvement works and expansion of retail premises with a LT focus, growth of rental value, updating of buildings and environmental elements;

- Implementation strategic objectives (weighting 10 %):
  Buy/sell assets, growth of the company;

- Management skills (weighting 15 %):
  Expansion of management team and staff, investor relations and "corporate identity".

The variable remuneration is paid annually (henceforth) in July after approval of the annual accounts and the remuneration report by the annual shareholders' meeting. There are no special provisions for the recovery of variable remuneration awarded on the basis of inaccurate financial data. The provisions of the Belgian Civil Code governing undue payments apply in full force.

The agreement relating to the managing director provides a notice period of 18 months in the event of termination by Retail Estates NV. Any termination compensation which is paid if the real estate investment fund waives performance during notice period, shall be calculated in accordance with the fixed remuneration and the annual premiums for group insurance policies. The notice period was approved, in accordance with legal provisions, by the board of directors upon the recommendation of the remuneration committee, and taking into account the contributions by the managing director to the growth of the company since its initial public offering in March 1998.

In the event of termination by the managing director, the notice period shall be 6 months.

If the managing director is unable to perform his duties because of disability (illness or accident), Retail Estates NV shall continue to pay him the fixed portion of his remuneration for a period of 2 months from the first day of disability. He shall subsequently receive a disability pension, guaranteed by an insurance company, which is equal to 75 % of the fixed remuneration.

No stock options are provided, nor any other benefits, except a company car (until 15.08.2013), a computer and a mobile phone.

3. Remuneration of the chairman of the board of directors, Mr. Paul Borghgraef.

The fixed remuneration was set at EUR 50,000, considering that Mr. Paul Borghgraef as executive chairman, and together with the managing director, is one of the two leading managers in the company, and in this capacity holds a part-time executive position. A variable remuneration and other benefits or severance payment are not provided.

4. Total remuneration of the executive directors

Executive directors were awarded a total remuneration of EUR 300,000 in the financial year 2012-2013. Except for the above-mentioned remuneration, Messrs. Paul Borghgraef and Jan De Nys do not receive a separate remuneration for the exercise of their director's mandate.

Non-executive directors

The non-executive directors receive on the one hand a fixed annual remuneration of EUR 6,000.

On the other hand, they receive attendance fees amounting to EUR 1,500 per meeting for attending meetings of the board of directors and its committee(s).

The non-executive directors do not receive performance related remuneration such as bonuses or stock related long-term incentive schemes, or fringe benefits.

Based on the above, the following fees were paid to non-executive directors in 2012-2013:

	Annual fixed remuneration (EUR)	Performance-related (EUR)	TOTAL (EUR)
	Board of directors / committee		
Jean-Louis Appelmans	6,000	9,000	15,000
Hubert De Peuter	6,000	7,500	13,500
Luc Geuten	6,000	4,500	10,500
Jean-Marc Mayeur	NA	NA	NA
Marc Raisière	6,000	0	6,000
Vic Ragoen	6,000	12,000	18,000
Jean Sterbelle	6,000	3,000	9,000
Marc Tinant	6,000	12,000	18,000
Richard Van Besauw	6,000	7,500	13,500
TOTAL non-executive directors	**48,000**	**55,500**	**103,500**

* During the financial year Mrs. Sophie Lambrighs and Mr Guido Roelandt were member of the board of directors and received in this capacity also remuneration fees.

Indemnification and insurance of directors:

The Company has an insurance policy to cover the liability of its directors.

Future developments

The board of directors, upon the recommendation of the remuneration committee, does not intend to make significant changes to the remuneration policy. This applies to both the executive and non-executive directors and for the financial years 2013-2014 and 2014-2015.

Corporate governance code (2009 version) – comply or explain

Retail Estates NV seeks to comply with the provisions of the Code. There are, however, deviations in several areas:

Derogations from principle 1:

Point 1.5. The chairman of the board of directors and the managing director of the company are not the same person, however, in accordance with the Law of 3 August, Retail Estates is obliged to appoint 2 effective managers. In the case of Retail Estates, the effective managers are the chairman of the board of directors and the managing director.

Deviations from principle 2:

Item 2.9. The board of directors has not yet appointed a company secretary.

Deviations from principle 3:

Item 3.5. In view of the company's activities, and particularly considering the fact that negotiating and entering into specific contracts is part of the day-to-day management and falls within the CEO's powers (without the intervention of the board of directors being required in principle), the following transactions between the company and its (non)-executive directors could possibly fall under the conflict of interests regulation ('significant commercial relationships'):

- rental agreements for retail premises with retail companies to which a non-executive director is connected.

There are significant commercial relationships with New Vanden Borre NV (13 retail premises) and FUN NV (with Mitiska NV as its main shareholder, 9 retail premises) in which Mr. Vic Ragoen, and Mr. Luc Geuten, respectively hold the function of managing director or director. The retail premises leased by these companies, however, are usually the subject of long-term rental agreements, often concluded with external promoters prior to their acquisition by Retail Estates NV. The board of directors particularly values the presence of these directors of rapidly expanding companies. Their experience of changing market conditions and the development potential of various locations offers considerable added value to Retail Estates NV when making investments decisions. The commercial lease legislation, which is mainly compulsory legislation, provides an adequate frame of reference for solving day-to-day problems that arise in relation to these companies being tenants.

In addition, Retail Estates NV also lets a considerable number of premises to competitors of New Vanden Borre NV and FUN NV.

Deviations from principle 4:

Item 4.6. The recommended 4-year mandate for directors is viewed as too short, given the complexity of the type of property in which Retail Estates NV specialises. As a result, all mandates last for 6 years.

Deviations from principle 5:

Item 5.2. The responsibilities of the audit committee are assumed by the entire board of directors. No separate audit committee has been set up. This is in line with the legal provisions concerning the functioning of an audit committee.

Shareholding structure

Based on the transparency declarations received and the information which Retail Estates NV possesses, the main shareholders are:

	31.03.2013	31.03.2012
General public	54.55%	49.67%
FPIM (Belfius Insurance)	11.34%	7.17%
Stichting Administratiekantoor 'Het Torentje' group and Leasinvest, acting in mutual consultation	10.03%	6.85%
KBC Groep NV	9.22%	10.33%
Axa NV	5.31%	5.68%
Federale Verzekering	5.25%	5.62%
Christian Polis, Retail Estates nv acting in mutual consultation	4.30%	4.60%

With the exception of the above-mentioned shareholders, no other shareholder has declared ownership of more than 3 % of the issued shares of Retail Estates NV. According to the criteria applied by Euronext, Retail Estates has a free float of 100 %.

Retail Estates NV is not aware of any lock-up commitment concluded by any of the above-mentioned shareholders with respect to the totality, or a part, of their shareholdings.

The transparency declarations received are available for consultation on the company website (www.retailestates.com) under Investor Relations/ Shareholders/Shareholding structure.

Internal control and risk management systems

In accordance with the Corporate Governance rules and the relevant legislation, Retail Estates NV has developed an internal control and risk management system.

Internal control is a process which aims to provide reasonable guarantees to ensure that the following objectives are met:

- effectiveness and improving the functioning of the enterprise;
- reliability and integrity of information;
- compliance with policies, procedures, laws and regulations.

For implementing its internal control system, Retail Estates NV has taken the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) as its reference. The components of this framework, and their application at Retail Estates NV are discussed below.

Internal control and risk management systems in general

Sound internal control and balanced risk management are an inherent part of Retail Estates NV's corporate culture and are disseminated throughout the organisation by means of:

- corporate governance rules and the existence of a remuneration committee;
- the existence of a code of conduct, dealing in particular with such matters as conflicts of interest, confidentiality, buying and selling of shares, prevention of abuse of company property, and communication;
- a detailed human resource policy with rules for recruiting staff, periodic performance evaluation and the setting of annual goals;
- monitoring of procedures and formalisation of processes.

The board of directors regularly reviews the company's exposure to risks, the financial impact of these risks, and the actions to be undertaken to monitor these potential risks.

Internal control and risk management systems relating to financial reporting

Control environment

The control environment, as regards financial reporting, consists of the following components:

- The accounting team is responsible for preparing and reporting financial information.
- The controller is responsible for reviewing the financial information and preparing the consolidated figures (in consultation with the CFO), and for the feedback of information to Retail Estates NV's operational activities.
- The CFO is responsible for the final review of the consolidated financial statements and for the correct application of the valuation rules, and reports back on these to the CEO.
- As part of his responsibility for the day-to-day management of the company the CEO regularly discusses the financial reporting with the CFO.
- The board of directors has detailed quarterly question and discussion sessions with the CEO and CFO, and oversees the proper application of the valuation rules.

The chairman of the board of directors, the CEO and the CFO discuss in detail the principal strategic, operational and financial issues on a fortnightly basis.

Other factors also play a role in the company's control environment:

- As a listed company, Retail Estates NV falls under the supervision of the Financial Services and Markets Authority (FSMA), which also undertakes a specific review of the financial information. all published financial information is controlled (in advance or post facto) by the FSMA.
- The real estate expert plays an important role: the entire real estate portfolio (which makes up 98 % of the balance sheet total) is valued by 2 internationally recognised external real estate experts (Cushman & Wakefield and CBRE) each one evaluating one part of the real estate portfolio.

Risk analysis

Regular management and operational meetings serve to address issues in need of followed up, in order to ensure balanced risk awareness and management:

- the main events of the past period and their impact on the accounting figures;
- recent and planned transactions;
- the development of major key performance indicators; and
- any operational, legal and fiscal risks.

As a result of these meetings, the appropriate actions can be undertaken and measures can be adopted in order to implement the policy of the fixed-capital investment fund ("BEVAK"/"SICAFI"). These actions aim to achieve a balanced risk policy in line with the strategic objectives and 'risk appetite' of the company as ratified by the board of directors.

Control activities

Procedures are in effect with respect to key processes (collecting rents, repairs and maintenance, project development, and site supervision, etc.). These procedures are evaluated on a regular basis by the management team.

A control software package serves to track all aspects of the real estate business (overview of lease agreements, rent calls, settlement of costs, payment monitoring, etc.). This package is linked to the accounting package.

Information and communication

Every quarter, a financial report is drawn up which contains the analyses of the figures, key performance indicators, the impact of purchases and sales on budgets, cash flow positions, etc.

Every quarter, an operational report is also drawn up in which the key performance indicators relating to the real estate department are included.

In the first and third quarter of the financial year, an intermediary press release is published. Every six months, a more comprehensive half-yearly financial report is published in accordance with IFRS standards, with all relevant financial information published at the end of the financial year.

The limited size of the Retail Estates' team contributes significantly to the smooth flow of information. The considerable involvement of the board of directors and its chairman promotes open communication and ensures that the management body is provided properly with all necessary information.

Monitoring

Every quarter, the financial team draws up the quarterly figures and balance sheets. These quarterly figures are always extensively analysed and checked. To limit the risk of errors in financial reporting, the figures are discussed with the management, and their accuracy and completeness are verified by analysing rental income, vacancies, technical costs, rental activity, developments regarding the value of the buildings, outstanding debtors, etc. Comparisons with forecasts and budgets are discussed. Every quarter, the management provides the board of directors with a comprehensive report on the financial statements, with a comparison of annual figures, budget and explanations for any deviations.

The auditor also reports to the board of directors on the main findings of its audit activities.

5. Management of the company

Composition

On 31 March 2013, the board of directors of Retail Estates NV consisted of 11 directors: 9 non-executive directors and 2 executive directors, being the managing director and the chairman. Notwithstanding the provisions of the Code, the terms of office of all directors were renewed at the 29 June 2009 annual shareholders' meeting for a new, 6-year term, until the shareholders' meeting of 2015.

Out of the 11 directors, 4 directors (Messrs. Tinant, Ragoen, Van Besauw and Majeur) qualify as being independent, pursuant to Article 526 ter of the Belgian Companies Code. These directors also meet the criteria of independence set out in annexe A to the Code. The independent directors strictly comply with the following criteria of independence:

- not to be a salaried employee, manager, executive committee member, managing director, executive director or member of the executive personnel of Retail Estates NV, or an affiliated company, and not having occupied a similar position during the 5 years preceding their appointment;

- not to receive, or have received in the past, from Retail Estates NV or a related enterprise, any remuneration or significant financial benefits other than those associated with their mandates;

- not to be a dominant shareholder or having a shareholding stake of more than 10 % in Retail Estates NV –either alone or jointly with a company controlled by the director- or be a director or member of the managerial personnel of such a shareholder, or represent it. Directors with a shareholding stake of less than 10 % may not subject the acts of disposal relating to their shares, or exercise the rights pertaining to them, to contractual stipulations or to unilateral commitments to which they have subscribed. Directors may under no circumstances represent such a shareholder;

- not to have, or to have had during the preceding year, or to expect to have in the future, a significant commercial relationship with Retail Estates NV or with a related enterprise, either directly or as a partner, shareholder, director, or as member of the senior or executive management of an organization related to it in such a way;

- not to be, and not to have been during the past 3 years, a partner or salaried employee of the present or a former external company auditor of Retail Estates NV or a related company;

- not to be an executive member of the management body of another company in which an executive director of the company holds the function of a (non-) executive member of the management or supervisory body;

- not to have other significant links with the executive directors of Retail Estates NV by virtue of an involvement in other enterprises or bodies;

- not to have held more than 3 terms of office as a (non-) executive director within Retail Estates NV, with an overall limit of 12 years;

- not to be a close relative of a managerial employee, a member of the executive committee, or a person who is covered by one of the above-mentioned situations.

The composition of the board of directors intends to ensure that the decisions taken are in the interests of the company. The composition of the board of directors is determined on the basis of diversity in general, as well as on the basis of complementarity of skills, experience, and know-how. It is of particular importance to have a strong representation of directors who are well versed in the management of retail businesses in the type of property in which Retail Estates NV invests and/or have experience in the financial aspects of the management of a listed company, and of a fixed-capital real estate investment fund in particular. Therefore, it is pivotal that members of the board of directors are complementary in terms of knowledge and experience. To enable the board of directors to operate efficiently, it is intended that the number of board members will be restricted to a maximum of 12.

A number of reference shareholders are represented by Messrs. Borghgraef and De Peuter (on behalf of the KBC-Group), Mr. Appelmans (on behalf of Het Torentje (Leasinvest)), Mr. Sterbelle (on behalf of Axa), Mr. Raisière (on behalf of the Belfius-group) and Mr. Mayeur (on behalf of Federale Verzekering).

Only Mr. Jan De Nys and Mr. Tinant have declared that they hold shares in the company for their personal account.

For a brief overview of the composition of the board of directors of Retail Estates NV, the reader is referred to the discussion of directors' remuneration on page 28. With reference to the law of 28 July 2011, the board of directors will strive to ensure a larger representation of women in the board of directors.

Functioning of the board of directors

The Retail Estates NV's board of directors determines the company's strategy, investments, budgets, disposals and acquisitions and funding.

The board of directors prepares the annual and interim financial statements and the annual report of the fixed-capital real estate investment fund Retail Estates NV for the shareholders' meeting. The board of directors also approves merger and split reports. It decides on the use of the authorised capital and convenes the annual and extraordinary shareholders' meeting. It supervises the accuracy and transparency of communications to shareholders, financial analysts, and the general public, as communicated through prospectuses, annual and interim reports and press releases. It delegates the day-to-day management to the managing director, who in turn regularly reports back on the management and the annual budget, and who presents a quarterly financial and operational report.

The board of directors met 8 times during 2012-2013. The remuneration committee met twice.

The board of directors may validly deliberate and resolve only if at least half of its members are present or represented. If this condition is not met, a new meeting can be convened, which will validly deliberate and resolve on the agenda items of the previous meeting, providing that at least two directors are present or represented. Every resolution of the board of directors is adopted by an absolute majority of the votes cast of directors that are present or represented, and, in the event of abstention of one or more of them, by the majority of the other directors. In the event of a tie, the director chairing the meeting has the casting vote. In exceptional cases, pursuant to Article 521 of the Belgian Companies Code, resolutions of the board of directors may be adopted by unanimous written agreement by the directors, whenever the urgency of the matter and the interest of Retail Estates NV so require. This procedure, however, may not be applied for the drawing up of the annual accounts, or the use of the authorised capital.

In addition to its legal mandate, the board of directors, bearing in mind the company's interests, also determines the strategy and outlines the policy lines. More specifically, it takes all the fundamental decisions concerning the investments in and disposal of properties, as well as those regarding their funding. Retail Estates NV has no executive committee ("directiecomité"/"comité de direction").

A clear distinction is made between the responsibilities of the managing director and those of the chairman of the board of the board of directors. The chairman leads the board of directors and ensures that the agenda for the meetings of the board of directors is prepared, and that the directors promptly receive the relevant information.

The managing director is in charge of the executive management of the company. The board of directors will make sure that sufficient powers are given to ensure that these responsibilities and duties are met.

The managing director and the chairman of the board of directors are jointly appointed by the board of directors as being the effective leaders of the fixed-capital investment fund pursuant to Article 38 of the Law of 20 July 2004.

Report on the activities

Among others, the board of directors took the following decisions during the past financial year:

- sale of EUR 18.94 million in real estate properties;
- enlargement of the portfolio by EUR 144.54 million in real estate properties through purchases or contributions in kind;
- merger by absorption of Belgian Wood Center NV and Champion Invest NV;
- acquisition of control over VRP1 NV, Retail Warehousing Invest NV, Infradis Real Estate NV en Erpent Invest NV;
- financing of the above-mentioned acquisitions.

In order to constantly improve its effectiveness within the company, the board of directors systematically and regularly (at least every three years) evaluates its size, composition and performance and that of its committees, and its interaction with the executive management.

This assessment focuses on:

- the functioning of the board of directors and its committees;
- the effective contribution of each director through their attendance of the meetings of the board of directors and committees, and their contribution to the discussions and the decision-making.

Various committees can be established within the board of directors for specific matters.

Currently, Retail Estates NV has only set up a remuneration and nomination committee. The majority of its members are independent directors. Mr. Vic Ragoen is the chairman of the committee, and 3 the independent directors are members. This committee met twice in 2012-2013, i.e., on 30 November 2012 and on 25 January 2013, in order to discuss the setting of the budget for 2013-2014. During these meetings the staff remuneration policy was discussed and the recurrent fees paid to external providers were inventoried. In the past financial year, Mr. Richard Van Besauw's application as an independent director (as of 1 April 2013) was proposed and approved. The board of directors co-opted Mr. Jean Sterbelle (as of 1 December) as non-executive director instead of Mrs. Sophie Lambrighs. At the extraordinary shareholders' meeting of 12 April 2013, Mr. Jean-Marc Mayeur was appointed as an independent director. The appointment of Messrs. Raisière and Sterbelle as non-executive directors by means of co-option was confirmed as a result of this shareholders' meeting. These terms of office shall expire at the shareholders' meeting of 2015.

The role of the remuneration and nomination committee consists of supporting the board of directors by:

- making recommendations on the composition of the board of directors and its committees;
- assisting in the selection, evaluation and appointment of members of the board of directors;
- assisting in the determining the remuneration of the members of the board of directors;
- drawing up the remuneration report.

The provisions of the Law of 17 December 2008 (Belgian State Gazette 29 December 2008) introduced the requirement that listed companies set up audit committees.

Retail Estates NV, however, fulfils the exemption conditions provided for in this law, whereby the tasks assigned to the audit committee are carried out by the board of directors as a whole. In this respect, Mr. Tinant, as an independent director, has the necessary reporting and audit skills.

The tasks of this audit committee consist mainly of monitoring the financial reporting process, assessing the appropriateness of the internal control and risk management systems, monitoring the internal audit and the statutory audit of unconsolidated and consolidated annual accounts, and assessing and monitoring the independence of the auditor.

Evaluation of the performance of directors

Under the supervision of its chairman, the board of directors regularly evaluates its size, composition, performance and relationships with management, shareholders and other stakeholders.

The purpose of this evaluation is to:

- appraise the functioning of the board of directors and its committee;
- audit the composition of the board of directors on the other hand.

Another matter that is discussed is the timely provision of information prior to meetings of the board of directors.

The evaluation itself takes the form of a written procedure, using a questionnaire that must be answered individually and anonymously.

Representation power

In all legal and statutory transactions concerning the disposal of real property, the company will be represented by at least 2 directors acting jointly, being in principle the chairman of the board of directors Paul Borghgraef and the managing director Jan De Nys.

The company may also be validly represented by the managing director for transactions related to an item whose value is lower than either 1 % of the consolidated assets of the company, or EUR 2.5 million, taking the lower of the two (including the conclusion of a leasing agreement with or without option to purchase, or the creation of easements).

Settlement of conflicts of interests

Pursuant to Article 523 of the Belgian Companies Code, any member of the board of directors who, whether directly or indirectly, has a financial interest which conflicts with a decision or operation involving the board of directors, may not attend the deliberations of the board of directors.

Article 18 of the Belgian Royal Decree of 7 December 2010 is also referred to, when one of the persons mentioned in this Article (director, manager or promoter of the fixed-capital investment company,...) acts as counterparty in an operation undertaken with the fixed-capital investment company or a company under its control.

There was a conflict of interest within the meaning of Article 523 of the Companies Code, i.e. a direct or indirect financial interest which conflicts with a decision or transaction within the authority of the board of directors. This interest was discussed at the meeting of the Board of Directors of 27 May, 2013 as follows:

"Ratification of the Management Agreement of 23 May 2012 between Mr. Jan De Nys and the Company (the "Agreement")"

In light of a potential conflict of interest of a financial nature in respect of the decision of the Board of Directors on this item on the agenda, Jan De Nys does not participate in the deliberation with respect to this item on the agenda.

Acknowledgement of the statement of Mr. Jan De Nys in accordance with Article 523 of the Belgian Companies Code, by virtue of his interest of a financial nature, which may conflict with the decision in relation to this item on the agenda.

The Board of Directors examines the statement of Mr. Jan De Nys, made in accordance with Article 523 of the Belgian Companies Code regarding his interest of a financial nature which may conflict with the decisions in relation to this item on the agenda. The statement was sent to each of the directors and to the auditor prior to this meeting of the Board of Directors.

A copy of this statement shall remain attached to these minutes.

In his statement, Mr. Jan De Nys refers to the proposed ratification of the Agreement concluded on 23 May 2012.

In accordance with Article 523 of the Belgian Companies Code, Mr. Jan De Nys mentions in his statement that he has a conflict of interest of a financial nature in respect of this item on the agenda.

The Board of Directors takes note of the fact that the aforementioned Agreement pertains to the supply of management services to the Company. Since certain benefits of a financial nature are granted by virtue of this Agreement and the Company bears the financial consequences hereof, there is a conflict of interest of a financial nature between the Company and Mr. Jan De Nys with respect to this decision.

These financial benefits amount to an annual remuneration of EUR 185,000, exclusive of VAT, plus the costs for the Company for the contributions to the group insurance, i.e. EUR 35,000 as at the date of the Agreement. The remuneration will be indexed on an annual basis, linked to the health index, on the anniversary date of the Agreement. The Agreement also provides for a variable remuneration of maximum 25% of the aggregate remuneration of the Managing Director.

In his statement, Mr. Jan De Nys declared that the ratification of the arrangements set out in the Agreement by the Board of Directors is in the corporate interest of the Company, since these arrangements relate to his duties as the managing director of the Company, as a consideration for which he receives a remuneration that is in line with market standards, which has been freely negotiated. The other members of the Board of Directors agree with this.

Therefore, the Board of Directors is of the opinion that the resolution with respect to this item on the agenda is in the Company's corporate interest.

After discussion, the Board of Directors unanimously ratifies the Agreement of 23 May 2012.

Day-to-day management – executive management

The company is managed by a team of 15 co-workers, under the leadership of the managing director (CEO), Mr. Jan De Nys.

Fltr: Hubert De Peuter, Marc Tinant, Victor Ragoen, Richard Van Besauw, Paul Borghgraef, Jan De Nys, Jean-Louis Appelmans, Jean Sterbelle

(Non)-executive directors

Chairman:

Paul Borghgraef (1954): Chairman of the board of directorsOffice address: Rozenlaan 24 – 2970 Schilde
End of mandate: 2015
Most important other positions: director at KBC Securities NV, director at Pertinea Property Partners NV and director at PG58 NV.
Committees:
Attendance board of directors in 2012-2013[1] : 8
Attendance remuneration and nomination committee in 2012-2013[2] : -

Executive Director:

Jan De Nys (1959): Chief Executive Officer (CEO – managing director)
Office address: Retail Estates NV - Industrielaan 6 - 1740 Ternat
End of mandate: 2015
Most important other positions: director Paestum NV/ Orelio NV (Maes Construction and Property Group), Chairman of Private Privak BEM II (set up under the aegis of the Flemish Building Federation), managing director of Infradis Real Estate Management NV and managing director of Snowdonia NV
Committees: -
Attendance board of directors in 2012-2013[1]: 8
Attendance remuneration and nomination committee in 2012-2013[2]: -

Non-executive Directors

Jean-Louis Appelmans (1953): director
Office address: Leasinvest Real Estate Comm.V.A. – Schermersstraat 42 – 2000 Antwerp
End of mandate: 2015
Most important other positions: managing director Leasinvest Real EstateManagement NV (Stat. manager of the real estate investment trust Leasinvest Real Estate Comm. VA), Leasinvest Immo Lux SA, Leasinvest Services NV, …
Committees: -
Attendance board of directors in 2012-2013[1]: 6
Attendance remuneration and nomination committee in 2012-2013[2]: -

Hubert De Peuter (1959): director
Office address: KBC Real Estate NV – Havenlaan 12 – 1080 Brussels
End of mandate: 2015
Most important other positions: KBC Real Estate NV – head real estate investment and securitisation, director KBC Rusthuisvastgoed, director KBC Real Estate Investments NV, director KBC property portfolio Belgium NV, director at Mechelen City NV, ...
Committees: -
Attendance board of directors in 2012-2013[1]: 6
Attendance remuneration and nomination committee in 2012-2013[2]: -

1 Number of board of directors: 8
2 Number of remuneration and nomination committee: 2

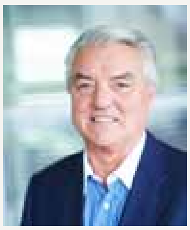
Luc Geuten (1943): director
Office address: Mitiska NV – Pontbeekstraat 2 – 1702 Groot-Bijgaarden
End of mandate: 2015
Most important other positions: managing director Mitiska NV, director at Axa Belgium, director at Compagnie Het Zoute, and director at Nanocyl
Committees: -
Attendance board of directors in 2012-2013[1]: 3
Attendance remuneration and nomination in committee 2012-2013[2]: -

Victor Ragoen (1955): independent director
Office address: New Vanden Borre NV – Slesbroekstraat 101 – 1600 Sint-Pieters-Leeuw
End of mandate: 2015
Most important other positions: managing director New Vanden Borre NV
Committees: member remuneration and nomination committee
Attendance board of directors in 2012-2013[1]: 7
Attendance remuneration and nomination committee in 2012-2013[2]: 2

Marc Raisière (1963): independent director
Office address: Belfius Insurance NV – Galileelaan 5 – 1210 Brussels
End of mandate: 2015
Most important other positions: CEO Belfius Insurance
Comités:-
Attendance board of directors in 2012-2013[1]: 1
Attendance remuneration and nomination committee in 2012-2013[2]: -

Jean Sterbelle (1962): director
Office address: Axa Belgium NV Vorstlaan 25 – 1170 Brussels
End of mandate: 2015
Most important other positions: Head of Real Estate Commercial Management Axa Belgium, director at Blauwe Toren, director at Brustar One and director at Cabesa, …
Comités: member real estate management and real estate comité Axa Belgium
Attendance board of directors in 2012-2013[1]: 3
Attendance remuneration and nomination committee in 2012-2013[2]: -

Marc Tinant (1954): independent director
Office address: Arcofin – Avenue Urbain Britsiers 5 - 1030 Brussels
End of mandate: 2015
Most important other positions: Vice-president of the Management Board of NV Auxipar, directorships at EPC, SRIW and Les Editions de l'Avenir (Corelio), ...
Committees: member of the remuneration and nomination
Attendance board of directors in 2012-2013[1]: 7
Attendance remuneration and nomination committee in 2012-2013[2]: 2



Richard Van Besauw (1945): independent director from 1 april 2013
Office address: Leeuwerikendreef 11 2970 Schilde
End of mandate: 2015
Most important other positions: consultant at Aerts and Salt & Pepper
Comités: -
Attendance board of directors in 2012-2013[1]: 5
Attendance remuneration and nomination committee in 2012-2013[2]: -

Jean-Marc Mayeur (1970): independent director from 12 April 2013
Office address: Federale Verzekering - Stoofstraat 12 1000 Brussels
End of mandate: 2015
Most important other positions: Chief Investment Officer Federale Verzekering, director Montea, director GBR vastgoed and director Federal Management, …
Comités: -
Attendance board of directors in 2012-2013[1]: NA
Attendance remuneration and nomination committee in 2012-2013[2]: NA

6. Other parties involved

Certification of the accounts

An auditor appointed by the shareholders' meeting must:

- certify the annual accounts and review the interim accounts, as in any limited liability company ("naamloze vennootschap"/"société anonyme");
- prepare special reports at the request of the FSMA, given that Retail Estates NV, as a fixed-capital real estate investment company is a listed company for collective investment.

The auditor is Deloitte Bedrijfsrevisoren, represented by Mrs. Kathleen De Brabander, a company auditor certified by the FSMA, having its registered office at 1831 Diegem, Berkenlaan 8B. At the 25 June 2012 annual shareholders' meeting, the auditor was reappointed for a 3-year term. The auditor's fixed remuneration for reviewing and certifying Retail Estates NV's statutory and consolidated annual accounts were EUR 0.07 million (excluding VAT).

The remuneration of Deloitte Bedrijfsrevisoren for certifying the statutory accounts of Retail Estates NV's subsidiaries, as well as for the tasks assigned to the statutory auditor by law (e.g. reports when mergers occur), amounted to EUR 0.11 million (excluding VAT). The fees relating to studies and assistance and more in particular on taxation matters and due diligence assignments amounted to 0.037 million EUR excluding VAT.

Real estate expert

In accordance with the Belgian Royal Decree of 7 December 2010, Retail Estates NV calls upon experts for the regular valuations of its assets, each time it issues shares, lists securities on the stock market or purchases unlisted shares, and when it purchases or sells real properties. These valuations are necessary to determine the inventory value and prepare the annual accounts. The valuation assignments are entrusted to Cushman & Wakefield (Kunstlaan 58, box 7 at 1000 Brussels), represented by Mr. Kris Peetermans and to CBRE NV (Avenue Lloyd George 7 at 1000 Brussels), represented by Mr. Peter de Groot.

During the past financial year, a fee of EUR 0.18 million (including VAT) was payable to Cushman & Wakefield for the regular valuations of a part of the properties in the real estate portfolio and the initial valuations of real estate purchases. Fees of EUR 0.26 million (including VAT), were paid to CBRE for the regular valuation of the remainder of the real estate portfolio and initial valuations of real estate purchases.

The property of Immobilière Distri-Land NV is valued on the basis of a joint instruction from Retail Estates NV and Immobilière Distri-Land NV, with the results published by the latter. The costs are shared 50/50 between Retail Estates NV and Immobilière Distri-Land NV.

7. Acquisition & sale of Retail Estates NV shares – insider trading

In accordance with the principles and values of the company, Retail Estates NV has inserted, in its Code of Conduct, a number of rules (Dealing Code) to be followed by directors and employees wishing to trade in financial instruments issued by Retail Estates NV.

In the framework of the application of the Belgian Corporate Governance Code within Retail Estates NV, the rules of the Code of Conduct have been reviewed in order to bring them in line with the Belgian Royal Decree of 5 March 2006 relating to insider trading, the fair presentation of investment recommendations, and the indication of conflicts of interest.

8. Information based on Article 34 of the Belgian Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments authorised to trade on an official market

Capital structure (on 31 March 2013)

The registered capital amounts to EUR 130,797,517.19 and is divided into 5,813,122 fully paid-up shares, each representing an equal part of the capital. There is only one category of shares.

There is no legal or statutory limitation on the voting rights or transferability of the shares.

Stock option plan

Retail Estates NV had no stock option plan.

Authorised capital

The extraordinary shareholders' meeting of 27 May 2011 expressly authorised the board of directors to increase the registered capital, in one or more instalments, up to a maximum amount of EUR 113,889,542.70 on the dates and according to the procedures to be defined by the board of directors in accordance with Article 603 of the Belgian Companies Code. This authorisation was granted for a period of 5 years from the publication of this decision (10 June 2011).

Purchase of own shares

The company does not own any of its own shares. The extraordinary shareholders' meeting of 27 May 2011 amended the articles of association as to authorise the board of directors to acquire shares in Retail Estates NV under a number of special conditions listed in the articles of association.

Decision-making bodies

The rules which govern the appointment or replacement of the members of the board of directors and the amendment procedure relating to the articles of association of Retail Estates NV are set out in the applicable legislation (especially the Belgian Companies Code and the Belgian Royal Decree of 7 December 2010) and the articles of association of Retail Estates NV. The articles of association of Retail Estates NV do not deviate from the above-mentioned legal provisions.

Contractual provisions

The conditions under which the financial situations have provided Retail Estates NV with financing require the retention of a fixed-capital real estate investment fund status ("bevak"/"sicafi"). The general conditions under which this financing was granted give banks the option to demand early repayment in the event of change of control. In addition, a covenant has been written into the credit agreements with a number of financial institutions, whereby Retail Estates NV commits itself to maintain a maximum level of debt of 60 % (lower than the legal threshold of 65 %).

Articles of association of Retail Estates NV

Retail Estates NV's articles of association are on page 123 of the annual report. They were last revised at the extraordinary shareholders' meeting of 3 May 2013.

9. Comments on the consolidated financial statements for the financial year 2012-2013

Balance sheet

Investment properties (including project developments) have increased from EUR 537.47 million to EUR 675.59 million. This is primarily explained by the extension of the portfolio by EUR 137.24 million and the sales of properties worth EUR 5.05 million. Assets held for sale have decreased from EUR 13.16 million to EUR 7.49 million. Recorded under assets held for sale at the end of each quarter are those assets for which a sales agreement has been signed but the final deed of sale has not yet been enacted. In the financial year 2012-2013, assets were added to the assets held for sale in the amount of EUR 8.53 million, while assets in the amount of EUR 14.20 million were sold.

Current assets amount to EUR 11.51 million, consisting of EUR 7.49 million of assets held for sale, EUR 0.71 million of trade receivables, EUR 1.08 million of tax receivables and other current assets, EUR 1.88 million of cash and cash equivalents, and EUR 0.34 million of deferred charges and accrued income.

The shareholders' equity of the fixed-capital investment fund amounts to EUR 269.59 million. The registered capital amounts to EUR 130.80 million, an increase of EUR 8.46 million compared to last year, as a result of the various capital increases mentioned above. After deducting the costs of the capital increases, the accounting capital amounts to EUR 129.39 million. 376,048 new shares were created. For the same reasons, the share premiums have increased from EUR 43.27 million to EUR 52.86 million. The company's reserves amount to EUR 57.75 million and consist of unrealised gains due to valuation of the real estate portfolio at fair value (EUR 76.77 million), the result carried forward from previous financial years (EUR 16.99 million), available reserves (EUR 9.43 million), legal reserves (EUR 0.42 million), minus the fair value impact of estimated transaction duties and fees on the hypothetical disposal of real estate investments (EUR 15.76 million) and variances in the fair value of financial assets and liabilities (EUR 30.09 million). The group uses financial derivatives (interest rate swaps) to hedge against interest rate risks deriving from some operational, financial and investment activities. Financial derivatives are initially recognized as costs and are revalued to fair value at subsequent reporting dates. The negative valuation of the financial instruments has no impact on the net result of Retail Estates NV. The fixed-capital investment fund classifies the interest swaps as cash flow hedging, on the basis that hedges are effective, i.e., that the amounts and the maturity match those of the underlying loan agreements. Cash flow accounting is therefore applied to these swaps, based on which the valuation changes in these swaps are recognized directly in equity and are not taken through the income statement. The negative value of these instruments is due to the sharp fall in short-term interest rates which has continued since the end of 2008 under the impetus of the US and European central banks.

The net result of the financial year is EUR 29.58 million, comprising EUR 20.70 million in net current profits, and EUR 8.88 million in profit on the portfolio.

Non-current liabilities amount to EUR 374.28 million, including EUR 330.09 million in non-current financial debts with an average term of 3.4 years. The remaining non-current liabilities pertain to provisions, authorised cash flow hedges (interest swaps), deferred taxes and debts for the further acquisition of shares in Retail Warehousing Invest NV, which are not yet fully owned by Retail Estates NV.

Current liabilities amount to EUR 43.64 million, of which EUR 15.64 million in trade payables and other current debts. These mainly pertain to trade accounts payable for an amount of EUR 2.75 million, estimated taxes for an amount of EUR 8.18 million and accounts receivable for an amount of EUR 4.38 million. The current financial liabilities amount to EUR 16.58 million.

Other current liabilities have increased, from EUR 0.16 million to EUR 9.25 million, and mainly pertain to the recognition of the debt for the further acquisition of the shares in Erpent Invest NV and VRP 1 NV. Moreover, the other current liabilities relate to an outstanding current account of EUR 2.9 million, held by the company VRP 1 NV vis-à-vis the minority shareholder.

On 31 March 2012, the average interest rate was 4.67 %.

Income statement

Net rental income has risen by EUR 5.93 million. This can primarily be explained by the acquisition of additional properties during the 2012-2013 financial year (EUR 5.84 million) and the acquisition of properties in the previous financial year, which, for the first time, generated a full year's rental income (EUR 0.36 million). The sale of properties produced a EUR 0.40 million fall in rental income. This financial year, the sale of the stores during the past financial year resulted in a decrease of the net rental income of EUR 0.76 million. Indexing (EUR 0.89 million) also had an impact.

Property charges amount to EUR 2.55 million, and have increased by EUR 0.38 million, mainly due to an increase of operating costs with the increased deal flow. Corporate operating costs amount to EUR 2.26 million, an increase of EUR 0.07 million compared to the previous year, mainly due to an increase of the taxes and legal costs.

The result of the disposal of investment properties amounts to EUR 0.30 million. This profit is the result of the sale of properties for EUR 18.94 million (fair value). For further details, we refer to the section “Divestments” in this chapter.

The positive variation in the fair value of real estate investments amounts to EUR 8.58 million, mainly due to indexation, renovation work and the tightening of yields in a number of top locations.

The financial result is EUR 14.77 million compared to EUR 12.98 million the year before. Interest costs are higher than the year before, owing to additional loans taken up to finance the further expansion of the portfolio.

The net current result (i.e., the net result, without the property portfolio result) is EUR 20.70 million, compared to EUR 18.01 million last year.

Prospects for the financial year 2013-2014

For the financial year 2013/2014, the company expects a rental income of EUR 45 million, on the basis of the expected composition of the real estate portfolio, and subject to unforeseeable circumstances.

Just like in the previous financial years, Retail Estates expects that the dividend for the financial year 2013/2014 will grow, in line with previous years, as a result of which it is minimally inflation resistant. For the financial year 2013/2014, Retail Estates NV’s target is a dividend of EUR 3 gross. This would imply an increase of 3.45 % compared to the dividend of the financial year 2012/2013 (EUR 2.90 gross). The company expects that the pay-out ratio will be less than 100 %. If the business cash flow for the financial year 2013/2014 (against the current expectations) would not be sufficient to result in such a dividend, the company can, if it wishes to do so, use the available reserves (in the sense of Article 617 of the Belgian Companies Code).

Data in accordance with EPRA reference system [1]

EPRA Key performance indicatoren

	Definitions	€/1000	€ per share
EPRA Earnings	Current result from adjusted core operational activities.	**20,700**	**3.62**
EPRA NAV	Net Asset Value (NAV) adjusted to take the fair value of the property investments into account and excluding certain elements not expected to crystallise in a long-term investment property business model.	**299,680**	**51.55**
EPRA NNNAV	EPRA NAV adjusted to take the fair value of (i) the financial instruments, (ii) debts and (iii) deferred taxes into account.	**269,588**	**46.38**
EPRA Net Initial Yield (NIY)	Annualised gross rental income based on current rents ('passing rents') at balance sheet closing dates, excluding property costs, divided by the market value of the portfolio, plus estimated transfer taxes and costs resulting from the hypothetical disposal of investment properties.		6.70 %
EPRA Vacancy	Estimated market Rental Value (ERV) of vacant surfaces divided by the ERV of the portfolio as a whole.		0.73 %

1 These data are not compulsory to the regulation on the fixed-capital real estate investment funds and are not subject to verification by public authorities. The auditor verified whether the "EPRA Earning", "EPRA NAV" and "EPRA NNNAV" ratios are calculated according to the definitions included in the "EPRA Best Practices Recommendations" 2011 and whether the financial data used in the calculation of these ratios comply with accounting data included in the audited consolidated financial statements.

Appropriation of the profit

The board of directors proposes to allocate the profit of the financial year, as shown in the statutory annual accounts, as follows:

EPRA Earnings (€ '000)

IFRS Net Result (attributable to the shareholders of the parent company)	**29,582**
Adjustments to calculate EPRA Earnings	
Excluding:	
I Variations in the fair value of investment properties (IAS 40)	8,579
II Result on disposal of investment properties	303
VI Variations in the fair value of financial instruments (IAS 39)	-
X Adaptations to minority interests	-
EPRA Earnings (attributable to the shareholders of the parent company)	**20,700**
EPRA Earnings (€/share) (attributable to the shareholders of the parent company)	**3.62**

EPRA Net Asset Value

Net Asset Value (attributable to the shareholders of the parent company) according to the annual accounts	**269,588**
Net Assets (€ /share) (attributable to the shareholders of the parent company)	**46.38**
Effect of exercise of options, convertibles and other equity interests	
Diluted net asset value after effect of exercise of options, convertibles and other equity interests	**269,588**
Excluding:	
I Fair value of the financial instruments	-30,092
EPRA NAV (attributable to the shareholders of the parent company)	**299,680**
EPRA NAV (€/share) attributable to the shareholders of the parent company	**51.55**

ERPA Triple Net Asset Value (attributable to the shareholders of the parent company) (€ '000)

EPRA NAV (attributable to the shareholders of the parent company)	**299,680**
Including:	
I Fair value of the financial instruments	-30,092
ERPA Triple Net Asset Value (group share)	**269,588**
EPRA NNNAV (€/share) (group share)	**46.38**

EPRA Net Initial Yield

Investment properties (excluding assets held for sale) fair value	675,593
Transfer taxes	15,764
Investment value	691,357
Project developments	-27,413
Investment value of the properties, available for rent	663,944
Annualised gross rental income	45,218
Property costs	-751
Annualised net rental income	44,467
EPRA Net Initial Yield (NIY)	**6.70%**

EPRA Vacancy Rate

Estimated rental value of vacant surfaces	328
Estimated rental value of total portfolio	45,218
EPRA Vacancy Rate	0.73%

EPRA evolution of the gross rental income

	2012/2013				
	Gross rental incomes at constant scope	Acquisitions	Disposals	Prior period adjustments	Gross rental income
Rental income	36,383	6,049	-405		42,027

	2011/2012				
	Gross rental incomes at constant scope	Acquisitions	Disposals	Prior period adjustments	Gross rental income
Rental income	35,483	951	-672		35,762

The board of directors of the limited liability company ("*naamloze vennootschap*"/"*société anonyme*") "Retail Estates" (hereinafter referred to as "Retail Estates" or the "Company") will propose to the Company's shareholders' meeting, to be held on 5 July 2013, a gross dividend for the financial year 2012-2013 (which began on 1 April 2012 to end on 31 March 2013) in the amount of EUR 2.80 (or EUR 2.175 net, i.e., the net dividend per share after the deduction of 25 % in withholding tax) per share (which participates in the result of the financial year 2012/2013).

	EUR
Result of the year	26,781,000
Transfer of result on portfolio and participating interests to available reserves (portfolio result)	3,722,000
Profit to be appropriated for the financial year	30,503,000
Profit carried forward from the previous financial year (IFRS)	16,126,000
Increase in profit carried forward due to merger and other	1,096,000
Payment of dividend on 31 March 2012	-16,858,000
Result to be carried forward	30,867,000

Miscellaneous items

Research and development

The company has not undertaken any activities or incurred any expenditure in the area of research and development.

Branches

The company does not have any branches.

> 3.57 %

GROWTH OF THE PROPOSED DIVIDEND

Retail Estates NV on the stock exchange

"Retail Estates NV offers its investors a stable dividend policy with an annually growing dividend"

Stability

Retail Estates NV on the stock exchange

	1/04/12 31/03/13	1/04/11 31/03/12	1/04/10 31/03/11
Highest share price	57.98	52.50	49.59
Opening price at 1 April	49.5	49.05	42.45
Closing price at 31 March	57.98	49.21	49.36
Average share price	52.12	49.29	44.79
Net asset value (NAV) IFRS	46.38	44.39	45.36
Net asset value (after dividend) IFRS	43.48	41.59	42.67
Premiums NAV after dividend relative to closing price	33.35%	18.32%	15.68%
Gross dividend	2.9	2.80	2.70
Net dividend	2.175	2.212	2.30
Dividend yield	5.27%	6.03%	5.79%
Return result on shareholders' equity	10.97%	11.31%	11.64%
Pay-out ratio	80.84%	83.78%	80.57%
Number of shares	5,813,122	5,437,074	5,061,663
Market capitalisation (EUR million)	337.04	265.51	249.84
Free float percentage	100%	100%	100%
Average daily volume	1,560	1,637	1,856
Annual volume	394,563	420,880	479,859

1. Performance

Stock market capitalisation

Retail Estates NV is listed on the Euronext continuous market.

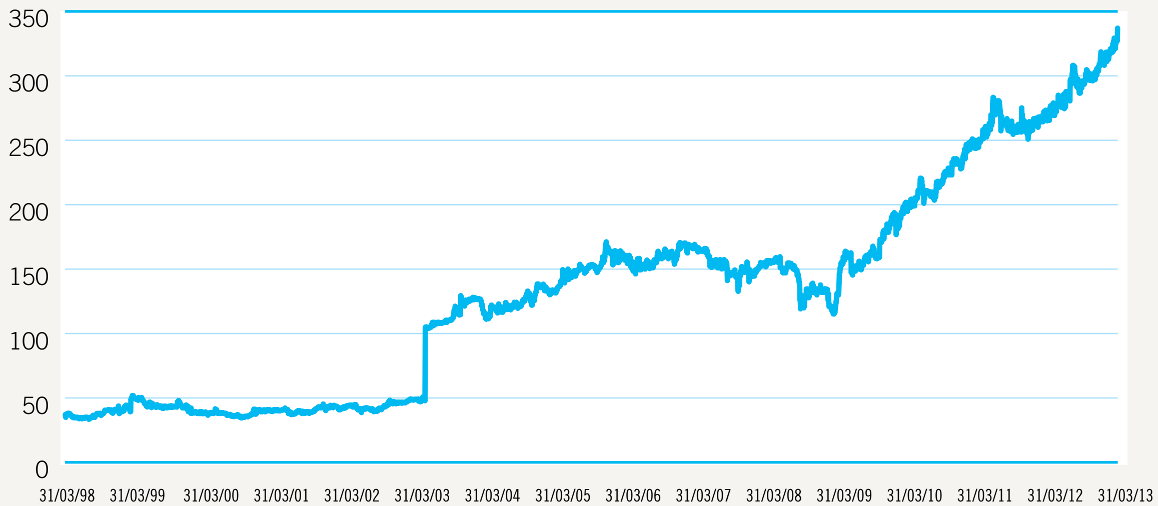
Relevant benchmarks for mid-caps and small-caps were launched on 1 March 2005 as part of Euronext's plans to reform and harmonise its price list and promote the recognisability and liquidity of small and medium-sized enterprises.

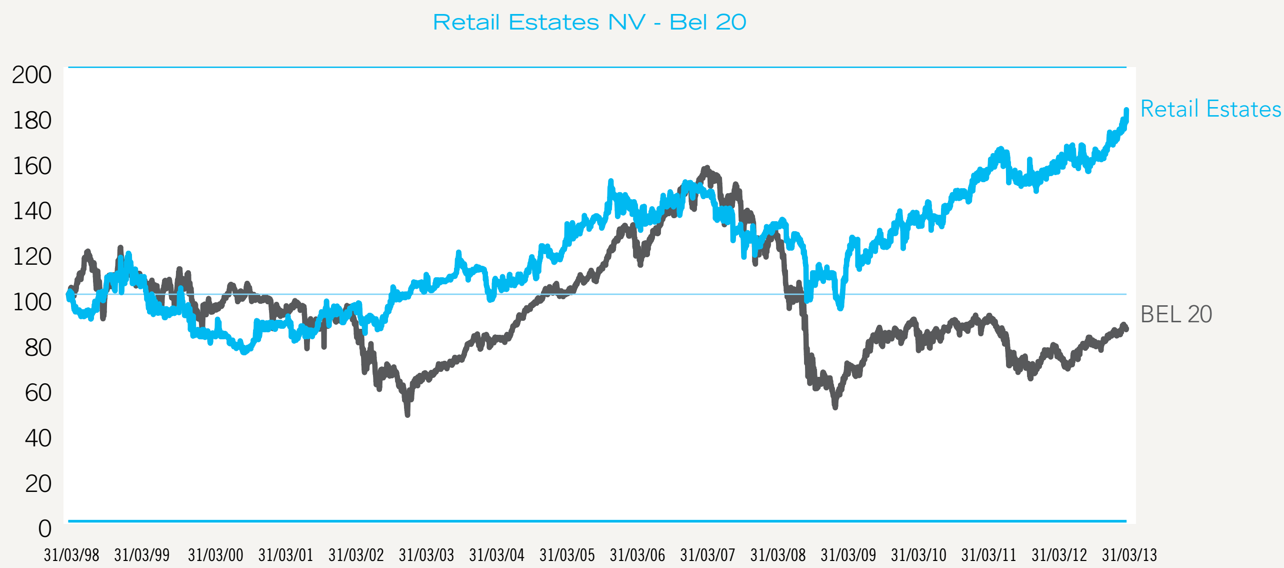
Retail Estates NV is included in the BelMid-index and the Vlam-21 index. The BelMid-index currently comprises 30 companies, and the Vlam-21 index 21 companies.

As of 31 March 2013, the market capitalization of Retail Estates NV amounts to EUR 337.04 million.

Based on Euronext's criteria, Retail Estates NV has a free float percentage of 100 %.

Stock market capitalisation
in mio EUR





Stock exchange price

In the first half of the financial year, the share price rose to EUR 53.00. Ultimately, the share price closed at its highest, EUR 57.98, at the end of the financial year.

The annual average price was EUR 52.12. The graph above shows the stock performance of the Retail Estates-share relative to the BEL 20 since the its listing. The share value of Retail Estates NV increased over this period by +83.88 %, compared to a decrease of the BEL 20 by -12.92 %.

Dividend

The proposal which the board of directors put forth at the shareholders' meeting, regarding the allocation of the results of the financial year that ended on 31 March 2013, consists of paying out a gross dividend (before withholding tax) of EUR 16.86 million.

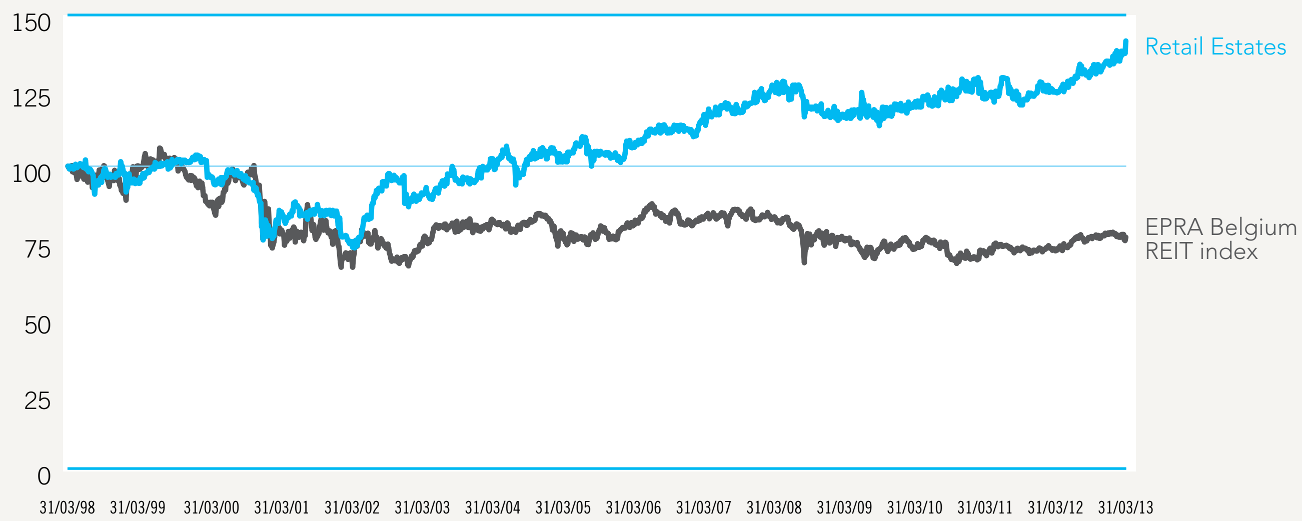
This is equal to a gross dividend of EUR 2.90, for shares which have been eligible for a dividend from 1 April 2012 (5,813,122 shares).

It represents a 3.57 % increase compared to the dividend received for the financial year that ended on 31 March 2012.

Premiums and discounts

The intrinsic value of the share in the past year, with real estate valued at 'fair value', increased from EUR 44.39 on 31 March 2012, to EUR 46.38 on 31 March 2013 (including the dividend).

Retail Estates NV - EPRA Belgium REIT Index



The net asset value (i.e. real value including the dividend, but excluding the value of the financial instruments) is EUR 51.18, compared to EUR 49.20 in the previous year. This increase is due to the positive variances in the value of the real estate investments and the result achieved in the financial year.

Real estate investment company

Risk profiles and returns within a certain category of investments can differ significantly, depending on the focus, the nature of activities, and the specific features of the company that issued the shares.

The higher the risk, the higher the return required by an investor.

Some important factors, which play an instrumental role in determining the performance of real estate investment companies, are both the type and location of properties, the kind of tenants, the non-occupancy rate, the level of interest rates, and the general stock market climate.

Since its listing on the stock exchange, the performance of Retail Estates NV has consistently been on a par with market norms, in line with the management's expectations at the start of the financial year, and commensurate with the performance of other Belgian real estate investment companies with comparable occupancy rates and value growth in their real estate.

Over the past financial year, the price of the Retail Estates NV share has increased by 17.13 %. The EPRA Belgian REIT index increased by 1.81 %.

Linear bonds

Some investors regard real estate as a bridge between an investment in shares on the one hand, and a bond investment or a treasury note on the other. The dividend return of Retail Estates NV over the past financial year (with a gross dividend of EUR 2.90) was 5.26 %, relative to the closing price of the share (excluding the dividend). The ten-year interest rate for linear bonds was 2.18 % on 31 March 2013.

2. Dematerialisation of bearer shares

Legal context

The law of 14 December 2005 (Belgian State Gazette 23 December 2005) abolishing bearer securities, prohibits the issue of new bearer shares with effect from 1 January 2008.

Since then, any bearer shares in a securities account have automatically been converted to dematerialised securities.

Following the implementation of the above-mentioned law, newly issued shares of Retail Estates NV cannot be delivered physically.

Until 31 December 2013, at the latest, holders of bearer securities that have not been converted automatically under the above paragraphs may request their conversion to dematerialised securities or registered securities.

After this period, any unconverted shares will automatically be converted to dematerialised securities and deposited by two directors in a securities account.

From 1 January 2015, any securities with unknown beneficiary owners will be offered for sale in accordance with Article 11 of the above law.

Measures for implementing changes to legislation

In the light of these major changes, Retail Estates NV concluded a membership agreement, on 23 February 2007, with Euroclear Belgium, with registered office at 1140 Brussels, Schiphollaan 6, designating it as a clearing institution.
This clearing institution is entrusted with keeping the entire volume of bearer securities issued by Retail Estates NV.

3. Liquidity provider

KBC Securities has been acting as market maker since 1 April 2003, promoting the marketability of shares.

The 12-month fee for the past financial year amounts to EUR 0.05 million (excluding VAT).

4. Financial calendar

The annual shareholders' meeting and the publication of the 2012-2013 annual results will be held in the offices of Retail Estates NV, Industrielaan 6, Ternat, Belgium, on Friday 5 July at 10:00 a.m.

Dividend payable	12 July 2013
Half year results financial year 2013/2014	29 November 2013
Annual results financial year 2013/2014	29 May 2013

> 499

RETAIL PROPERTIES

Real estate report

“The real estate portfolio of Retail Estates NV consists of 499 retail properties located outside the largest cities of Belgium and the Grand Duchy of Luxembourg”

Diversity

Real estate report

1. The market of out-of-town retail properties

Virtually unbridled growth appeared to be possible in the 1980s and the early 1990s. Tighter legislation put an end to this proliferation midway through the 1990s, though. Numerous ‘opportunity seakers’ have since disappeared on account of the growing complexity of the market. The supply of new properties has decreased markedly, but demand has remained stable. This has resulted in rising rents and falling returns. The market of out-of-town retail properties has established its own position alongside city centre retail premises, offices and semi-industrial real estate.

For prime locations, tenants are currently paying annual rents of EUR 135/m^2 in major conurbations, and EUR 100/m^2 in smaller ones, with returns on high-end prime market locations between 6 % and 7 %. Ten years ago, the highest rents amounted to EUR 75/m^2 per year, and returns were between 9 % and 10 %. Between 2006 and 2008, the returns even plummeted to between 6 % and 6.5 %.

The trend of rising rents came to a halt in 2009, with the exception of properties at high-end prime locations.

These two factors – i.e., the increase in the average rent and the decrease in the average return – have reinforced the growth in value of properties at prime locations over the past ten years. Today, the Belgian market of out-of-town retail properties is characterised by considerable stability among long-term investors and tenants.

The difficult economic climate has stabilised rents and returns in the out-of-town retail sector since the end of 2008. In contrast, there has been a marked slump in the other real estate markets.

The best barometer is the rate of unoccupied properties, which has now for several years been below 2 % in the portfolio of Retail Estates NV. Tenants of out-of-town retail properties are fiercely loyal to their sales outlets. This is due to the quality of the location on the one hand, and the granting of socio-economic permits on the other. The permits are issued for buildings, not to tenants. Moreover, this kind of properties are rented out while they are still in the carcass stage (i.e., the shell of the building) and tenants invest signficiant amounts in furnishing the shops, which makes them even less inclined to relocate.

Most tenants are chain stores that have, in recent years, acquired the best sites, often at the expense of local SMEs, which, historically, have always dominated these locations. In this sense, the development that has occurred is similar to what has happened in high streets. On the investment side, the attractive ratio of supply and demand has resulted in increased presence of institutional investors.

Ten institutional investors are now highly active in this segment. Generally speaking, Belgium has very few integrated retail parks, comparable with those found close to every conurbation in countries like the United Kingdom and France. Retail parks in Belgium tend to be small, and are mostly situated in the French-speaking part of the country (Wallonia). The number of foreign institutional investors has decreased over the past year.

A majority of these properties are located adjacent to major peripheral motorways or near residential districts on the outskirts of larger conurbations and they often form clusters which seek proximity to each other.

The contemporary vision of urban and spatial planning embraces greater cohesion and clarity. Increasingly, certain zones are explicitly being earmarked as areas for large retail outlets. These areas have space for further establishments. We cannot exclude the possibility that many new developments may also be of a mixed nature.

Retail Estates NV believes that the designation of existing buildings for new purposes and the elimination of city eyesores constitute a major opportunity. Transforming garages, large furniture stores, and industrial buildings into shops may bring significant added value to our shareholders.

It is labour-intensive to select suitable opportunities and plan and manage these alterations. They require the necessary expertise, but are rewarded with a higher return on rents.

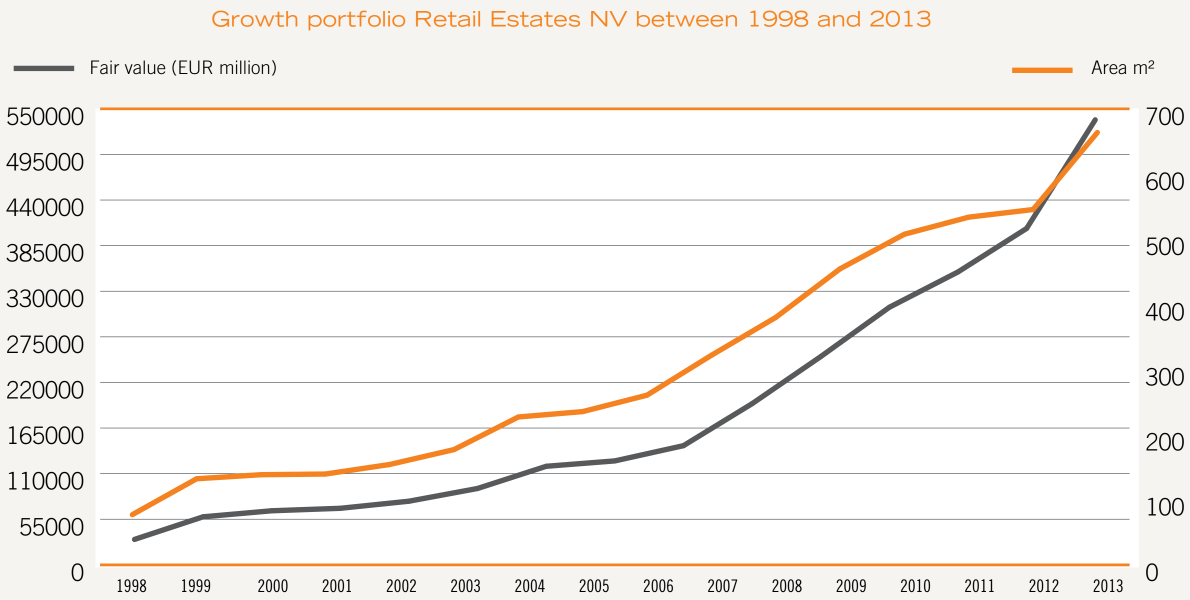
2. The real estate portfolio

Investment strategy and profile

Since 1998, Retail Estates NV has been investing in out-of-town retail properties, alongside roads. Over a period of 15 years, it has established a significant portfolio which, on 31 March 2013, consisted of 499 retail properties, covering a total built-up retail area of 521.452 m². Their fair value totals EUR 675.59 million. The investment value of the real estate portfolio amounts to EUR 691.17 million.

Compared to 31 March 2012, the value of the real estate portfolio of the real estate investment company has increased by 25.70 %. This is the result of acquisitions, as well as the delivery of several properties under its own development.

The occupancy rate is 98.13 %.



Until 31 March 2003: investment value
From 1 April 2004: fair value (valuation according to IFRS inclusive assets held for sale)

Type of building

Definitions

Out-of-town retail properties, are individual retail properties adjacent to the public highway. Every outlet has its own car park and entrance and exit roads, connecting it to the public highway, and making it easily recognisible. In the immediate vicinity, there are, in principle, no retail properties of the same kind.

Retail clusters are a collection of out-of-town retail properties, located along the same traffic axis and, from the consumer's point of view, they form a self-contained whole, although they do not possess a joint infrastructure other than the traffic axis. This is the most typical concentration of out-of-town, retail properties in Belgium.

Retail parks are made up of retail properties that, in conjunction with other shops, form part of an integrated commercial complex. All properties use a central car park with a shared entrance and exit road. This enables consumers to go to several shops without having to move their cars. A location of this kind will typically have at least five properties.

Individual retail properties are built in, or on the edge of, residential districts. Given their location and parking facilities, they are particularly suitable to serve as food shops.

Other real estate consists mainly of offices, residential dwellings, hospitality establishments and a logistics complex at Erembodegem. The Erembodegem site was leased in its totality to Brantano NV under a 27-year lease agreement that cannot be terminated before 31 December 2018. Retail Estates NV only invests in real estate properties used for the aforementioned purposes if they are already embedded in a retail property or are part of a real estate portfolio that can only be acquired as a whole.

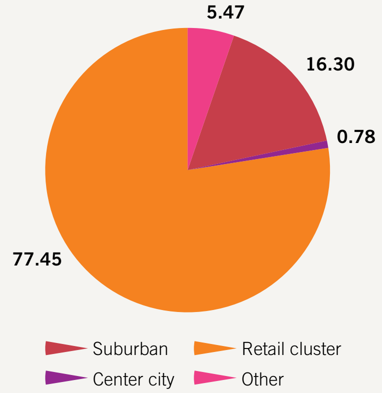
Retail premises under development are premises that form part of a new-build project.

Geographical spread

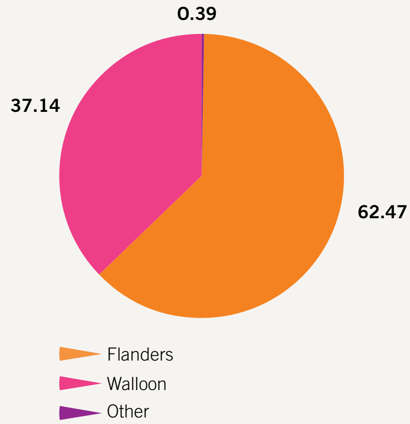
At the time of the incorporation of Retail Estates NV, more than 70 % of its retail properties were located in the Walloon Region. This reflected the far greater supply of out-of-town real estate available in this part of the country.

Since then, the ratio has changed, with 62.47 % of the portfolio located in the Flemish Region, compared to 37.14 % in the Walloon Region. These figures are more in line with the way in which the population is distributed across the two regions.

TYPE OF BUILDING



GEOGRAPHICAL SPREAD



Now, Retail Estates NV also has 1 retail property in the Brussels Region, and another 3 retail properties in the Grand Duchy of Luxembourg.

Commercial activities of tenants

Retailers selling footwear and clothing (28.80 %, compared to 31.49 % last year) and retailers selling food, electrical products and toys, account for more than 56 % of the leased surface area. Both categories provide a stable basis, because they are the least sensitive to economic fluctuations. Moreover, the socio-economic permits for these activities are the most difficult to obtain. This is conducive to an increase in the value of the properties on the one hand and a stronger loyalty to the location on the other.

In the home furnishing sector, which has the biggest margins, there is scope for significant rent increases in favourable economic times. However, this sector is hit hardest when consumer confidence wanes. The share of this segment in the real estate portfolio of Retail Estates NV decreased to 19.37 % (compared to 21.83 % last year).

Tenants: chain stores versus others

Since its incorporation, Retail Estates NV has focused on mainly letting out its properties to chain stores and/or franchise issuers.

For the purposes of this analysis, ‘chain store’ shall mean a large retail company with at least 5 sales outlets and central accounting. Already in 1998, the company was letting out 82 % of its properties to chain stores of this kind. Today, that figure is 92.38 %. These tenants are less sensitive than local independent SMEs to changing conditions in the local market. A temporary local fall in turnover caused by road works, for example, will not cause any liquidity problems capable of jeopardising the payment of rent for chain stores. As most chain stores are organised nationally, and often internationally, they can rely on a strong professional organisation and a marketing unit that can promote the attractiveness of every individual outlet.

They also make significant marketing efforts which can be advantageous to the real estate location.

Rent per m^2

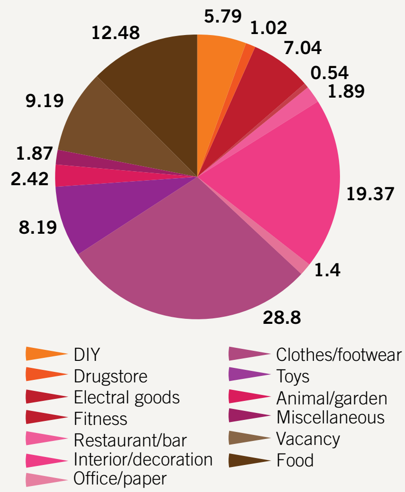
The differences in rent are not only due to the characteristics of the location, but are often also attributable to the term of the lease agreements, which, in the best-case scenario, can be reviewed only every 9 years, or otherwise not until 18 or 27 years later. The demand for long-term lease agreements can be explained by the significant amounts that tenants invest in furnishing the premises, and also by the advantages that long-term contracts offer investors, because the tenant is bound by the rent and will not be keen to renegotiate the rent for fear of putting the outlet at risk.

The average contractual rent per m² amounts to EUR 87.16 per year. Compared to 1998 (EUR 61.15 EUR/m²) this represents an increase of 42.02 %. This increase is partly due to inflation and partly due to the increase in the number of recently established retail properties, which, due to the higher market prices, are typically rented out at higher prices than the average of the existing real estate portfolio.

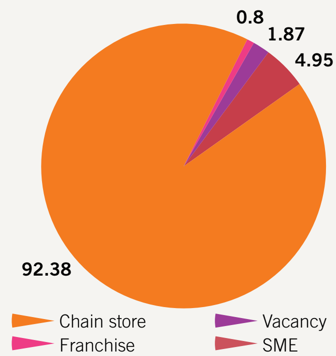
Top 20 tenants

The top 20 tenants of Retail Estates NV represent 57.37 % of the gross rent income, and 53.88 % of the total surface area of the properties in the real estate portfolio. In absolute figures, Brantano NV represents 9.51 % of the rent collection. Brantano NV is followed by Piocheur NV and its affiliated companies Blokker group (5.68 %), FUN (4.55 %), Krëfel (3.96 %) and Carpetland (3.89 %).

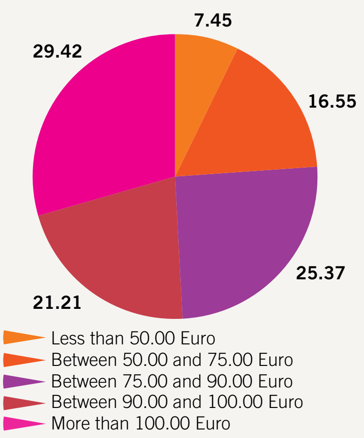
COMMERCIAL ACTIVITIES OF TENANTS



TENANTS: CHAIN STORES VERSUS OTHERS



RENT PER M²



Summary of key figures

	RETAIL ESTATES		
	31.03.13	31.03.12	31.03.11
Estimated fair value	675,592,827	537,472,177	500,641,618
Yield %	6.99%	6.99%	6.99%
Contractual rents	44,183,500,07	35,838,296,44	33,916,318
Contractual rents inclusive value of vacant property	45,144,885,15	36,279,318,29	34,067,945
Total m² in portfolio	521,452	412,628	400,157
Number of premises	499	451	431
Occupancy rate in %	98.13%	98.19%	98.15%
Total retail premises under development m²	**30,000**	**55,000**	**8,000**

Important note

On 31 March 2013, the real estate portfolio of Retail Estates NV consisted of real estate properties owned by Retail Estates NV and its subsidiaries.

Real estate portfolio of Immobilière Distri-Land NV

On 31 March 2013, the real estate portfolio of Immobilière Distri-Land NV consisted of 13 retail properties that have been rented out completely.

All of these retail properties were built before 1989 and are similar to those owned by Retail Estates NV in terms of location and rent.

As more than half of the retail properties are governed by lease agreements that were signed in 1989, and which run until 2016, the rents of the properties are, for historical reasons, lower than those of Retail Estates NV.

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
ANTWERP	**Cluster Antwerp North**	Bredabaan 964-968, 2170 Merksem Bredabaan 1205-1215 2900 Schoten		REDSTORES BVBA LEGIO IMMO BELGIUM NV FUN BELGIUM NV KREFEL NV JBC NV HET BROEKENPALEIS NV MEDINA NV BABY 2000 BVBA TORFS NV			
			14.647		**1.997.758,00**	**2.191.955,00**	**28.778.691,00**
	Cluster Antwerp South	Boomsesteenweg 649-651, 2610 Wilrijk Boomsesteenweg 652, 2610 Wilrijk Boomsesteenweg 941-945, 2610 Wilrijk Antwerpsesteenweg 65, 2630 Aartselaar Boomsesteenweg 62-68/86, 2630 Aartselaar		WONINGHUUR OBEY NV KREFEL NV HANDELSMAATSCHAPPIJ PAUL LAMBRECHTS NV CARPETLAND NV HILTI BELGIUM NV EDENWOOD NV MOBISTAR NV PRO-DUO NV KEUKENONTWERPERS NV SCHRAUWEN BVBA FLEETCARE BVBA VACANT KERAVISIE NV BABY 2000 BVBA SC RETAIL NV BMS NV FUN BELGIUM NV DISTRI AARTSELAAR-TIELT-WINGE KANTOOR			
			24.040		**2.295.112,37**	**2.625.050,00**	**24.565.403,00**
	Cluster Lier	Donk 54/1-54/4, 2500 Lier Antwerpsesteenweg 308/366, 2500 Lier		D&D INTERIEUR NV NEW VANDEN BORRE NV ANISERCO NV HEYTENS BRANTANO NV FUN BELGIUM NV KREFEL NV SLAAPADVIES BVBA BELGACOM MOBILE NV			
			8.293		**763.400,00**	**909.745,00**	**7.516.654,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
	Cluster Mechelen North	Oscar Van Kesbeeck-laan 7, 2800 Mechelen Electriciteitsstraat 39, 2800 Mechelen Guido Gezellelaan 6-20, 2800 Mechelen Liersesteenweg 432, 2800 Mechelen Rode Kruisplein 20, 2800 Mechelen		MAXI ZOO BELGIUM BVBA PRIMO STADION NV BRANTANO NV DEVRESSE SA PRO-DUO NV LEEN BAKKER BELGIE NV DANS- EN EXPRESSIE VZW VEDEA 1885 - DE KROON NV NEW VANDEN BORRE NV VACANT FUN BELGIUM NV PIOCHEUR NV			
			13.919		**1.209.337,00**	**1.392.410,00**	**17.334.736,00**
	Cluster Mechelen South	Brusselsesteenweg 437-441, 2800 Mechelen Geerdegemstraat 148, 2800 Mechelen		SANTANA INTERNATIONAL NV NEW VANDEN BORRE NV REDISCO BVBA TRENDY FASHION NV WONINGHUUR SC RETAIL NV BRANTANO NV LEGIO IMMO BELGIUM NV FROST INVEST NV			
			7.410		**838.631,00**	**852.420,00**	**8.592.356,00**
	Individual peripheral retail properties and others	Slachthuisstraat 27, 2000 Antwerpen Frans Beirenslaan 51, 2150 Borsbeek Laar 26-28, 2400 Mol Geelsebaan 64, 2460 Kasterlee Koningin Astridlaan 88, 2550 Kontich		ALDI RIJKEVORSEL NV CARPETLAND NV NEW VANDEN BORRE NV VACANT ALDI RIJKEVORSEL NV BRANTANO NV			
			6.129		**505.992,00**	**512.326,00**	**7.191.882,00**
Brussels	**Individual peripheral retail properties and others**	Jerusalemstraat 48-50, 1030 Schaarbeek Charleswoestlaan 219-312, 1090 Jette		ALDI CARGOVIL-ZEMST NV RESIDENTIEEL			
			870		**67.975,00**	**69.575,00**	**282.301,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
Hainaut	**Cluster Ath**	Chaussée de Bruxelles, 7800 Ath		AGIK SPRL EURO SHOE UNIE NV DEVRESSE SA JT DOM S.C.R.L.F.S. PREMAMAN NV ALKEN MAES NV PIOCHEUR NV ZEEMAN TEXTIELSUPERS NV MATCH SA ALLO TELECOM SA KRUIDVAT BVBA CHENNEVIER BERTRAND ELECTRO AV NV MONI SPRL			
			5.270		**523.964,21**	**606.050,00**	**6.281.091,00**
	Cluster Châtelet	Rue du Campinaire 72-82, 6250 Aiseau-Presles		OMEGA NV RSDECO AVEVE NV FROST INVEST NV ALDI GEMBLOUX SA EURO SHOE GROUP NV			
			8.051		**677.103,00**	**691.818,00**	**10.564.469,00**
	Cluster Quaregnon	route de Mons 107, 7390 Quaregnon		MAXI TOYS BELGIUM SA MC DONALD'S BELGIUM INC. JCDECAUX BILLBOARD SA REDISCO BVBA BASSANI SPRL			
			2.714		**321.644,69**	**238.590,00**	**3.123.703,00**
	Cluster Tournai	rue des Roselières 10/14, 7503 Froyennes rue des Roseliers 3, 7503 Froyennes Rue de Maire 13a-18E, 7503 Froyennes		CHAUSSURES MANIET SA MOBELCO MEUBLES CARPETLAND NV HEYTENS FROST INVEST NV PIOCHEUR NV CARGLASS NV BRSL SPRL			
			7.030		**662.625,00**	**827.440,00**	**4.175.563,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
	Individual peripheral retail properties and others	Route de Philippeville 402/422, 6010 Couillet Route Nationale 5, 6041 Gosselies Rue Tahon 45, 6041 Gosselies Route de la Basse Sambre 713, 6060 Gilly Rue de la Persévérance 7-9, 6061 Montignies-sur-Sambre Avenue du Centenaire 50, 6061 Montignies-sur-Sambre Rue de Leernes 2, 6140 Fontaine-l'Evêque Chaussée de Mons 322-324, 6150 Anderlues Rue Dewiest 86, 6180 Courcelles Rue des Français 152, 6200 Châtelet Rue de Bertransart 99, 6280 Gerpinnes Rue d'Anderlues 110, 6530 Thuin Chaussée de Binche 50/129 7000 Mons Chée de Ghlin 26, 7000 Mons Rue de la Station 125, 7060 Soignies Chaussée de Roeulx 351-353, 7060 Soignies Avenue de Wallonie 6, 7100 La Louvière Rue Zépherin Fontaine 76A/140, 7130 Binche Rue des bureaux 3B, 7150 Chapelle-lez-Herlaimont Rue de la Perseverance 11-13, 6061 Montignies-sur-Sambre Rue du Grand Hornu 63/77, 7301 Hornu		BRANTANO NV CARPETLAND NV CHARLES VOGELE BELGIUM NV WIBRA BELGIË NV MEGA STORE SPRL E5-MODE NV JBC NV SAY SPRL MATCH SA POINT CARRE SPRL JBC NV MOBISTAR NV DFA1-CENTRE FUNÉRAIRE MARCHANT BVBA PROFI SA JBC NV VACANT LIDL EURO SHOE UNIE NV CODDS SPRL CHARLES VOGELE BELGIUM NV PIOCHEUR NV CASHALLO SPRL AVEVE NV JBC NV BRANTANO NV SOCIÉTÉ D'EXPL. DES MAGASINS BOUM VACANT LEONARDO SPRL LIDL FROST INVEST NV PARDIS SA NEW VANDEN BORRE NV ANISERCO NV CARPETLAND NV			
			31.973		**2.489.034,77**	**2.672.964,00**	**25.137.426,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
LIMBURG	**Cluster Genk-Hasseltweg**	Hasseltweg, 3600 Genk Wilde Kastanjelaan 3, 3600 Genk		KVIK A/S VAN BEUREN INTERIORS BVBA GOBREL SA TOYCHAMP BELGIUM NV SEATS AND SOFAS NV BUDGETSLAGER HOLDING NV ALDI HEUSDEN-ZOLDER			
			7.413		**590.043,00**	**602.590,00**	**6.758.862,00**
	Cluster Lommel	Binnensingel 46-54, 3920 Lommel		AVA PAPIERWAREN NV SPORTSDIRECT COM BELGIUM LIDL LEEN BAKKER BELGIE NV KREFEL NV			
			6.938		**686.932,00**	**650.785,00**	**10.724.969,00**
	Cluster Tongeren	Luikersteeneg 151, 3700 Tongeren		JBC NV GROEP L.B.M. BVBA ADL CONSULT BVBA EURO SHOE GROUP NV AVA PAPIERWAREN NV GOBREL SA BRANTANO NV NEW VANDEN BORRE NV DELHAIZE GROEP LEEN BAKKER BELGIE NV MAXI ZOO BELGIUM DESCARTO NV C.C.I.T. BVBA L. TORFS NV FABRIMODE NV LIDL FROST INVEST NV E5-MODE NV KLEDING VOSSEN NV MONASHEE BVBA EURO SHOE GROUP NV DREAMLAND NV KRUIDVAT BVBA ACTION BELGIUM BVBA DELIEVEC BVBA VACANT			
			30.681		**2.357.850,00**	**2.761.290,00**	**37.886.066,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
	Individual peripheral retail properties and others	Genkersteenweg 160, 3500 Hasselt Grote Baan 212, 3530 Houthalen Vredelaan 34, 3530 Houthalen Majoor Berbenlaan 2, 3630 Maasmechelen Stationsstraat 118, 3920 Lommel Genkersteenweg 247, 3500 Hasselt		PRIMO STATION NV PIOCHEUR NV JBC NV GROUP GL SPAR RETAIL NV RESIDENTIEEL CARPETLAND NV			
			7.588		**474.418,00**	**525.720,00**	**4.814.480,00**
Liège	**Cluster Blegny-Barchon**	Rue Champs de Tignée 2-34, 4671 Barchon		MAX BARCHON SPRL LES PERES NOIRS SA CHAUD DIFFUSION SPRL OPTIC BARCHON SPRL SAKER-GRECO 3D MANAGEMENT SPRL LA GLISSE LA CHINE WOK SPRL JAMAGRE SPRL ATHOME DESIGN SA T.C. BONCELLES SPRL CIRCUS BELGIUM SA LIDL DELHAIZE GROEP PHILIPPE STEVENS SPRL - DIGITHOME BRICOBA SA INGI COIFFURE SPRL SEPTEMBRE 1965 SPRL FORSUN SA			
			11.871		**1.065.419,00**	**1.068.390,00**	**13.824.687,00**
	Cluster Luik Edge of Town	Boulevard Frankignoul, 4000 Liège Boulevard Froidmont 13-21, 4000 Liège Bld Cuivre et Zinc 1-5, 4000 Liège Boulevard Pointcaré 20-26, 4000 Liège Boulevard Froidmont 17-23, 4020 Luik		MAXI TOYS BELGIUM SA QUICK RESTAURANTS SA KREFEL NV LA GRANDE RECRE BELGIQUE SPRL LEEN BAKKER BELGIE NV BURO MARKET NV PIOCHEUR NV ANISERCO NV O'COOL NV KONEN-LEMAIRE ETS. SPRL LEGIO IMMO BELGIUM NV ENGELS LIEGE BVBA ALDI VAUX-SUR-SURE SA DISTRILED LIEGE SPRL			
			14.650		**1.247.878,00**	**1.271.130,00**	**15.517.679,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
	Cluster Liège Herstal	rue des Naiveux 16-44, 4040 Herstal rue de Naiveux 7, 4040 Herstal rue Arnold Delsupexhe 66B, 4040 Herstal		BABY 2000 HASSELT BVBA WINLINE BVBA CHARLES VOGELE BELGIUM NV NEW VANDEN BORRE NV REDISCO BVBA AVA PAPIERWAREN NV			
			5.204		**541.421,53**	**557.796,00**	**4.179.889,00**
	Cluster Verviers	Boulevard des Gérardchamps 118, 4800 Verviers		DELHAIZE GROEP LEEN BAKKER BELGIE NV GEMEENSCHAP DELHAIZE/TOM&CO/LEENBAKKER ANISERCO NV			
			10.576		**591.677,00**	**549.970,00**	**8.214.479,00**
	Individual peripheral retail properties and others	rue de Chafnay 5-7, 4020 Jupille-sur-Meuse rue de Sewage 3, 4100 Seraign Route du Condroz, 4120 Neupré Rue de Huy 63, 4280 Hannut Chaussée Romaine S/N, 4300 Waremme Rue Joseph Wauters 25A, 4500 Huy Quai d'Arona 16, 4500 Huy chaussée de Tirlemont 17, 4520 Wanze Grand Route 502, 4610 Beyne-Heusay Avenue de la Résistance 318, 4630 Soumagne Avenue Reine Astrid 236/242, 4900 Spa rue du Chalet 95, 4920 Aywaille rue du Bay-Bonnet, 6220 Fléron Chaussée de Gilly 38, 6220 Fleurus		PROFI SA SERAING DISCOUNT EUROVENTES SPRL POINT CARRE SPRL BRANTANO NV MAGIC VIDEO SA WININHUUR GREEN TRADING NV F.B.P. SPRL ACTION BELGIUM BVBA VACANT ZANIMO SPRL BRANTANO NV FROST INVEST NV CARGLASS NV ACTION BELGIUM BVBA BRANTANO NV JBC NV BRANTANO NV WONINGHUUR ANISERCO NV PROFI SA LIDL ALDI GEMBLOUX SA			
			17.722		**1.526.412,00**	**1.477.593,00**	**16.048.123,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
Luxembourg	**Cluster Libramont**	Avenue de Bouillon 54, 6800 Libramont rue de Neufchâteau 5, 6800 Libramont-Chevigny Rue de Libin 2-a, 6800 Libramont		PARTY 2000 SPRL VACANT KREFEL NV BRICO ARDENNE SPRL			
			6.927		**579.074,00**	**564.464,00**	**8.691.381,00**
	Cluster Marche-en-Famenne	Avenue de France, 6900 Marche-en-Famenne Chaussée de Liège 13, 6900 Marche-en-Famenne		FROST INVEST NV ZEEMAN TEXTIELSUPERS NV MAXI TOYS BELGIUM SA C&A BELGIË CV DECORAMA SA PIOCHEUR NV LEEN BAKKER BELGIE NV JMBA SPRL BASILE FAMILY SPRL			
			7.296		**809.006,00**	**912.000,00**	**6.276.230,00**
	Cluster Messancy	rue de la Vallée 102-108, 6780 Messancy		PIOCHEUR NV GOBREL SA MAKE SPRL ZEEMAN TEXTIELSUPERS NV ALDI VAUX-SUR-SURE SA			
			4.670		**367.563,00**	**303.550,00**	**5.465.648,00**
	Individual peripheral retail properties and others	Rue de Marche 104, 6600 Bastogne Avenue de la Gare, 6720 Habay-la-neuve Rue de la Girafe 21/25, 6830 Bouillon		JBC NV MAXI MARKET SPRL GB RETAIL ASSOCIATES SA ZEEMAN TEXTIELSUPERS NV OMEGA NV LIDL			
			6.109		**484.345,00**	**472.220,00**	**7.000.095,00**
Namur	**Cluster Dinant**	Tienne de l'Europe, 5500 Dinant		T.H.D. COIFFURE SPRL CASSIS SA CHARTEX SA ELECTRO AV NV VACANT BRANTANO NV LEEN BAKKER BELGIE NV C&A BELGIË CV			
			5.330		**485.497,00**	**479.700,00**	**6.790.613,00**
	Cluster Gembloux	Campagne d'Enée 1-11, 5030 Gembloux		EGGO SA VANDEN BERGH SA AVA PAPIERWAREN NV AUGEM SPRL ELECTRO AV NV TOUT CONFORT SPRL DEVRESSE SA DISTRILED CENTRE BVBA LIDL VACANT			
			8.211		**780.253,00**	**794.960,00**	**11.728.153,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
	Cluster Namur North	rue de Sardanson 20, 5004 Bouge Chaussée de Louvain 261, 5004 Bouge Rue Louis Albert 5-7, 5020 Champion Chaussée de Louvain 562, 5020 Champion Rue Louis Albert 6, 5020 Champion		O'COOL NV FAST FOOD SPRL SECONDE VIE SPRL C&A BELGIE CV CARREFOUR BELGIUM SA PIOCHEUR NV E5-MODE NV BRANTANO NV ALDI GEMBLOUX SA VACANT MAISONS DU MONDE TIAN BAO SPRL VACANT			
			14.954		**1.485.517,00**	**1.493.878,00**	**17.677.397,00**
	Cluster Namur South	Avenue Prince de Liège 115-117, 5100 Jambes Chaussée de Liege, 5100 Jambes Chaussée de Marche 570, 5101 Erpent		BRANTANO NV NEW VANDEN BORRE NV QUICK RESTAURENTS SA KREFEL NV			
			6.175		**489.567,00**	**511.360,00**	**7.466.207,00**
	Cluster Philippeville	rue de Neuville, 5600 Philippeville		C&A BELGIË CV EURO SHOE GROUP NV ALDI GEMBLOUX SA			
			2.936		**233.420,00**	**411.040,00**	**275.033,00**
	Cluster Sambreville	rue Baty des Puis-sances 1;11/2;27, 5190 Jemeppe-sur-Sambre		BRANTANO NV BRICO BELGIUM NV MAXI TOYS BELGIUM SA SOCIÉTÉ D'EXPL. DES MAGASINS BOUM GOBREL SA TP SPORT SPRL			
			5.045		**384.388,00**	**479.275,00**	**4.118.095,00**
	Individual peripheral retail properties and others	Ancien Rivage 73, 5020 Malonne Chaussée de Wavre 42B, 5030 Gembloux Avenue Reine Elisabeth, 5300 Andenne		ANISERCO NV BRANTANO NV MAXI TOYS BELGIUM SA			
			1.972		**201.343,00**	**197.920,00**	**1.900.748,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
East-flanders	**Cluster Dendermonde-Mechelsestwg**	Leopold II-laan, 9200 Dendermonde Mechelsesteenweg 35/51/136/138D/140, 9200 Dendermonde Oude Vest 70, 9200 Dendermonde		DELHAIZE SA BELLOLI BVBA LEEN BAKKER BELGIE NV DISTRI DENDERMONDE-TONGEREN FUN BELGIUM NV KREFEL NV GAM NV HEALTHCITY BELGIE NV VACANT KRUIDVAT BVBA			
			15.037		**1.311.619,00**	**1.648.140,00**	**7.627.022,00**
	Cluster Eeklo	Stationsstraat 76 – Krügercenter, 9900 Eeklo Gentsesteenweg 1a, 9900 Eeklo		JBC NV HANS ANDERS BELGIE BVBA HUNKEMÖLLER BELGIUM NV BELSAY NV PRIMO STADION NV MAGIC SUN 2 VOF C&A BELGIË CV NEW VANDEN BORRE NV PIOCHEUR NV TEAROOM DE KRUGER BVBA DAMART TSD NV HEMA BELGIE BVBA CHARLES VOGELE BELGIUM NV CARPETLAND NV L.TORFS NV BRICO BELGIUM NV LIDL ELECTRO AV NV FITFORM CARREFOUR BELGIUM SA VACANT BRANTANO NV			
			13.142		**1.352.597,00**	**1.263.447,00**	**18.324.225,00**
	Cluster Gent-South	Kortrijksesteenweg 1036/1178/1200, 9051 Sint-Denijs-Westrem Wallenkensstraat 24-28, 9051 Sint-Denijs-Westrem Kortrijksesteenweg 1206, 9051 Sint-Denijs-Westrem		FUN BELGIUM NV HEYTENS AS ADVENTURE NV GDW-GENT BV FINSBURY PROPERTIES NV NEW VANDEN BORRE NV VACANT PIOCHEUR NV PRIMO STADION NV CAVRILO NV CARPETLAND NV			
			12.627		**1.360.107,00**	**1.601.535,00**	**14.388.977,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
	Cluster Sint-Niklaas	Parklaan 50/87, 9100 Sint-Niklaas Plezantstraat 268, 9100 Sint-Niklaas Kapelstraat 119, 9100 Sint-Niklaas		FROST INVEST NV WONINGHUUR FUN BELGIUM NV ALDI ERPE MERE NV IMETAM BVBA			
			5.736		**584.821,00**	**594.480,00**	**5.029.657,00**
	Individual peripheral retail properties and others	Fratersplein 11, 9000 Gent Brusselsesteenweg 662, 9050 Gentbrugge Antwerpsesteenweg 84, 9080 Lochristi Brusselsesteenweg 75, 9090 Melle Zelebaan 67, 9160 Lokeren Oosterzelesteenweg 127, 9230 Wetteren Grote Baan 154, 9250 Waasmunster Gentsesteenweg 442, 9300 Aalst Brusselsesteenweg 120, 9300 Aalst Kwadelapstraat 2, 9320 Erembodegem Brakelsesteenweg 160, 9400 Ninove Astridlaan 38, 9500 Geraardsbergen Provincieweg 266, 9550 Herzele Engelsenlaan 31, 9600 Ronse Noordlaan 5, 9630 Munkzwalm Stationsstraat 162, 9890 Gavere Puitvoetstraat 16, 9100 Sint-Niklaas		LIDL MUYS NV POER-VOE BVBA ARS NV JBC NV BRANTANO NV KREFEL NV LEGIO IMMO BELGIUM NV WONINGHUUR WALAUT NV CARPETLAND NV BRANTANO NV BRANTANO NV MUYS NV KREFEL NV ALDI ERPE MERE NV BRANTANO NV BRANTANO NV VACANT BRANTANO NV MODEMAKERS FASHION NV PROFI SA CARPETLAND NV			
			41.396		**3.237.641,66**	**3.072.451,00**	**41.673.724,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
Flemish Brabant	**Cluster Brussels South-West**	Verlengde Stallestraat 200/Nieuwe Stallestraat 219 , 1620 Drogenbos		AS ADVENTURE NV NEW VANDEN BORRE NV BRANTANO NV			
			4.138		**559.185,00**	**703.460,00**	**6.835.491,00**
	Cluster Halle	Edingsesteenweg 75, 1500 Halle Bergensesteenweg 162/420a/460, 1500 Halle Demaeghtlaan 216-218, 1500 Halle		SC RETAIL NV DEVRESSE SA AVEVE NV BRANTANO NV EUROKITCHEN NV BRANTANO NV			
			7.456		**508.275,00**	**650.545,00**	**6.088.194,00**
	Cluster Kampenhout	Mechelsesteenweg 44/46/93/91/89/89B, 1910 Kampenhout		EURO SHOE UNIE NV FABRIMODE NV PREMAMAN NV PIOCHEUR NV B&C KEUKENS NV ZEEMAN TEXTIELSUPERS NV NORDEX NV			
			4.536		**425.414,00**	**521.640,00**	**2.107.682,00**
	Cluster Leuven East	Tiensesteenweg 370/393/410, 3360 Korbeek-Lo		PRIMO STADION NV SANTANA INTERNATIONAL NV FUN BELGIUM NV			
			4.047		**451.835,00**	**439.409,00**	**5.291.025,00**
	Cluster Sint-Joris-Winge	Aarschotsesteenweg 9, 3390 Sint-Joris-Winge		BRANTANO NV FUN BELGIUM NV AS ADVENTURE NV			
			6.371		**786.874,00**	**759.100,00**	**12.498.583,00**
	Cluster Zaventem	Leuvensesteenweg 375, 1930 Zaventem Leuvensesteenweg 8, 1932 Sint-Stevens-Woluwe Jozef Van Damstraat 3C, 1932 Sint-Stevens-Woluwe		CARPETLAND NV VONIKA BVBA BELGA FILMS SA PROMO SAPIENS NV E-LOGISTICS VACANT SND SA ANISERCO NV ZEEMAN TEXTIELSUPERS NV KRUIDVAT BVBA SPAR RETAIL NV			
			13.950		**985.876,00**	**1.027.180,00**	**13.957.982,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
	Individual peripheral retail properties and others	Waterloosesteenweg 39, 1640 Sint-Genesius-Rode Ninoofsesteenweg 386, 1700 Dilbeek Assesteenweg 66, 1740 Ternat Schaarbeeklei 115, 1800 Vilvoorde Goudbloemstraat 2-4, 1800 Vilvoorde Waardbeekdreef 6, 1850 Grimbergen Hoogstraat 7/7A, 1930 Zaventem Brusselsesteenweg 4, 3020 Herent Leuvensesteenweg 16/168, 3290 Diest Leuvenselaan 210, 3300 Tienen Reizigersstraat 77, 3300 Tienen		CEMEPRO SPRL BRANTANO NV BRANTANO NV DEVOTEC BVBA JBC NV WONINGHUUR BRANTANO NV ALDI CARGOVIL-ZEMST NV WONINGHUUR BRANTANO NV LEEN BAKKER BELGIE NV PIOCHEUR NV BRANTANO NV JBC NV			
			15.777		**1.436.470,00**	**1.400.765,00**	**15.681.948,00**
Walloon Brabant	**Cluster Wavre**	Avenue Reine Astrid 4/6, 1300 Wavre Rue Pont du Christ 7/32, 1300 Wavre		BRANTANO NV CLUB SA VACANT			
			2.817		**383.644,00**	**463.580,00**	**6.723.297,00**
	Individual peripheral retail properties and others	rue de Volontaires 4, 1332 Genval Rue du Bosquet 10 en 10A, 1370 Jodoigne Avenue de Centenaire 42, 1400 Nivelles Rue du Tienne à deux vallées 3, 1400 Nivelles Brusselsesteenweg 551, 1410 Waterloo Grand Route 49, 1435 Corbais		DELITRAITEUR SA DELHAIZE GROEP BRICO BELGIUM NV PARDIS SA CARPETLAND NV CHAUSSURES MANIET SA			
			6.675		**592.206,00**	**658.034,00**	**6.065.893,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
West-Flanders	**Cluster Bruges North**	Sint-Pieterskaai 20-21, 8000 Brugge Sint-Pieterszuidstraat en Veemarktstraat, 8000 Brugge		GOBREL SA HEMA BELGIE BVBA VACANT ZEEMAN TEXTIELSUPERS NV ACTION BELGIUM BVBA ADL CONSULT BVBA OMEGA NV LIDL REDISCO BVBA DREAMBABY NV MAXI ZOO BELGIUM BVBA LEEN BAKKER BELGIE NV EURO SHOE GROUP NV VACANT			
			14.282		**978.461,00**	**1.068.675,00**	**15.938.475,00**
	Cluster Bruges East	Maalsesteenweg 166/255, 8310 Sint-Kruis Maalsesteenweg 232, 8310 Sint-Kruis		CARPETLAND NV C&A BELGIË CV AS ADVENTURE NV			
			4.010		**469.996,00**	**471.920,00**	**3.771.138,00**
	Cluster Kortrijk North	Ringlaan 11/32, 8500 Kortrijk Ter Ferrants 1-4, 8520 Kuurne Ringlaan Noord 4, 8520 Kuurne		I & S FASHION NV JBC NV IMETAM BVBA DE MAMBO BVBA NEW VANDEN BORRE NV ETS. INFORMATICS FROST INVEST NV LEEN BAKKER BELGIE NV AVA PAPIERWAREN NV PRIMO STADION NV ACTION BELGIUM BVBA CARPETLAND NV			
			13.529		**1.060.233,00**	**1.278.255,00**	**9.809.699,00**
	Cluster Roeselare	Brugsestraat 377, 8800 Roeselare Brugsesteen-weg 363/356A-356C/508-510/524, 8800 Roeselare		BRICO BELGIUM NV ANISERCO NV IMETAM BVBA BELGIAN POSTERS SEATS AND SOFAS NV NEW VANDEN BORRE NV OMEGA NV VACANT			
			12.903		**1.289.871,00**	**1.216.205,00**	**16.039.267,00**

Province	Cluster	Address	Gross area (m²)	Tenants	Rental income	ERV	Acquisition value
	Individual peripheral retail properties and others	Torhoutsestraat 45, 8020 Ruddervoorde Torhoutsesteenweg 610, 8400 Oostende Biezenstraat 16, 8430 Middelkerke Koninklijke Baan 228, 8670 Koksijde Gentstraat 13, 8760 Meulebeke Vijfseweg, 8790 Waregem Frankrijklaan 2, 8970 Poperinge		MATCH SA IMETAM BVBA ELECTRO AV NV REDISCO BVBA BRANTANO NV ALDI ROESELARE NV C&A BELGIË CV OMEGA NV			
			8.646		**725.349,00**	**703.479,00**	**9.830.684,00**
Luxembourg	**Cluster Strassen**	Route d'Arlon 345-346-347, 1445 Strassen		HEYTENS DECORLUX BRANTANO LUXEMBURG LES JARDINS DU LUXEMBOURG			
			2.000		**446.766,00**	**480.000,00**	**6.422.270,00**

On May 27, 2013 there are empty premises in Zaventem, Mol, Wilrijk, Mechelen, Hannut, Gembloux, Gerpinnes, Libramont, Binche, Brugge, Dendermonde and Eeklo. It involves a total of 1.87% of the total portfolio.


AVA
AVA
MAISONS DU MONDE
MAISONS DU MONDE
SORTIE
ENTREE
Vanden Borre

3. Reports of real estate experts

Report by Cushman & Wakefield

This report covers **312** premises which are part of the real estate portfolio of Retail Estates NV and its subsidiaries.

We have the pleasure of providing you with our valuation as of 31 March 2013, which covers the portfolio of both Retail Estates and Distriland.

We confirm that we carried out this task as independent expert. We also confirm that our valuation was carried out in accordance with the national and international standards and their application procedures, amongst other in the valuation of “sicafi” (Belgian Reit) – (According to the present decisions. We preserve ourselves the right to review our valuation in case of modified decisions).

The fair value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. This definition corresponds to our definition of the market value.

The sale of a building is in theory subject to transfer rights collected by the government. This amount depends amongst other on the transfer manner, the profile of the purchaser and the geographical situation of the building. The first two conditions and the amount to pay for the rights is only known when the sale has been concluded. As independent experts, we confirm that on the basis of a representative sample of the market (between 2002 and 2005) the weighted average of the rights (average transfer costs) is 2.5 % (for goods with a higher value than EUR 2,500,000)

The properties are here considered as a portfolio.

Our investment value is based on the capitalisation with a Gross Yield of the passing rent, taking into account possible corrections like vacancy, step-rents, rent-free periods, etc. The Gross yield is depending on current output on the investment market, taking into account the location, the suitability of the site, the quality of the tenant and the building on the moment of the valuation.

In order to calculate the investment value of the retail park in Tongeren, we have capitalized its adjusted market rent. After we have determined per unit an individual market rent (= estimated rental value (ERV)) we calculate the adjusted market rent (AMR). Two cases can occur:

1. In those cases where the current passing rent (PR) is under this ERV, it is unlikely that in contract renewals with sitting tenants, the full ERV will be attained. It is standard market practice to take into account that no more than 60 % of the gap between the actual passing rent

and the ERV can be bridged in renegotiations. This mainly due to the high legal protection for sitting tenants under Belgian commerce law.

2. When now the market rent (ERV) is under the passing rent however, the highest rent a landlord should hope to achieve is the market rent. Since, being prudent, one should assume that the sitting tenant will use the break to negotiate his rent downward and bring it in line with the market.

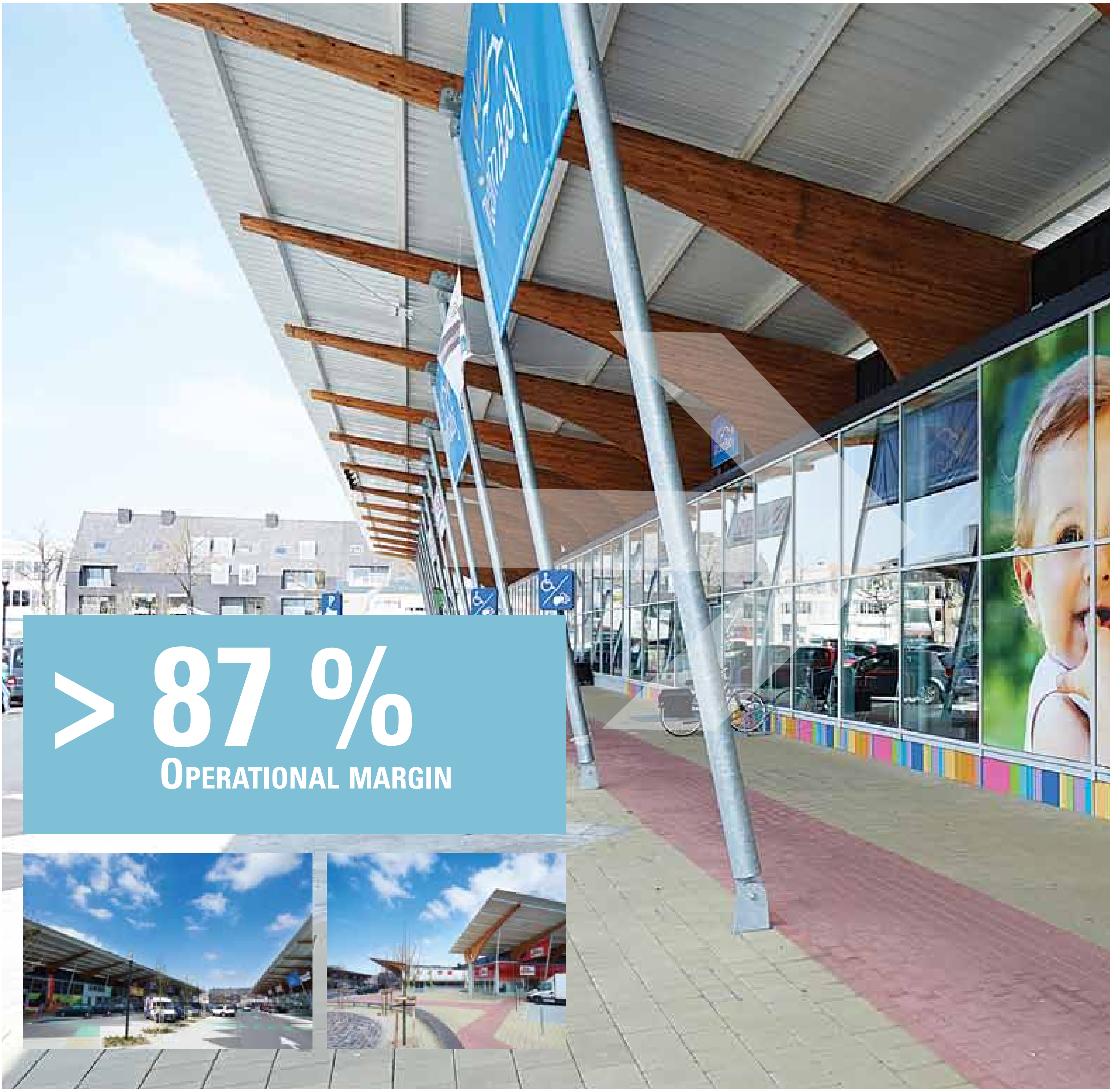
The portfolio of Distri-Land Immobilière NV has as at **31/03/2013 an investment value (corrections incl.**) of **19,819,049 EUR** and a **Fair Value** of **19,335,657 EUR**. The investment value, in absolute terms, increased with 9.16 %.compared to 31/12/2012. This gives a **yield** of **7.24 %** for Distri-Land.

We obtain an **Investment Value (corrections incl.)** as at **31/03/2013** for the portfolio [1] of **404,140,696 EUR** and a **Fair Value** of **394,443,931 EUR**. On the basis of the investment value, the portfolio increases in absolute terms with 1.47 % compared to 31/12/2012, due to the indexations, some refurbishments and renewals. This gives a **yield** of **6.92 %** to the portfolio.

Report by CBRE

The CBRE report, dated 31 March 2013, is a report on **187** real estate properties belonging to Retail Estates NV and its subsidiaries. The **investment value** of these real estate properties is estimated at **EUR 266.93 million** and the fair value at **EUR 260.42 million**. These properties represent a collectable rent of EUR 18.68 million, which represents a **gross return** of **6.82 %**.

1 Portfolio : Retail Estates NV + Belgium Retail 1 Luxembourg + Distri-Land + Tongeren



> 87 %
Operational margin

Financial report

"The investment domain provides the business with a solid operational foundation"

1A. CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (in '000 €)	Notes	31.03.13	31.03.12
Rental income	1	42,027	35,762
Rental related expenses	2	-625	-290
Net rental income		**41,402**	**35,473**
Recovery of property expenses			
Recovery of rental charges and taxes normally payable by tenants on let properties	3	3,638	2,883
Charges and taxes normally payable by tenants on let properties	4	-4,052	-3,108
Other rental related income and expenses	5	-29	-45
Property result		**40,959**	**35,204**
Technical costs	6	-1,059	-1,062
Commercial costs	7	-128	-119
Charges and taxes on unlet properties	8	-140	-81
Property management costs	9	-1,220	-900
Other property charges	10	-2	-5
Property charges		**-2,549**	**-2,165**
Operating property result		**38,410**	**33,038**
Corporate operating costs	11	-2,263	-2,194
Other current operating income and expenses			
Operating result before result on portfolio		**36,147**	**30,844**
Result on disposals of investment property	12	303	-50
Result on sales of other non-financial assets			
Change in fair value of investment properties	13	8,579	9,396
Operating result		**45,029**	**40,191**
Financial income	14	898	1,045
Interest charges	15	-15,594	-13,962
Other financial charges	16	-75	-61

INCOME STATEMENT (in '000 €)	Notes	31,03,13	31,03,12
Financial result		-14,771	**-12,977**
Result before taxes		30,258	**27,213**
Taxes	17	-676	**147**
Net result		29,582	**27,360**
Attributable to:			
Shareholders of the group		29,582	27,360
Note:			
Net Current Result (share group)[1]		20,700	18,014
Result on portfolio		8,882	9,346

EARNINGS PER SHARE	Notes	31.03.13	31.03.12
Number of ordinary shares	18	5,813,122	5,437,074
Weighted average number of shares	18	5,717,073	5,317,934
Net profit per ordinary share (in €)	20	5.17	5.14
Diluted net profit per share (in €)	20	5.17	5.14
Distributable result per share (in €)	20	3.59	3.32
Net current result per share (in €)[2]		3.62	3.39

1 The net current result is calculated as follows: net result excluding changes in fair value of investment properties and exclusive the result on disposal of investment properties.

2 The net current result per share is calculated from the weighted average number of shares, counted from the time of issue (which does not necessarily coincide with first dividend entitlement date). Calculated on the number of dividend-entitled shares, net current result per share amounts to EUR 3.56 at 31.03.2013 versus EUR 3.34 at 31.03.2013 per share.

1B. Components of the total result

Components of the total result (Statement of other comprehensive income) - (in '000 €)	31.03.13	31.03.12
Net result	29,582	27,360
Other elements of the total result		
Impact on fair value of estimated transfer taxes and costs resulting from the hypothetical disposal of investment properties	-1,618	-1,696
Changes in fair value of financial assets and liabilities	-3,905	-17,091
TOTAL RESULT	24,059	**8,573**

2. CONSOLIDATED BALANCE SHEET

ASSETS (in '000 €)	Notes	31.03.13	31.03.12
Non-current Assets		676,003	**537,938**
Goodwill			
Intangible assets	21	56	82
Investment properties	22	675,593	537,472
Other tangible fixed assets	21	352	363
Financial assets	23		
Trade receivables and other non-current assets	24	2	21
Current Assets		11,509	**17,006**
Fixed assets or group of fixed assets held for sale	25	7,488	13,159
Trade receivables	26	716	495
Tax receivables and other current assets	27	1,084	1,216
Cash and cash equivalents	28	1,879	1,450
Deferred charges and accrued income	29	342	686
TOTAL ASSETS		687,511	**554,944**

SHAREHOLDERS' EQUITY AND LIABILITIES (in '000 €)	Notes	31.03.13	31.03.12
Shareholders' equity		269,588	**241,336**
Shareholders' equity attributable to the shareholders of the parent company		269,588	**241,336**
Capital	30	129,389	121,174
Issue premiums	31	52,857	43,268
Reserves	32	57,760	49,533
Net result of the financial year		29,582	27,360
Minority interests			
Liabilities		417,923	**313,608**
Non-current liabilities		374,279	285,561
Provision		125	
Non-current financial debts	38	330,089	257,423
Credit institutions		330,089	257,423
Financial lease			
Other non-current liabilities	34	44,065	28,139

SHAREHOLDERS' EQUITY AND LIABILITIES (in '000 €)	Bijlagen	31.03.13	31.03.12
Current liabilities		43,644	28,047
Current financial debts	38	16,577	16,215
Credit institutions		16,577	16,215
Financial lease			
Trade debts and other current debts	35	15,645	9,687
Other current liabilities	36	9,246	164
Accrued charges and deferred income	37	2,176	1,981
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		687,511	**554,944**

DEBT RATIO	31.03.13	31.03.12
Debt ratio (1)	55.75%	51.08%

NET ASSET VALUE PER SHARE (in €) – SHARE GROUP	31.03.13	31.03.12
Net asset value per share (fair value) (2)	46.38	44.39
Net asset value per share (investment value) (3)	49.09	46.99
Net asset value per share (fair value) (2) ex dividend	43.48	41.59
Net asset value per share (investment value) (3) ex dividend	46.19	44.19
Net asset value per share (fair value) (4) ex dividend ex IAS 39	48.66	46.40
Net asset value per share (investment value) (5) ex dividend ex IAS 39	51.37	49.01

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

(2) The net asset value per share (fair value) is calculated as follows: Shareholders' equity divided by the number of shares.

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

(4) Net asset value per share (fair value) ex dividend ex IAS 39 is calculated as follows: shareholders' equity (excluding changes in the effective part of the fair value of the permitted hedging instruments in a cash flow hedge as defined in IFRS and exclusive dividend) divided by number of shares.

(5) Net asset value per share (investment value) ex dividend ex IAS 39 is calculated as follows: shareholders' equity (excluding the impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties, exclusive changes in the effective part of the fair value of the permitted hedging instruments in a cash flow hedge as defined in IFRS and exclusive dividend) divided by number of shares.

STATEMENT OF CHANGES IN EQUITY
(in '000 €)

	Capital ordinary shares	Issue premiums
Balance sheet as at 31 March 2011 (IFRS)	**112,989**	**33,418**
- Net appropriation of profits 2011-2012		
- Transfer of the result on the portfolio to the reserves		
- Transfer of net current result to reserves		
- Reclassification between reserves		
- Dividends of financial year 2010-2011		
- Capital increase by way of contribution in kind	8,446	9,850
- Minority interests		
- Costs of capital increase	-261	
- Others		
- Total result 31/03/2012		
Balance sheet as at 31 March 2012 (IFRS)	**121,174**	**43,268**
- Net appropriation of profits 2012-2013		
- Transfer of the result on the portfolio to the reserves		
- Transfer of the net current result to the reserves		
- Reclassification between reserves		
- Dividends financial year 2011-2012		
- Capital increase by way of contribution in kind	8,461	9,589
- Minority interests		
- Costs of capital increase	-246	
- Others		
- Total result 31/03/2013		
Balance sheet as at 31 March 2013 (IFRS)	129,389	52,857

* Reserves in detail (in '000 €)	Legal reserve	Reserves for the positive/negative balance of changes in fair value of real estate properties	Available reserves
Balance sheet at 31 March 2011 (IFRS)	**334**	**63,875**	**2,496**
- Net appropriation of profits 2011-2012			
- Transfer of the result on the portfolio to the reserves		10,395	
- Transfer of net current result to reserves			
- Reclassification between reserves	35	-1,537	1,537
- Capital increase by way of contribution in kind			
- Minority interests			
- Costs of capital increase			
- Others		-1,681	
- Total result 31/03/2012			
Balance sheet as at 31 March 2012 (IFRS)	**369**	**71,052**	**4,033**
- Net appropriation of profits 2012-2013			
- Transfer of the result on the portfolio to the reserves		9,396	
- Transfer of net current result to reserves			
- Reclassification between reserves	51	-5,398	5,398
- Capital increase by way of contribution in kind			
- Minority interests			
- Costs of capital increase			
- Others		1,725[1]	
- Total result 31/03/2013			
Balance sheet as at 31 March 2013 (IFRS)	420	76,775	9,431

1 It consists of a decrease of 1,679 in valuation of non-cultivated land Westende. This decrease is processed through a variable price adjustment in the contract.

Reserves *	Net result of the financial year	Minority interests	Total shareholders' equity
56,509	**26,692**		**229,608**
			-
10,395	-10,395		-
2,844	-2,844		-
	0		-
	-13,453		-13,453
			18,296
			0
			-261
-1,427			-1,427
-18,787	27,360		8,573
49,534	**27,360**		**241,336**
			0
9,396	-9,396		0
2,857	-2,857		0
			0
	-15,107		-15,107
			18,050
			0
			-246
1,496			1,496
-5,523	29,582		24,059
57,760	29,582	0	269,588

Impact on fair value of estimated transfer taxes and costs resulting from the hypothetical disposal of investment properties	Reserve for the balance of changes in fair value of authorized hedging instruments qualifying for hedge accounting as defined by IFRS	Result carried forward from previous financial years	TOTAL
-12,449	**-9,096**	**11,349**	**56,509**
			10,395
		2,844	2,844
		-35	0
		254	-1,427
-1,696	-17,091		-18,787
-14,145	**-26,187**	**14,412**	**49,534**
			9,396
			0
		2,857	2,857
229		-280	0
			0
			0
			0
-229			1,496
-1,618	-3,905		-5,523
-15,763	-30,092	16,989	57,760

4. CONSOLIDATED CASH-FLOW REVIEW

(in '000 €)	31.03.13	31.03.12
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	1,450	**1,150**
1. Cash-flow from operating activities	15,355	**20,054**
Net result of the financial year:	29,582	**27,360**
Operating result	45,029	40,191
Interest paid	-15,060	-13,508
Interest received	8	33
Dividends received		
Corporate taxes paid	-6,703	-1,164
Accrued interest	5,417	
Other	891	1,808
Non-cash elements to be added/deducted from the result	-9,183	**-9,136**
* Depreciations and write-downs		
– Depreciations / write-downs (or write backs) on tangible and intangible assets	176	177
– Depreciations / write-downs (or write backs) on trade receivables	-42	33
* Other non-cash elements		
– Changes in fair value of investment properties	-8,579	-9,396
– Profit on sale of investment properties	-303	50
* Others	-435	
Change in working capital requirements:	-5,044	**1,831**
* Movement of assets:		
– Trade receivables and Other receivables	-116	876
– Tax receivables and other current assets	132	1,266
– Deferred charges and accrued income	362	-482
* Movement of liabilities:		
– Trade debts and other current debts	4,267	646
– Other current liabilities	-9,857	-197
– Accrued charges and deferred income	167	-279

(in '000 €)	31.03.13	31.03.12
2. Cash-flow from investment activities	**-58,182**	**-10,169**
Purchase of intangible assets	-14	-60
Purchase of investment properties	-48,262	-25,614
Disposal of investment properties	19,299	17,426
Purchase of shares of real estate companies	-29,099	-1,697
Disposal of shares of real estate companies		
Purchase of other tangible assets	-124	-223
Disposal of non-current financial assets		
Income from trade receivables and other non-current assets	18	
Disposal of assets held for sale		
3. Cash-flow from financing activities	**43,256**	**-9,584**
* Change in financial liabilities and financial debts		
– Increase in financial debts	69,077	26,480
– Decrease in financial debts	-17,662	-22,242
* Change in other liabilities		
– Increase (+) / Decrease (-) of other liabilities	-843	-108
– Increase (+) / Decrease (-) of other debts		
– Decrease of minority interests		
* Dividends		
– Dividend for the previous financial year (-)	-7,070	-13,453
* Costs of capital increase	-246	-261
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**1,879**	**1,450**

Financial report

1. Notes to the consolidated annual accounts

General company information

Retail Estates NV ("the Company") is a fixed-capital real estate investment fund ("bevak"/"sicafi") governed by Belgian law. Its registered office is located in Ternat.

The consolidated annual accounts of the Company for the financial year which ended on 31 March 2012 comprise the Company and its subsidiaries (the "Group"). The annual accounts were approved for publication by the board of directors on 27 May 2013 and will be submitted for approval to the annual shareholders' meeting on 5 July 2013.

Important principles for financial reporting

Statement of conformity

The consolidated annual accounts are drawn up in accordance with accounting standards which are consistent with the International Financial Reporting Standards as implemented by the Belgian Royal Decree of 7 December 2010 on real estate investment funds and amending the Belgian Royal Decree of 10 April 1995 on fixed-capital real estate investment funds.

Determining the fair value of the investment properties in accordance with IAS 40, the independent real estate expert deducts an estimated amount of transfer taxes and costs from investment properties. The impact on the fair value of investment properties as a result of these estimated transfer taxes and costs in case of a hypothetical disposal of investment properties is processed directly in the shareholders' equity on the account "Impact on fair value of estimated transfer taxes and costs resulting from the hypothetical disposal of investment properties", as explicitly provided by the aforementioned Royal Decree. During the financial years ending on 31 March 2013 and 31 March 2012, the respective amounts of EUR 1.62 million and EUR 1.70 million were recognised directly in the shareholders' equity in this account.

Application of IFRS 3 Business Combinations

Corporate transactions of the past financial year were not processed as business combinations such as required under IFRS 3 definition, based on the conclusion that this definition is not applicable, given the nature and the size of the acquired companies. The companies in question own a limited number of properties which are not intended to be kept on as independent businesses. The companies are fully or proportionally consolidated through the application of IAS 40. We refer for this matter also to note 45.

New or amended standards and interpretations, applicable in 2012

Following by IASB modified standards and by IFRIC published interpretations are effective for the current period but have no effect on the presentation, the notes or the financial results of the Group: IFRS 7 – Financial instruments : disclosures (01/07/2011).

New or amended standards and interpretations not yet in force

The following standards, amended by the IASB, and the following interpretations issued by the IFRIC are applicable to the current period but have no effect on the presentation, the notes or the financial results of the Group: IFRS 7 – Financial instruments: Disclosures (01/07/2011).

New or amended standards and interpretations not yet in force

IFRS 13 – Fair Value Measurement is applicable to the financial years starting on or after 1 January 2013. This standard will amend the disclosure obligations of the fixed-capital investment fund, depending on the classification of the investment properties in level 1, 2 or 3. These disclosures will be included in the annual report regarding the financial year 2013-2014.

The following amendments, which will be applicable as of next year or afterwards, will not have an impact on the presentation, the notes or the financial results of the Group:

- IFRS 9 *Financial Instruments and subsequent amendments* (normally applicable for annual periods beginning on or after 1 January 2015)
- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 13 *Fair Value Measurement* (applicable for annual periods beginning on or after 1 January 2013)
- IAS 27 *Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2014)
- Improvements to IFRS (2009-2011) (normally applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Government Loans* (normally applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 – *Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities* (applicable for annual periods beginning on or after 1 January 2014)

- Amendments to IAS 1 *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income* (applicable for annual periods beginning on or after 1 July 2012)
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 19 *Employee Benefits* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable for annual periods beginning on or after 1 January 2013).

Presentation principles

The financial information is drawn up in EUR, and is rounded off to the nearest thousand. The companies of the Group also do their accounting in EUR.

Below is a summary of the most important principles for financial reporting. The accounting principles were applied consistently throughout the relevant period.

Consolidation principles

The companies controlled by the Group are consolidated through the application of the full consolidation method.

Full consolidation consists in incorporating all the assets and liabilities of the consolidated companies, as well as the costs and revenues, whereby the necessary eliminations are carried out.

"Control" is defined as the ability of Retail Estates NV to determine, directly or indirectly, the financial and operational policy of the subsidiary, with the objective of acquiring benefits from the real estate activities of the given company.

In order to apply the full consolidation method to certificates one is, in addition to controlling the issuing company, also required to own 75 % of the number of certificates issued. In this case, a debt is acknowledged, for the real estate certificates not owned by the company to the holders of certificates.

Only the interests held in the real estate certificate "Wickes Tournai, Mechelen,..." were eligible in this respect. This real estate certificate was sold on 31 October 2009.

Foreign currency conversion

Foreign currency transactions are booked by applying the exchange rate valid on the transaction date. Monetary assets and liabilities in foreign currencies are valued by applying the closing rate on the balance sheet date. Exchange rate differences ensuing from foreign currency transactions, and conversion of monetary assets and liabilities into foreign currencies, are booked in the income statement in the period in which they occur. Non-monetary assets and liabilities in foreign currencies are converted at the exchange rate valid on the transaction date.

Financial instruments

Fair value hedge accounting

The Group uses financial derivatives (interest rate swaps) to hedge against interest rate risks arising from operational, financial and investment activities. Derivative financial products are initially valued at their cost price and revalued to their fair value on the subsequent reporting date.

After the initial recognition, the financial derivatives are valued in the annual accounts at their fair value.

Gains or losses resulting from changes in the fair value of the financial derivatives are immediately recognised in the income statement unless a derivative meets the conditions for hedge accounting.

The fair value of the financial interest rate derivatives is the amount that the company expects to receive or pay if the financial interest rate derivative is terminated as of the balance sheet date, whereby the prevailing interest rate and the credit risk of the counterparty in question are also taken into account.

Cash flow hedge accounting

If a financial derivative can be documented as an effective hedge against any cash flow fluctuations, attributable to a risk linked to an asset or liability, or a highly probable future transaction, the part of the result ensuing from the value change of the financial interest rate derivative that has been recognised as an effective hedge, is posted directly to equity under "Changes in the fair value of financial assets and liabilities". The ineffective part of the financial interest rate derivative is recognised in the income statement.

Goodwill

In accordance with IFRS 3, goodwill is not amortised, but subjected to an annual impairment loss test.

Investment properties

Valuation at initial recognition

Investment properties comprise all real estate properties that are ready to be let. Investment properties are initially valued at acquisition cost, including additional expenses and non-deductible VAT. Also the exit tax, owned by companies over which the fixed-capital investment fund acquires direct or indirect control, is part of the acquisition cost (it is in principle deducted from the value of the underlying property, given that it is a tax on the latent capital gain existing in the acquired company prior to the acquisition), unless these companies do not qualify for a merger with the fixed-capital investment fund (as decided by the board of directors, currently only applicable to Finsbury Properties NV). The commissions related to the acquisition of the buildings are regarded as additional costs of the acquisition and are added to the acquisition cost.

Valuation after initial recognition

At the end of each quarter, an independent real estate expert provides an exact assessment of the following items:

- the real properties, the real properties by function, and the rights in rem over real properties held by Retail Estates NV or, where appropriate, by a subsidiary real estate company it controls;

- the option rights over real properties held by Retail Estates NV or, where appropriate, by a subsidiary real estate company it controls, as well as the real properties to which these rights apply;

- the contract rights by which one or more real property assets are leased to Retail Estates NV or, where appropriate, to a subsidiary real estate company it controls, as well as the underlying real property assets.

The experts perform their assessments in accordance with national and international standards and their application procedures, including those in the field of the valuation of fixed-capital real estate investment funds (according to the provisional decrees, the experts reserve the right to adapt the valuation in the event of any amendments to the decrees). The fair value is defined as the most likely value that can be reasonably obtained between knowledgeable and willing parties in normal selling conditions. Subsequently, a transfer-tax estimate is deducted from this value. Therefore, the fair value of the asset is obtained in this way, in accordance with the provisions of IAS 40. The estimated amount of transfer taxes is valued at a flat rate set at 2.5 % (see note 22 – investment properties).

Any gains or losses resulting from the fluctuation in the fair value of an investment property are recognised in the income statement in the period in which they occur and, at the appropriation of profit, assigned to the available reserves.

Expenditure for works on investment property

The expenditure for works on investment properties is charged to the operating real property result if the expenditure has no positive effect on the expected future economic benefits, and is capitalised if it substantially increases the expected economic benefits that it brings to the entity. In principle, there are two major types of expenditure:

a) the costs of maintenance and repairs to roofs and parking areas: these are charged to the operating real property result;

b) costs of major transformation and renovation works: transformations are one-off projects that add an additional function to the building or considerably improve the existing comfort so as to increase the rental price and/or rental value. These costs relate to materials, fees, contacting works and the like. Internal management and supervisory costs are not capitalised. As soon as they are commenced, such works are included in the assessed value of the building in question (initially on a provisional basis and then definitively following a visit by the real estate expert). Work which is still to be done is deducted from the valuation; once it has been done, these costs are capitalised and thus added to the fair value of the investment properties.

Disposal of an investment property

The gains or losses realised from the sale of an investment property are classified as “result from sales of investment properties” and are allocated to the retained earnings upon the appropriation of results. The commissions paid for sales, the transaction charges, and the liabilities resulting from transactions are deducted from the selling price in order to determine the gain or loss realised.

Project developments

Under the revised IAS-40 standard, project developments are included in the investment properties. If purchased, they are valued against the acquisition value, including incidental costs and non-deductible VAT.

After the initial recognition, the projects are valued at fair value if they are contracted, licensed and rented. This fair value is based on the valuation by the real estate expert after deducting the work that is still to be performed.

A project can relate to a plot of land, a building to be demolished, or an existing building whose purpose is to be changed, requiring considerable renovation work to realise the desired purpose.

Other tangible fixed assets

The tangible fixed assets other than land and buildings, whose use is limited in time, are valued at acquisition cost, and then depreciated over their expected useful life using the straight-line method.

In the financial year of the investment, depreciation is recorded pro rata to the number of months that the asset was in use.

The following annual depreciation and amortisation percentages apply:

- Facilities, machinery and equipment	20 %
- Furniture	10 %
- Vehicles	20-33 %
- IT equipment	33 %
- Standard software	33 %
- Tailor-made software	20-25 %

Leased equipment is depreciated over the contractual period of the lease.

If there are indications that an asset may have suffered an impairment loss, the carrying amount is compared with the realisable value.

If the carrying amount is higher than the realisable value, an impairment loss is recognised.

When other tangible fixed assets are sold or retired, their carrying amount ceases to be recognised in the balance sheet and the gain or loss is recognised in the income statement.

Trade accounts receivable and other non-current assets

Non-current receivables are valued on the basis of the interest rates that apply on the date of acquisition. A write-down is entered if uncertainty exists concerning the collectability of the receivable at maturity.

Real estate certificates

Valuation

1. General principle

If the holder of the certificates does not have a material interest (more than 75 %) in a real estate certificate, the certificates are entered, on the closing date, at the weighted average quoted price during the preceding 30 days, and classified as “Non-current Financial Assets”.

If, on the basis of publicly available information and the issue conditions for the real estate certificate, a net asset value is noted that is substantially below the stock market price, the aforementioned rule does not apply. The value is then limited to the net asset value.

2. Ownership of material interest (more than 75 %) in certificates issued (as of 31 March 2013, only applicable to the "Distri-Land" real estate certificates)

The quoted price of these real estate certificates, as listed on the Euronext – Second Market, cannot be considered as a reliable reference, given the limited liquidity of this real estate certificate. Retail Estates NV's policy is to revalue its real estate certificates on every closing date in function of:

a) the fair value of the real properties owned by the issuer, similar to the valuation of the company's own real properties. This occurs on the basis of a periodic valuation by a real estate expert hired jointly by Retail Estates NV and Immobilière Distri-Land NV. Where one or more buildings are sold by the real estate certificate issuer, the sale price shall be used as the valuation until the distribution of the sale's proceeds;

b) the contractual rights of the holder of the real estate certificate in compliance with the prospectus that was published at the issuance of the real estate certificate.

Retail Estates NV only invests in certificates issued for the financing of peripheral retail properties. The real estate owned by the issuer is the type of peripheral retail properties in which Retail Estates NV aims to invest. Although Retail Estates NV is not the legal owner of this real estate, it considers itself to be the economic beneficiary, pro rata its contractual rights in ownership. In addition, an investment in real estate certificates is considered an investment in real estate pursuant to Article 2, sub. 20° of the Belgian Royal Decree of 7 December 2010 on fixed-capital real estate investment funds.

Taking these considerations into account, the certificates are classified as investment properties at their acquisition value, including additional expenses. Gains or losses that result from the fluctuation in the fair value of investment property are recognised in the income statement and incorporated in the period in which they arise and, at the appropriation of profits, assigned to the reserves available for distribution.

Processing of coupons

1. Processing of operating result

As a holder of real estate certificates, Retail Estates NV has a contractual right, pro rata to the number of real estate certificates in its possession, to a share of the operating result. This result is realised by the issuer and is calculated by deducting the operating and maintenance expenses from the total rent income collected. The entire decrease or increase in value is recognised by re-estimating the value of the real estate certificate. As a result, the coupon should not be considered as a compensation for any reduction in value of the issuer's buildings. For this reason, the entire coupon is treated as net rental income and is classified as turnover.

2. Processing of the liquidation balance on the sale of real estate

Whenever a particular property in the issuer's portfolio is sold, it is treated as follows:

- the net proceeds, after retention of any tax withholding liability, are recognised as realised capital gain in Retail Estates NV's accounts only for the difference between the fair value of the real estate certificate on the closing date plus the net liquidation coupon, and the fair value on the previous closing date. The fair value of the real estate certificate is calculated at each closing date by performing a valuation of the certificate holder's contractual rights as these appear in the issue prospectus. Gains or losses that result from the fluctuation in the fair value of investment property are recognised in the income statement and incorporated in the period in which they arise, and at the appropriation of profits are assigned to the reserves available for distribution.

Fixed assets or groups of assets held for sale

This concerns real estate for which the carrying amount will primarily be realised by the sale of the assets and not by further letting. Just like the investment properties (see above), these assets are recognised at fair value, which is the investment value less the transfer taxes.

Current Assets

The receivables expected within one year are recognised at their nominal value, less write-downs for doubtful or bad debts. Cash investments are recognised either at acquisition cost or market value, taking the lower of the two. Any supplementary costs are charged directly to the income statement. Listed securities are valued at their quoted price.

Shareholders' Equity

The capital includes the funds obtained when the company was incorporated and those received following mergers or capital increases. The third-party charges that are directly attributable to the issuance of new shares are deducted from the shareholders' equity. When share capital recognised as equity is repurchased by Retail Estates NV, the paid amount, including directly attributable costs, is recognised as change in shareholders' equity. Purchased own shares are presented as a decrease in total shareholders' equity.

Dividends are only recognised as a debt when they have been approved by the shareholders' meeting.

Liabilities

A provision is taken if:

- Retail Estates NV has an existing – legally enforceable or actual – commitment resulting from an event in the past;
- it is probable that an outflow of funds will be required to settle the commitment; and
- the amount of the commitment can be reliably estimated.

Trade debts are presented at their nominal value on balance sheet date. Interest-bearing borrowings are initially recognised at cost price less the directly attributable costs. Subsequently the interest-bearing borrowings are recognised at the current value of still payable balances, whereby each difference between the latter and the redemption value is recognised in the income statement over the term of the loan on the basis of the effective interest rate method.

Put options on minority participations in subsidiaries

The Group has written put options relating to certain minority participations in fully consolidated subsidiaries. The exercise price of the option may be fixed or can be determined on the basis of a pre-set formula and the options can be exercised at any time or at a fixed date.

In accordance with IAS 32, the Group has recognised a financial liability regarding these put options. Initially, the liabilities have been recognised for the cash value of the purchase amount as a reduction of the minority participation. The subsequent changes of the value of the liability are recognised through profit or loss, in accordance with IAS 39. The Group's share in the operational profit and loss is determined on the basis of the Group's participation in the subsidiary and is adapted on the basis of the changes of the value of the liability.

Personnel benefits

Retail Estates NV provides a defined contribution pension scheme for its employees and managing director. This scheme is entrusted to a fund that is independent from the company.

Contributions paid during the financial year are recognised as expenses.

Property result

The net rental result includes the rent, operating lease income and other incomes related to the aforementioned sources of income, minus the rent-related expenses, i.e., the negative variation in the fair value of buildings and the rent payable on leased assets.

The recovery of property expenses includes the revenue obtained from charging costs for major repairs and maintenance.

The charges and taxes normally payable by tenants on let properties and the recovery of these expenses refer to costs that, under law or custom, are at the tenant's or lessee's expense. The owner will either charge or not charge these costs to the tenant according to the contractual arrangements made with the tenant.

Income is valued at fair value of the compensation received and entered into the income statement using the straight-line method in the periods to which it refers.

Property charges

The property charges are valued at the fair value of the compensation that has been paid or is due, and are entered into the income statement using the straight-line method of the period to which they refer.

The technical costs include, among other things, structural and occasional maintenance costs and losses resulting from damage covered by the insurance companies. The commercial costs include brokers' commission fees. The property management costs mainly consist of the relevant personnel costs, the operating costs of the company's registered office, and fees paid to third parties.

Management fees received from tenants or third parties, which partially cover the management costs of the properties, are deducted.

Corporate operating costs and other current operating income and expenses

The corporate operating costs cover the fixed operating costs of the Company, which operates as a legal entity that is listed on the stock market end benefits from the fixed-capital real estate investment company-status. These costs are incurred in order to obtain transparent financial information, to be economically comparable with other types of investments and to offer investors the opportunity of participating indirectly, in a liquid manner, in a diversified real estate investment. A part of the costs incurred in the context of the Company's growth strategy are also included in this category.

Financial result

The financial result consists of the borrowing costs and additional funding costs, such as the negative variations in hedging instruments where these are not effective within the meaning of IAS 39, less the income from investments.

Income tax

Income tax on the profit or loss for the year comprises current tax. Income tax is recognised in the income statement, except when related to items recognised directly to shareholders' equity, in which case it is recognised in shareholders' equity. Current tax is the expected tax payable on the taxable income for the year, and any adjustment to the tax payable for previous year.

Exit tax

Exit tax is a corporate tax on the capital gain that arises following the merger of a fixed-capital real estate investment fund with a company that is not a fixed-capital real estate investment fund. When this company first enters the consolidation scope of the Group, a provision for exit tax liabilities is recorded simultaneously with a re-evaluation gain on the property corresponding to the market value of the property upon merger date.

In principle, intermediate revisions of this provision for exit tax only take place when the rise in value of this company's property calls for this increase. Any overvaluation owing to reductions in value is only established at the time of the actual merger. These adjustments to the exit tax liability are recognised in the income statement.

Financial risk management

Interest rate risk

50.44 % of the Group's net assets is funded by interest-bearing debts, which makes the company subject to an interest rate risk. This risk is limited as much as possible through the pursuing of a policy of caution. The majority of the financial debts are concluded at a fixed interest rate, or at a variable interest rate that is hedged against interest rate rises.

Financing risk

Long-term financing is concluded in the form of "bullet loans", i.e., loans for which the principal must be paid back in full after a term of 3 to 5 years. The diversification of financing over various banks limits the Group's liquidity risk. The Group concludes 95 % of its loans at a fixed interest rate, or at a variable interest rate which is immediately converted to a fixed interest rate. The net result is, therefore, only sensitive to interest rate fluctuations to a limited extent.

Credit risk

Before a new tenant is accepted, a credit risk analysis is carried out on the basis of the available information. Furthermore, rental arrears are carefully monitored by the Company. In case of non-payment, the Company generally holds a bank guarantee.

Segmented information

Since peripheral retail properties constitute more than 90 % of the portfolio of Retail Estates NV, a breakdown by business segment is not relevant. The board of directors does not use any other segment to make its decisions.

Additional comments on the debt ratio development

Principle

Article 54 of the Belgian Royal Decree of 7 December 2010 on fixed-capital real estate investment funds requires publicly traded fixed-capital real estate investment funds to establish a budget forecast with an implementation schedule when its consolidated debt ratio exceeds 50 % of the consolidated assets. The budget forecast describes the measures to be taken to prevent the consolidated debt ratio from exceeding 65 % of the consolidated assets.

A special report on the budget forecast is prepared by the auditor, confirming that the latter has verified the method of drawing up the forecast, particularly as regards the economic bases, and that the figures contained in this plan concur with the accounting records of the publicly traded fixed-capital real estate investment fund.

The general guidelines of the budget forecast are included in the annual and biannual financial reports. The annual and biannual financial reports will describe and justify how the budget forecast has been implemented during the period under review and how the publicly traded fixed-capital real estate investment fund will implement the forecast in the future.

Notes 2012-2013

Historical development of the Debt Ratio

Since the financial year 2008-2009, the debt ratio of Retail Estates NV has risen above 50 %. In the aforementioned financial year, the debt ratio was 56 %, subsequently remaining stable at around 53 %. Throughout its history, the Retail Estates NV's debt ratio has never exceeded 65 %.

Long-Term development of the debt ratio

The board of directors considers a debt ratio of approx. 55 % to be optimal for the fixed-capital investment fund's shareholders in terms of profitability and current earnings per share. When assessing potential investments, the impact on the debt ratio is examined, and the investment can possibly be turned down if it affects the debt ratio in a negative way.

Based on the current debt ratio of 55.75 %, Retail Estates NV has an investment potential of EUR 181.25 million without exceeding a debt ratio of 65 %.

Short-Term development of the debt ratio

Every quarter, the board of directors is presented with a prognosis of how the debt ratio will evolve during the following quarter. The board of directors also discusses any deviations which may have occurred between the estimated and actual debt ratio during the previous quarter.

Given the planned investments and the budgeted profit forecast for the first quarter of the financial year 2013-2014, the debt ratio should stand at 55.69 % on 30/06/2013. Taking into account the profit forecast for the full year, the debt ratio will stand at 56.06 % on 31/03/2014.

In December 2012, Retail Estates NV acquired control over the company VRP1 NV, which develops a project in Verviers (please also refer to note 45). In the course of the financial year 2012-2013, the required permits were obtained and the construction works commenced. On 31 March 2013, an aggregate amount of EUR 16.83 million was invested in the construction of these stores. The total investment will consist of the completed works on the one hand and the settlement of the variable price regarding the VRP1 shares on the other hand. The investment works that still need to be carried out are estimated at EUR 10.38 million and the variable price is depending on the evolution of the lettings. In accordance with the valuation rules, these projects are valued at the fair value after deduction of the works that still need to be carried out. Debt ratio prognosis takes into account the total investment. As of December 2012, the balance sheet has been drawn up on the assumption that all minority interests are acquired (in accordance with IFRS), irrespective of the timing of such acquisition and on the assumption that such acquisition is paid in cash. This reflects the maximum debt ratio on the basis of the available information and the development stage of the projects.

The projection of the debt ratio only takes into account acquisitions and disposals in respect of which a private agreement has been signed and investments that are planned and contracted out.

Other factors influencing the debt ratio

The valuation of the real estate portfolio also impacts the debt ratio. Taking into account the current capital base, a possible fall of EUR 97.60 million in the fair value of the real estate investments would result in the Company exceeding its maximum debt ratio of 65 %. This fall in value can result from an increase in yield (at constant rental values, the yield would need to rise by 1.18 % to exceed the maximum debt ratio), or a fall in rent amounts (at constant yields, rents would in this case have to fall by EUR 6.83 million). Historically, the fair value of the real estate portfolio has constantly risen, or at least remained stable, ever since the fixed-capital real estate investment fund was incorporated. At present, there are no indications in the market that would point towards a rise in yields. There are no significant vacancies in the suburban retail market segment, and thus no pressure on rents.

Should substantial value reductions occur anyway, taking the debt ratio above 65 %, Retail Estates NV would be able to sell some of its properties. Retail Estates NV has solid track in selling properties at the assessed investment value. In the past financial year, 14 stores, 2 carcass apartments, 1 food service building, 3 plots of land, 1 small and middle-sized building and 1 villa were sold to private investors, with a net sales profit of EUR 19.25 million. Overall, these properties were sold at their assessed investment value.

Conclusion

Retail Estates NV believes that, in function of
- the historical development of the fixed-capital investment fund, and
- the track record with regard to sales,

no additional measures need to be taken to prevent the debt ratio from rising above 65 %. It is the intention of the fixed-capital investment fund to maintain the debt ratio at around 55 %. This level is regularly evaluated and will be reviewed by the board of directors if deemed necessary, owing to a change in market or environmental factors.

2. Other notes

Property result

Rounding off upwards or downwards to the nearest thousand can bring about discrepancies between the balance sheet and the income statement, and the details presented below.

Note 1

Rental income (in '000 €)	31.03.13	31.03.12
Rent	41,295	34,994
Guaranteed income		
Operational lease income	732	769
Rental discounts		
Rental benefits ('incentives')		
Fees for early terminated rental agreements		
Total rental income	**42,027**	**35,762**

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

Overzicht van de toekomstige potentieel te vervallen huurinkomsten

(in '000 €)	31.03.13	31.03.12
Within one year	2,248	836
Between one and five years	12,889	9,654
More than five years	30,334	30,164

The table above indicates how much of the rental income could potentially be lost annually, i.e., if each tenant that has a termination option would also effectively leave the building and no renewed leases were to be concluded. This does not alter the theoretical risk of all lessees making use of their legal right of cancellation at the end of the current three-year period. In this circumstance, all the premises would by definition be empty within 3 years and 6 months. The rental income for properties which have remained in the portfolio for the past 3 financial years amounts to EUR 1.11 million or 3.68 % (2.21 % from indexation, the rest from rent renewals). For the past 3 years, leases were renewed or new leases were concluded for 16.58 % of the buildings. For this part of the portfolio, the average rent items increased from EUR 63.46 to EUR 84.55 per m². The granting of rent-free periods is rather rare in the market of peripheral retail properties. In the past 3 years, and out of a portfolio of 499 properties, a total of 48 months of rent-free periods was granted, which is negligible. Besides rent-free periods, no other material incentives are given when closing lease agreements.

Rental agreement type

The group concludes commercial rental contracts for its buildings, for a minimum period of 9 years, which, in most cases, can be terminated after the expiry of the third and the sixth year, subject to a 6 months' notice prior to expiry date. The rents are usually due in advance on a monthly basis (sometimes quarterly). They are indexed annually, on the anniversary of the rental agreement. Taxes and levies, including real property withholding tax, the insurance premium, and the common charges, are, in principle, borne by the tenant. To guarantee compliance with the obligations imposed on the tenant by virtue of the agreement, some tenants must provide a rental guarantee, usually in the form of a bank guarantee, worth 3 months rent.

At the start of the agreement, an inventory of fixtures is drawn up between the parties, by an independent expert. At the expiry of the agreement, the tenant must return the leased premises in the state described in the inventory of fixtures on taking up the occupancy, subject to normal wear and tear. The tenant cannot transfer the rental agreement or sublet the premises fully or partially, unless prior written permission is obtained from the lessor. The tenant must register the agreement at his/her/its own expense.

Note 2

Rental-related expenses (in '000 €)	31.03.13	31.03.12
Rent payable for hired assets and lease costs	-516	-257
Write down on trade receivables	-109	-33
Total rental-related expenses	-625	**-290**

Note 3

Recovery of charges and taxes normally payable by tenants on let properties (in '000 €)	31.03.13	31.03.12
Recharging of costs payable by tenants on let properties	855	618
Recharging of withholding taxes and taxes on let properties	2,783	2,265
Total recovery of charges and taxes normally payable by tenants on let properties	**3,638**	**2,883**

Note 4

Charges normally payable by tenants on let properties	31.03.13	31.03.12
Charges borne by the owner	-1,188	-764
Withholding taxes and taxes	-2,864	-2,344
Charges normally payable by tenants on let properties	**-4,052**	**-3,108**

The standard rental agreements usually provide for these expenses and taxes to be borne by the tenants, by means of charges forwarded by the owner. A number of the Group's rental agreements state, however, that taxes remain payable by the owner.

This classification principally included the costs of real property withholding tax, insurance and utilities.

Note 5

Other rental-related income and expenses (in '000 €)	31.03.13	31.03.12
Other rental-related income and expenses	-29	-45
Total other rental-related income and expenses	**-29**	**-45**

Note property expenses

Note 6

Technical costs (in '000 €)	31.03.13	31.03.12
Recurrent technical costs	-934	-849
Structural maintenance	-934	-849
Non-recurrent technical costs	-125	-212
Occasional maintenance	-127	-217
Claim events covered by insurance companies	-50	-46
Compensations received from insurance companies	53	51
Total technical costs	**-1,059**	**-1,062**

Structural maintenance principally covers the regular renovation of car parks and roofs. Occasional maintenance, on the other hand, mainly includes unforeseeable costs for the structure of the let premises, as a result of wear and tear, uninsured accidents and vandalism.

Note 7

Commercial costs (in '000 €)	31.03.13	31.03.12
Brokers' commissions	-40	-24
Marketing costs related to properties	-16	-38
Lawyers' fees and legal costs	-51	-19
Other	-21	-37
Total commercial costs	**-128**	**-119**

Note 8

Charges and taxes on unlet properties (in '000 €)	31.03.13	31.03.12
Vacancy charges of the financial year	-37	-60
Property withholding tax vacant properties	-103	-21
Total charges and taxes on unlet properties	**-140**	**-81**

The costs and taxes relating to unlet buildings include buildings that are vacant for a limited period of time in the context of a changeover between tenants, and properties under development (mainly real property withholding tax). On 31 March 2013, the cost for vacant property was 0.33 % of the rental income received, compared to 0.23 % on 31 March 2012. Historically, the property rates have never been lower than 98 %.

Note 9

Management costs

Management costs are subdivided into the costs for the portfolio management and other costs.

These costs mainly include the costs for the personnel responsible for this activity, the operating costs of the company's principal place of business and fees paid to third parties. Management fees received from the tenants are deducted, and partially cover the management costs of the real estate.

(in '000 €)	31.03.13	31.03.12
Office charges	-80	**-70**
IT	-41	-38
Others	-39	-31
Housing costs	-48	**-53**
Fees to third parties	-144	-23
Public relations, communication and advertising	-4	**17**
Personnel expenses	-869	**-683**
Salaries	-537	-385
Social security	-141	-140
Pensions and collective insurances	-33	-28
Others	-157	-131
Management fees received from tenants	15	**1**
Taxes and legal costs		
Depreciation charges on office furniture and IT equipment & software	-90	**-90**
Total property management costs	-1,220	**-900**

Personnel costs make up most of the management costs. The table below provides an overview of the employee count in FTE.

(in FTE)	31.03.13	31.03.12
Property department	6,17	6,04
Total	14,40	14,10
Average	13,70	13,20

Note 10

Other property charges (in '000 €)	31.03.13	31.03.12
Other property charges	-2	-5
Total other property charges	**-2**	**-5**

Note 11

Corporate operating costs

The corporate operating costs cover the fixed operating costs of the company, which operates as a legal entity that is listed on the stock market end benefits from the fixed-capital real estate investment company-status. These costs are incurred in order to obtain transparent financial information, to be economically comparable with other types of investments and to offer investors the opportunity of participating indirectly, in a liquid manner, in a diversified real estate investment. A part of the costs incurred in the context of the company's growth strategy are also included in this category.

(in '000 €)	31.03.13	31.03.12
Office charges	-95	**-86**
IT	-54	-51
Others	-41	-34
Housing costs	-64	**-63**
Fees to third parties	-309	-408
Recurrent	-99	-169
Lawyers		
Auditors	-93	-163
Others	-6	-6
Non-recurrent	-123	-91
Lawyers	-66	-29
Notaries	-13	-13
Consultants	-44	-49
Mergers and acquisitions (other than business combinations)	-87	-147
Public relations, communication and advertising	-54	**-67**
Personnel expenses	-683	**-686**
Salaries	-380	-384
Social security	-145	-129
Pensions and collective insurances	-36	-32
Others	-122	-141
Remuneration of board of directors	-232	**-214**
Taxes and regulatory fees	-825	**-670**
Total general charges	-2,263	**-2,194**

Note 12

Result on disposals of investment properties (in '000 €)	31.03.13	31.03.12
Book value of sold real estate properties	18,943	17,918
Net selling price of investment properties (selling price-transaction costs)	19,246	17,868
Total result on disposals of investment properties	**303**	**-50**

In the past financial year, 14 stores, 2 carcass apartments, 1 food service building, 3 plots of land, 1 small and middle-sized building and 1 villa were sold to private investors, with a net sales profit of EUR 19.25 million. Overall, the sales proceeds are in line with the investment values assessed by the real estate expert and are, therefore, higher than the fair value established by the real estate expert.

Note 13

Changes in fair value of investment properties (in '000 €)	31.03.13	31.03.12
Positive change in investment properties	15,882	9,746
Negative change in investment properties	-7,303	-350
Total changes in fair value of investment properties and project developments	**8,579**	**9,396**

The limited variation in the fair value of the investment properties is due to indexation, renovations and the tightening of yields in a number of top locations.

Note 14

Financial result (in '000 €)	31.03.13	31.03.12
Capitalised interest costs [1]	864	982
Interest received	2	6
Others	32	57
Total financial result	**898**	**1,045**

(1) Capitalised interest costs on project developments.

Note 15

Interest charges (in '000 €)	31.03.13	31.03.12
Nominal interest on loans	-15,594	-13,962
Total interest charges	**-15,594**	**-13,962**

The weighted average interest rate amounts to 4.67 % on 31.03.2013 and 4.83 % on 31.03.2012. The company concluded almost all its investment loans with fixed interest rates, or as long-term loans with variable interest rates that are hedged against fixed interest rates through IRS (interest rate swap) contracts. The evolution of the ratio of interest charges on loans versus rental income received, amounted to 37.10 % on 31 March 2013 compared to 39.04 % the year before. We refer to note 40 for the complete swaps overview.

Note 16

Other financial charges (in '000 €)	31.03.13	31.03.12
Bank costs and other commissions	-75	-61
Total other financial charges	**-75**	**-61**

Note 17

Corporate income tax (in '000 €)	31.03.13	31.03.12
Company	103	**204**
1. Corporate income taxes	103	35
Tax rate of 33.99%	74	-28
Prior year tax adjustment	29	63
2. Result taxable at 16.5% (so-called exit tax)		169
Subsidiaries	-780	**-57**
1. Corporate income taxes	-759	-81
Current year taxes	-775	-83
Prior year tax adjustment	16	2
2. Exit tax	-21	24
Total income taxes	-676	**147**

A fixed-capital investment fund is subject to corporate tax solely in respect of non-tax deductible expenditure and abnormal benefits. Deferred taxes are booked for the subsidiaries on the difference between the carrying value after depreciation in the statutory annual accounts of these subsidiaries and the fair value. These deferred taxes are booked at a rate of 16.99 % if the respective board of directors of Retail Estates NV and the subsidiary intend to merge the subsidiary with the fixed-capital real estate investment fund.

Note 18

Number of shares and earnings per share	31.03.13	31.03.12
Movements of the number of shares	**Number of shares**	**Number of shares**
Number of shares at the beginning of the financial year	5,437,074	5,061,663
Number of shares at the end of the financial year	5,813,122	5,437,074
Number of dividend bearing shares (weighted average)	5,813,122	5,395,408
Weighted average number of shares for diluted earnings per share	5,717,073	5,317,934

Capital increases by board of directors (in the framework of the authorised capital):

On 4 July 2012, the control of Retail Warehousing invest NV was acquired through the acquisition of a participation of 62.5 % of the shares, whereby a part (308 shares) of these shares was purchased and a part (317 shares) was acquired via contributions in kind. This contribution was part of the authorised capital whereby a capital increase was performed for the amount of EUR 10.01 million (EUR 4.69 million share capital and EUR 5.32 million share premiums). In this respect, 208,607 new shares were issued at an issue price of EUR 48. These new shares are participating in the profit of the fiscal year starting on 1 April 2012. The 37.5 % of shares which were not acquired, are owned by persons who are active in project development of suburban retail stores. Since 31 December 2012, the balance sheet has been drawn up on the assumption that all minority interests are acquired (in accordance with IFRS), irrespective of the timing of such acquisition and on the assumption that such acquisition is paid in cash. This reflects the maximum debt ratio on the basis of the available information and the development stage of the projects.

This company owns 32 retail premises, of which 22 are concentrated in retail parks in the towns of Lommel (5 retail premises), Gembloux (10 retail premises) and Châtelet (7 retail premises). The remaining 10 premises are located in Soignies (2 retail premises), Anderlues (2 retail premises), Bouillon (2 retail premises), Fleurus (1 retail property), Thuin (1 retail property) and Libramont (2 retail premises). The retail premises represent a rental income of EUR 3.27 million and a fair value of EUR 49.77 million.

On 27 July 2012, the board of directors carried out a capital increase of EUR 8.04 million as part of authorised capital (EUR 3.77 million capital and EUR 4.27 million by means of a contribution in kind in the context of an optional stock dividend). 68.27 % of shareholders chose to subscribe to new shares, which means that 167,441 new shares were issued which are participating in the profit of the fiscal year starting on 1 April 2012. The new shares were issued at an issue price of EUR 48.

The above-mentioned capital increases had the effect of increasing the capital to EUR 130,797,517.19, represented by 5,813,122 shares.

Note 19

(in '000 €)	31.03.13	31.03.12
Net result (consolidated)	29,582	27,360
Transactions of non-current nature included in the net result (+/-)		
Depreciations (+) and reversals of depreciations (-)	175	177
Other elements of a non-current nature (+/-)	-21	-159
Result on the sale of investment properties (+/-)	-303	50
Changes in fair value of investment properties and project developments (+/-)	-8,579	-9,396
Net operating result	**20,854**	**18,031**

The net operational profit and loss is not subject to any further change in respect of potential non-exempt capital gains regarding the sale of investment properties. 80% of the net operational profit and loss, less the net reduction during the financial year of the indebtedness, must be paid out, as calculated in accordance with Article 27 of the Royal Decree of 7 December 2010 on fixed-capital real estate investment funds.

Note 20

Calculation of earnings per share (in €)	Earnings per share 31.03.13	Earnings per share 31.03.12
Ordinary net earnings per share [1]	29,582	27,360
Diluted net earnings per share [2]	29,582	27,360
Distributable earnings per share [3]	20,854	18,031
Minimum profit distribution per share [4]	16,683	14,425
Proposed gross dividend per share in €	16,860	15,107
Pay-out ratio	80.84%	83.78%

(1) The ordinary earnings per share are the net profit/loss as published in the income statement, divided by the weighted average of ordinary shares.
(2) The diluted earnings per share are the net profit/loss as published in the income statement, divided by the weighted average of diluted shares.
(3) The distributable earnings per share is the amount available for maximum distribution divided by the number of ordinary shares
(4) A sicafi/bevak is required to pay out at least 80% of its profit of the financial year (see note 19). Retail Estates NV is paying a dividend of EUR 16.86 million, equal to 80.84% of the net operating result.

Note 21

Investment and amortisation table (in '000 €)	Intangible fixed assets		Other tangible fixed assets	
	31.03.13	31.03.12	31.03.13	31.03.12
Acquisition value				
Balance at the end of the previous financial year	514	454	804	724
Acquisitions	17	60	121	226
Transfers and disposals of assets (-)			-99	-146
Transfers to (from) other accounts				
At the end of the financial year	532	514	826	804
Amortisation and impairment losses				
Balance at the end of the previous financial year	432	380	441	459
Balance of acquired companies	3			
Amortisation (1)	41	52	135	124
Transfers and disposals of assets (-)			-102	-142
At the end of the financial year	476	432	474	441
Net book value	56	**82**	352	**363**

(1) Amortisation of intangible fixed assets and other tangible fixed assets are recognised in the income statement under 'property management costs'. The depreciation costs on cars are included in the personnel costs.

Note 22

Investment and revaluation table (in '000 €)	Investment properties		Assets held for sale		Total	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
Balance at the end of the previous financial year	537,472	**505,588**	13,159	**10,778**	550,631	**516,366**
				-1,639	0	-1,639
Acquisition through purchase of real estate companies	88,326	1,526	7,264		95,590	1,526
Interest included in the cost of qualifying assets	689	982			689	982
Acquisition and contribution of investment properties	44,579	28,478	32		44,579	28,478
Disposal through sale of real estate companies	3,651	12,919			3,651	12,919
Disposal of Investment Properties	-4,745	-6,415	-14,198	-11,011	-18,943	-17,426
Transfers to assets held for sale	-1,445	-15,032	1,445	15,032	0	
Change in fair value (+/-)	7,067	9,427	-214		6,853	9,427
OTHER INFORMATIONS	675,593[1]	**537,472**	7,488	**13,159**	683,081	**550,631**
Investment value of the real estate						
Investeringswaarde van het vastgoed	691,170	551,289	7,675	13,488	698,845	564,777

1 This amount also includes the development projects (conform IFRS 40 included in the real estate property) for an amount of 27.41 million EUR.

Investment properties are recorded at fair value, using the fair value model in accordance with IAS 40. This fair value is equal to the amount at which a building could be traded between well-informed and willing parties acting under normal competitive conditions. It was determined by independent experts in 2 phases. In the first phase, the experts determine the investment value of each property, based on the discounted value of the future net rental income. The discount rate used mainly depends on the discount rates applied in the real property market. These take account of the asset's location, and the quality of the buildings and the tenant on the date of valuation. The future rents amount to the contractual rental income over the period of the rental agreement in force and the acceptable and reasonable hypothesis concerning rental income from future rental agreements in the light of the current conditions. This value matches the price which a third party investor (or hypothetical purchaser) would pay to acquire the asset with the aim of enjoying the rental income and of generating a return on his investment. In a second phase, the experts deduct an estimated amount for transfer taxes (registration taxes and/ or capital gain taxes) which the purchaser or the seller must pay to execute a transfer of ownership. The investment value minus the estimated transfer taxes is then the fair value according to the provisions of IAS 40. The transfer of ownership of real property in Belgium is subject to transfer taxes. The amount of this tax depends on the transfer method, the capacity of the purchaser and the geographical location of the asset. The first 2 elements, and consequently the total amount of the taxes to be paid are, therefore, only known once the transfer of ownership has been completed. The range of property transfer options and the corresponding taxes is as follows:

- sale agreements for real estate: 12.5 % for assets located in the Brussels Capital Region and in the Walloon Region, 10 % for assets located in the Flemish Region;

- sale of real estate under the broker system: 5.0 % to 8.0 % depending on the Regions;

- long-term lease agreements for real estate (up to 50 years for the right of building and up to 99 years for the long-term lease right): 0.2 %;

- sale agreements for real estate whereby the purchaser is a public law institution (e.g., an entity of the European Union, of the Federal Government, of a regional government or of a foreign government): exemption from duties;

- contribution in kind of real estate in return for the issuance of new shares to the benefit of the contributor: exemption from duties;

- sale agreement for shares of a real property company: absence of duties;

- merger, split and other company reorganisations: absence of duties; etc.

As a result, the effective percentage of the registration taxes varies from 0 to 12.5 %, whereby it is impossible to predict which percentage is applicable to the transfer of a given Belgian property before the actual transfer has taken place. In January 2006, all the experts involved in determining the value of Belgian fixed-capital real estate investment funds were asked to determine a weighted average percentage of the effective taxes for the real estate portfolios of the fixed-capital real estate investment funds. For transactions of properties with a value of over EUR 2.5 million and in view of the range of methods of transferring ownership (see above), the experts calculated the weighted average taxes at 2.5 %, based on a representative sample of 220 market transactions that took place between 2003 and 2005, worth a total of EUR 6.0 billion. This percentage will be reviewed annually and, if necessary, adapted by slices of 0.5 %. As regards transactions involving buildings whose total value in lower than EUR 2.5 million, transfer duties of 10 % to 12.5 % are applied, depending on the Region in which the premises are located. Retail Estates NV considers its real estate portfolio as a whole, which can be disposed of as a whole or unit or a limited number of larger parts. In compliance with the valuation as “fair value” by its real estate valuation surveyors Cushman & Wakefield and CBRE, the value of this real estate was reduced by 2.5 %, which reflects the expected transaction costs for the disposal of this real estate according to the valuation surveyors. During the financial year 2012-2013, real estate companies were acquired for an amount of EUR 30.01 million. These real estate companies had a total of EUR 0.91 million cash. The net cash flow from the purchase of real estate companies amount in this way to EUR 29.10 million. This resulted in a EUR 95.59 million increase in property investments, a EUR -21.9 million variation in working capital, and a EUR -34.60 million increase in financial and other debt. The acquisition of real estate companies was partly paid for by means of issuing new shares through contributions in kind for an amount of EUR 10.01 million.

In the past financial year, 14 stores, 2 carcass apartments, 1 food service building, 3 plots of land, 1 small and middle-sized building and 1 villa were sold, which resulted in a decrease of the investment properties of EUR 18.94 million.

During the financial year 2011-2012, real estate companies were acquired for an amount EUR 1.71 million. The real estate companies contain an aggregate amount EUR 0.01 million in cash. Hence, the net cash flow resulting from the acquisition of real estate companies amounted to EUR 1.70 million. This resulted in an increase of the investment properties of EUR 1.56 million, variation in the working capital of EUR 0.60 million and an increase of the financial liabilities of EUR 0.46 million. Moreover, in the past financial year, 12 stores were sold, which resulted in a decrease of investment properties of EUR 17.43 million.

Note 23

Financial assets (in '000 €)	31.03.13	31.03.12
Financial derivatives	0	0
Total financial assets	0	**0**

Note 24

Trade receivables and other non-current assets (in '000 €)	31.03.13	31.03.12
Guarantees paid in cash	2	21
Total receivables and other non-current assets	2	**21**

Note 25

Assets or group of assets held for sale (in '000 €)	31.03.13	31.03.12
Assets held for sale	7,488	13,159
Total assets held for sale	7,488	**13,159**

Recorded under assets held for sale are those assets for which a sales agreement has been signed but the final deed of sale has not yet been enacted. These assets are usually sold within a year. It is not expected that there will be any decreases in value regarding these assets as a result of the sale.

On 31 March 2013 these assets comprise a building in Ronse (fair value EUR 0.88 million), a property in Koksijde (fair value EUR 1.58 million) and plots of land in Westende with a fair value of EUR 5.02 million.

Note 26

Trade receivables and doubtful debtors

Trade receivables (in '000 €)	31.03.13	31.03.12
Trade receivables	973	848
Invoices to be issued	211	161
Doubtful debtors	-699	-741
Income to be collected		
Coupon real estate certificate		
Distri-land	230	223
Others		**4**
Total trade receivables	716	**495**

Given the guarantees received – both rental guarantees and the bank guarantees requested – the credit risk concerning trade receivables is limited to about 17 % of the outstanding amount on 31 March 2013, equal to a risk of EUR 0.042 million (after deducting doubtful debtors).

Doubtful debtors – roll forward (in '000 €)	31.03.13	31.03.12
At the end of the previous financial year	-741	-1.174
From acquired companies	-26	
Additions & write-backs	-33	13
Write-backs	101	420
At the end of the financial year	-699	**-741**

The provision for doubtful debtors is established as follows: the rental arrears list is closely monitored internally. Based on a management assessment, or if obvious and demonstrable reasons exist to suggest that the claim cannot be recovered, a provision is set up. Trade receivables are payable in cash. The table below shows an overview of the age structure of the trade receivables.

	31.03.13	31.03.12
Due < 30 days	126	60
Due 30-90 days	97	41
Due > 90 days	750	747

Note 27

Tax receivables and other current assets (in '000 €)	31.03.13	31.03.12
VAT receivable	2	
Corporate income tax receivable		24
Recoverable withholding tax	10	615
Recoverable registration duties	558	
Recoverable property tax		64
Receivable from disposals of fixed assets		
Others	514	513
Total tax receivables and other current assets	1,084	**1,216**

Note 28

Cash and cash equivalents (in '000 €)	31.03.13	31.03.12
Bank balances	1,879	1,450
Cash		
Total cash and cash equivalents	1,879	**1,450**

Note 29

Deferred charges and accrued income (in '000 €)	31.03.13	31.03.12
Withholding tax to be recovered		
Other deferred charges	336	680
Other accrued income	6	6
Total deferred charges and accrued income	342	**686**

Note 30

Shareholders' equity

Capital

Capital evolution

Date	Transaction	Capital movement (in '000 €)	Total remaining capital after the transaction (in '000 €)	Number of shares created	Total number of shares
12/07/1988	Incorporation	-	74	3,000	3,000
27/03/1998	IPO and 1ste listing on Euronext Brussels	20,563	20,637	1,173,212	1,176,212
30/04/1999	Capital decrease (incorporation of losses)	-5,131	15,505	-	1,176,212
30/04/1999	Merger	1,385	16,891	283,582	1,459,794
30/04/1999	Capital decrease (incorporation of losses)	-2,267	14,624	-	1,459,794
30/04/1999	Incorporation of losses	-174	14,451	-	1,459,794
30/04/1999	Incorporation of share premium and revaluation gain	4,793	19,244	-	1,459,794
30/04/1999	Cash contribution	10,854	30,098	823,348	2,283,142
1/07/2003	Cash contribution	12,039	42,137	913,256	3,196,398
31/12/2003	Public bid on real estate certificates Distri-Land	4,907	47,043	372,216	3,568,614
5/11/2004	Partial incorporation of share premium	33,250	80,294	-	3,568,614
5/11/2004	Annulment of 20 bearer shares	-1	80,293	-20	3,568,594
10/08/2005	Merger through absorption	1	80,294	130	3,568,724
21/11/2006	Merger through absorption	10	80,303	228	3,568,952
30/11/2007	Contribution in kind in the context of a partial split	3,804	84,107	169,047	3,737,999
30/06/2008	Contribution in kind in the context of a partial split	1,882	85,989	83,632	3,821,631
5/09/2008	Contribution in kind	534	86,523	23,750	3,845,381
30/04/2009	Contribution in kind	5,625	92,148	250,000	4,095,381
24/11/2009	Contribution in kind in the context of a partial split	6,944	99,092	308,623	4,404,004
5/02/2010	Contribution in kind	4,380	103,472	194,664	4,598,668
31/03/2010	Contribution in kind in the context of a partial split	910	104,382	40,459	4,639,127
05/05/2010	Contribution in kind	3,288	107,671	146,135	4,785,262
21/06/2010	Contribution in kind	2,662	110,332	118,293	4,903,555

Capital evolution

Date	Transaction	Capital movement (in '000 €)	Total remaining capital after the transaction (in '000 €)	Number of shares created	Total number of shares
30/11/2010	Contribution in kind	2,212	112,544	98,301	5,001,856
30/11/2010	Contribution in kind	1,280	113,824	56,872	5,058,728
30/11/2010	Contribution in kind	66	113,890	2,935	5,061,663
16/06/2011	Contribution in kind	1,989	115,879	88,397	5,150,060
27/06/2011	Contribution in kind	5,520	121,399	245,348	5,395,408
30/03/2012	Contribution in kind in the context of a partial split	937	122,336	41,666	5,437,074
4/07/2012	Contribution in kind	4,694	127,030	208,607	5,645,681
27/07/2012	Contribution in kind - stock optional dividend	3,768	130,798	167,441	5,813,122

Article 6.2 of the articles of association: Authorised capital

The Board of Directors is authorised to increase the share capital on one or more occasions, up to a maximum amount of one hundred and thirteen million, eight hundred and eighty-nine thousand, five hundred and forty-two euros, and seventy cents (EUR 113,889,542.70).

This authorisation is conferred on the Board of Directors for a period of five years, as from the publication in the annexes to the Belgian State Gazette of the amendment to the articles of association, adopted by the extraordinary general meeting of 27 May 2011. This authorisation can be renewed. The Board of Directors shall determine the price, the issue premium, and the issue conditions for new shares, unless these decisions are taken by the general meeting.

Within the above limits, and without prejudice to mandatory provisions of the Company Code, the Board of Directors can decide to increase the capital, by means of contributions in cash or in kind, the incorporation of reserves or issue premiums, with or without the issuance of new shares, on a case-by-case basis. The Board of Directors is also authorised, by the general meeting, to issue other securities, including, without limitation, (subordinated or non-subordinated) convertible bonds, warrants, non-voting shares, and preferred shares with regard to dividends and/or liquidation proceeds.

Moreover, the Board of Directors is allowed to limit or remove the preferential right granted by the Company Code to the shareholders, including those in favour of one or more persons other than the employees of the company or a subsidiary, provided an irreducible allocation right is granted to the existing shareholders upon the distribution of new shares. This irreducible allocation right shall meet the requirements determined by the sicafi legislation and Article 6.4 of these articles of association.

This right need not be granted in the event of a contribution of cash made in the context of an optional dividend distribution, under the circumstances provided by Article 6.4 of these articles of association.

Capital increases by means of a contribution in kind shall be carried out in accordance with the requirements determined by the sicafi legislation and Article 6.4 of these articles of association. Such contributions can include a right to a dividend in the context of an optional stock dividend distribution.

Without prejudice to the authorisation granted to the Board of Directors in accordance with the preceding paragraphs, the Board of Directors is authorised to proceed with one or more capital increases, in the event of a takeover bid for all of the company's shares, under the conditions set forth in Article 607 of the Company Code, provided the company has received an acknowledgement of the takeover bid from the Financial Services and Markets Authority (FSMA) within a period of three years from the extraordinary general meeting of 27 May 2011. If applicable, the Board of Directors must respect the irreducible allocation right provided for by the sicafi legislation. Capital increases carried out by the Board of Directors pursuant to this authorisation will be deducted from the remaining authorised capital, mentioned in the first paragraph of this article.

When capital increases carried out pursuant to these authorisations entail an issue premium, the amount thereof shall be allocated to a non-distributable "issue premium" reserve which shall serve, like the capital, as a guarantee to third parties, and which can only be reduced or abolished pursuant to a decision of the general meeting, deliberating in accordance with the conditions set forth in Article 612 of the Company Code, without prejudice to its incorporation in the company's capital.

Article 6.3 of the articles of association: Acquisition of the company's own shares

The company can acquire or pledge its own shares on the conditions provided for by law. The company is authorised to transfer the acquired shares, on or off market, on the conditions determined by the Board of Directors, without the prior consent of the general meeting.

The Board of Directors is authorised, within the limits of Articles 620 et seq. of the Company Code, to decide that the company can acquire, pledge and transfer its own shares when such acquisition or transfer is necessary to avoid serious, imminent harm to the company. This authorisation is valid for a period of three (3) years, as from the publication in the annexes to the Belgian State Gazette of the authority granted by the extraordinary general meeting of 27 May 2011, and can be extended by the general meeting for the same period of time.

The Board of Directors is authorised, for a period of five (5) years following the extraordinary general meeting of 27 May 2011, to acquire, pledge and transfer (including off market) the company's own shares on the company's behalf, at a unit price which cannot be less than eighty-five percent (85 %) of the closing market price on the day preceding the date of the transaction (acquisition, sale or pledge) and cannot exceed one hundred and fifteen percent (115 %) of the closing market price on the day preceding the date of the transaction (acquisition, sale or pledge), subject to the requirement that the company cannot, at any time, hold more than 20 % of the total outstanding shares.

The above-mentioned authorisations extend to acquisitions and transfers of the company's shares by its subsidiaries within the meaning of the first paragraph of Article 627 of the Company Code, including instances when such acquisitions are made by persons acting in the name and on behalf of a subsidiary.

Article 6.4 of the articles of association: Capital increase

Any capital increase shall meet the requirements of Articles 581 through 609 of the Company Code and the sicafi legislation.

The company's capital can be increased pursuant to a decision of the general meeting, deliberating in accordance with Article 558 and, if applicable, Article 560 of the Company Code, or pursuant to a decision of the Board of Directors within the limits of the authorised capital. It is, however, forbidden for the company to subscribe, directly or indirectly, to its own capital.

In the event of a capital increase by means of a cash contribution, pursuant to a decision of the general meeting, or within the limits of the authorised capital, the shareholders' preferential right can only be restricted or cancelled if an irreducible allocation right is granted to the shareholders of record at the time that the new shares are awarded. This irreducible allocation right shall meet the following requirements, determined by the sicafi legislation:

1. it applies to all new shares issued in their entirety;

2. it is granted to the shareholders in proportion to the percentage of capital that their shares represent at the time of the transaction;

3. a maximum share price is announced no later than the day before the opening of the public subscription period; and

4. the public subscription period lasts, in this case, for at least three trading days.

This irreducible allocation right applies to the issuance of shares, (subordinated or non-subordinated) convertible bonds, and warrants, but does not have to be allocated to a cash contribution with a limitation or cancellation of the preferential right, in addition to a contribution in kind, in the context of the distribution of an optional stock dividend, provided the grant thereof is effectively open to all shareholders.

Capital increases by means of contributions in kind are subject to the rules set forth in Articles 601 and 602 of the Company Code.

Moreover, the following requirements must be met in the event of the issuance of securities, following a contribution in kind, in accordance with the sicafi legislation:

1. the contributor's identity must be disclosed in the report prepared by the Board of Directors pursuant to Article 602 of the Company Code, and also, if applicable, in the notice of the general meeting called to vote on the capital increase;

2. the issue price cannot be less than the lower value of the following: (a) a net asset value per share dated no more than four months before the date of the contribution agreement or, at the company's choosing, before the date of the document enacting the capital increase and (b) the average closing market (share) price over the thirty calendar days preceding this same date; In this regard, it is permitted to deduct, from the amount indicated in point (b) above, an amount corresponding to the portion of undistributed gross dividends of which the new shares could be deprived, provided that the Board of Directors specifically justifies, in its special report, the amount of accrued dividends to be deducted, and sets forth the financial conditions for the transaction in the annual financial report;

3. unless the issue price or, under the circumstances provided in Article 6.6 below, the share-exchange ratio, as well as the associated formalities, is determined and communicated to the public, at the latest, on the working day following the conclusion of the contribution agreement, with a mention of the time period within which the capital increase will effectively

be carried out, the document enacting the capital increase shall be drawn up within a maximum period of four months; and

4. the report mentioned in point 1 above must also make clear the effect of the proposed contribution on the situation of the existing shareholders, in particular their share of the company's profit, the net asset value, and the capital, as well as the impact on voting rights.

These additional conditions are not applicable in the event of the contribution of a right to a dividend in the context of an optional stock dividend distribution, provided the grant thereof is effectively open to all shareholders.

If the general meeting decides to require the payment of an issue premium, this amount must be booked in a non-distributable reserve, which can only be reduced or abolished pursuant to a decision of the general meeting, deliberating in accordance with the conditions provided to amend the articles of association and respecting the procedure provided to reduce the share capital. The issue premium shall serve, like the share capital, as a common guarantee for the benefit of third parties.

Note 31

Share premium evolution (in '000 €)		Share premiums
Date	Transaction	31.03.13
Previous financial year		43,268
04/07/2012	Contribution in kind	5,319
27/07/2012	Contribution in kind in the context of stock optional dividend	4,270
Total share premium		**52,857**

Note 32

Impact on fair value of estimated transfer taxes and costs resulting from the hypothetical disposal of investment properties (in '000 €)	31.03.13	31.03.12
Balance at the end of the previous financial year	-14,146	-12,449
Change during the financial year	-1,618	-1,697
Total impact on fair value of estimated transfer taxes and costs resulting from the hypothetical disposal of investment properties	**-15,764**	**-14,146**

As stated in note 22, Retail Estates NV considers its real estate portfolio as an entity than can be disposed of as a whole, or as a limited number of larger parts. In accordance with valuation at 'fair value' from its valuation surveyors Cushman & Wakefield and CBRE, the value of the properties was reduced by 2.5 % subject to the valuation surveyors' expected transaction charges at the disposal of the properties. According to Retail Estates NV, a limited number of specifically identified premises are very difficult to sell with this real estate portfolio, because the nature and/ or location of these buildings mean that they would have a negative effect on the value of the portfolio as a whole. Since the individual value of these premises lies below the threshold of EUR 2.5 million, the complete transfer costs of the region concerned, amounting to 10 % or 12.5 % are deducted. On 1 April 2004 (the date of the first application of the IAS/IFRS standards), the transfer charges that were deducted from the investment value amounted to EUR 4.9 million. This amount was recognised under this item in the shareholders' equity.

Note 33

Change in fair value of financial assets and liabilities (in '000 €)	31.03.13	31.03.12
Change in fair value of interest rate swaps	-30,093	-26,187
Total change in fair value of financial assets and liabilities	**-30,093**	**-26,187**

The Group uses financial derivatives (interest rate swaps) to hedge against interest rate risks deriving from operating, financial and investment activities. Financial derivatives are initially recognised at cost price and revalued to fair value on subsequent reporting dates. It should be noted that the negative valuation of the financial instruments does not impact Retail Estates NV's net result. The fixed-capital investment fund classifies the interest rate swaps as cash flow hedging, having ascertained that the hedges were effective, i.e., that the amounts and maturities match those of the underlying loan agreements. Cash flow hedging is therefore applied to these swaps, as a result of which changes in the value of these swaps are recorded directly to equity without passing through the income statement. The financial instruments are level 2 instruments. (see note 40).

Note 34

Other non-current liabilities (in '000 €)	31.03.13	31.03.12
Financial derivatives	30,093	26,187
Debts relating to minority shareholders	11,761	1,951
Deferred taxes	2,211	
Total other non-current liabilities	**44,066**	**28,139**

The increase of the other non-current liabilities from EUR 1.95 million to EUR 13.97 million mainly pertains to the recognition of the debt for the further acquisition of the shares in Retail Warehousing Invest NV, which are not yet fully owned by Retail Estates NV, for an amount of EUR 11.9 million. Please also refer to note 45.

Note 35

Trade debts and other current debts (in '000 €)	31.03.13	31.03.12
Trade debts	2,752	1,563
Advances received from tenants		
Invoices to be received	4,378	2,112
Taxes payable	1,084	1,765
Exit tax	7,097	3,816
Other deferred taxes		
Other current debts	335	430
Total trade debts and other current debts	**15,645**	**9,687**

Note 36

Other current liabilities (in '000 €)	31.03.13	31.03.12
Dividends payable	49	122
Liabilities less than one year vis-à-vis related parties		
Others	9,197	42
Total other current liabilities	**9,246**	**164**

The increase of the other current liabilities from EUR 0.042 to EUR 9.20 million mainly relates to the recognition of the debt for the further acquisition of the shares in Erpent Invest NV and in VRP 1 NV, for an amount of EUR 0.2 million, resp. EUR 5.9 million. In addition to this, the other current liabilities relate to an outstanding current account of EUR 2.9 million, held by the company VRP 1 NV vis-à-vis the minority shareholder. Please also refer to note 45.

Note 37

Deferred charges and accrued income (in '000 €)	31.03.13	31.03.12
Other accrued charges	1,289	973
Deferred revenues (re-invoicing)	887	1,008
Total deferred charges and accrued income	**2,176**	**1,981**

Note 38

Breakdown by due date of credit lines (in '000 €)	31.03.13	31.03.12
Non-current		
Bilateral loans – floating or fixed rate		
Subtotal	330,089	257,423
	330,089	**257,423**
Current		
Bilateral loans – floating or fixed rate		
Financial lease	16,577	16,215
Subtotal		
	16,577	**16,215**
Total	346,666	**273,638**

Breakdown by maturity of non-current financial debts (in '000 €)	31.03.13	31.03.12
Between one and two years	85,106	25,016
Between two and five years	230,711	219,347
More than five years	14,272	13,060

Breakdown by the floating or fixed-rate nature of the loans (in '000 €)	31.03.13	31.03.12
Floating rate loans	285,786	241,135
Fixed rate loans	60,879	32,503

Retail Estates NV has the following unused credit facilities: (in '000 €)	31.03.13	31.03.12
Expiring within one year		
Expiring after one year	45,498	66,900

	Total future interest burden	
Estimate of the future interest burden	31.03.13	31.03.12
Within one year	15,565	13,208
Between one and five years	33,652	30,503
More than five years	3,609	1,463
Total	52,826	**45,174**

Non-current and current financial debts

95 % of the loans with a floating rate are fully hedged by interest rate swap contracts that swap the floating interest rate against fixed interest rates. See note 40. The estimate of future interest takes account of the debt position on 31/03/2013 and of interest hedges under current contracts. For the EUR 15.99 million unhedged portion of the debts, the Euribor rate on 31.03.2013 + banking margin is applied.

Interest burden analysis – interest sensitivity

The degree to which Retail Estates NV can finance itself significantly impacts its profitability. Property investment generally entails a relatively high level of debt financing. To optimally limit this risk, Retail Estates NV applies a relative cautious and conservative strategy. Debts all take the form of long-term loans, financed with various banks. Whenever a loan is concluded at a variable interest rate, it is immediately converted into a fixed interest rate. 95 % of credits are financed this way. In this manner, a rise in the interest rate has no substantial impact on the total result. In principle, Retail Estates NV has an agreement with its banks for a debt ratio covenant of 60 %.

Note 39

Financial assets and liabilities

1. Overview

At 31 March 2013	Total	Assets or liabilities at fair value through the income statement	Loans and receivables	Liabilities at amortised cost price
ASSETS				
Non-current financial assets				
F. Non-current financial assets				
I. Trade receivables and other non-current assets	2		2	
Current financial assets				
D. Trade receivables	716		716	
E. Tax receivables and other current assets	1,084		1,084	
F. Cash and cash equivalents	1,879		1,879	
Total non-current financial assets	**3,681**		**3,681**	
Liabilities				
Non-current financial liabilities				
B. Non-current financial debts	330,089			330,089
C. Other non-current financial liabilities	44,066	30,093		13,973
Current financial liabilities				
B. Current financial debts	16,577			16,577
D. Trade debts and other current debts	15,645			15,645
E. Other current liabilities	9,246			9,246
Total financial liabilities	**415,623**	**30,093**	**0**	**385,530**

At 31 March 2012		Total	Assets or liabilities at fair value through the income statement	Loans and receivables	Liabilities at amortised cost price
ASSETS					
Non-current financial assets					
F.	Non-current financial assets				
I.	Trade receivables and other non-current assets	21		21	
Current financial assets					
D.	Trade receivables	495		495	
E.	Tax receivables and other current assets	1,216		1,216	
F.	Cash and cash equivalents	1,450		1,450	
Total non-current financial assets		**3,182**	**0**	**3,182**	
Liabilities					
Non-current financial liabilities					
B.	Non-current financial debts	257,423			257,423
C.	Other non-current financial liabilities	28,139	26,187		1,952
Current financial liabilities					
B.	Current financial debts	16,215			16,215
D.	Trade debts and other current debts	9,687			9,687
E.	Other current liabilities	164			164
Total financial liabilities		**311,628**	**26,187**		**285,441**

2. Recognition

Given the short-term nature of the trade receivables and payables, the fair value is approximately close to the nominal value of these financial assets and liabilities. On 31 March 2013, Retail Estates NV had EUR 285.79 million of financial debts at variable interest rates and EUR 60.82 million of financial debts at fixed interest rates. Of the debts at variable interest rates, EUR 269.80 million are hedged by interest swap contracts. The fixed interest rates at which these long-term debts were originally concluded in most cases no longer correspond to prevailing money market rates, leading to a difference between their carrying values and their fair values. The following table compares the total amount of the fixed-rate debts at carrying value and at fair value at the end of the 2012-2013 financial year. Here, the fair value of the fixed-rate debts is estimated by discounting their future cash flows at an interest rate that reflects the Group's credit risk. The fair value is mentioned in the following table, the carrying value is the nominal value.

Financial debts at fixed interest rate	31.03.13	
	Carrying value	Fair value
	60,879	61,663

Note 40

Financial instruments

Retail Estates NV classifies interest rate swaps as a cash flow hedge and the fact that the hedging was effective is ascertained. Cash flow hedge accounting is, therefore, applied to these swaps. On this basis, the changes in the value of these swaps are recognised directly in the shareholders' equity and are not included in the income statement. The method for determining the effectiveness of the hedge is as follows:

Prospective test: : at the end of each quarter, an examination is made to establish whether the future still indicates a match between the interest rate swap and the underlying financial obligation.

Retrospective test: the interest paid on the underlying financial obligation is compared with the floating interest cash flow from the swap based on ratio analysis. The ratio must lie between 80 and 125. The market value of the interest rate swap was K EUR -30,093 on 31 March 2013. It is established on a quarterly basis by the issuing financial institution and is verified by ourselves through discounting the future contractual cash flows using identical interest rate curves.

The fair value of liabilities to banks at the reporting date (in '000 €)	31.03.13		31.03.12	
	Assets	Liabilities	Assets	Liabilities
Interest Rate Swap		30,092	0	26,187

The fair values of the instruments are determined through the sole use of data observable for the instrument (either directly or indirectly). These, however, are not listed prices in active markets and, therefore, the IRS instruments belong to level 2 of the fair value hierarchy as defined in IFRS 7.

Overview of Swaps:

1. Interest Rate Swap at KBC Bank in a notional amount of KEUR 37,000, at a fixed interest rate of 4.0475 % against 3 month Euribor, from December 2006 to December 2016.
2. Interest Rate Swap at KBC Bank in a notional amount of KEUR 6,000, at a fixed interest rate of 4.2075 % against 3 month Euribor, from October 2007 to December 2016.
3. Interest Rate Swap at BNP Paribas Fortis Bank in a notional amount of KEUR 13,000, at a fixed interest rate of 4.07 % against 3 month Euribor, from March 2007 to September 2013.
4. Interest Rate Swap at KBC Bank in a notional amount of KEUR 5,000 KEUR, at a fixed interest rate of 4.08 % against 3 month Euribor, from March 2008 to March 2018.

5. Interest Rate Swap at BNP Paribas Fortis Bank in a notional amount of KEUR 10,000 KEUR, at a fixed interest rate of 4.77 % against 3 month Euribor, from July 2007 to July 2017.
6. Interest Rate Swap at KBC Bank in a notional amount of KEUR 10,000 KEUR, at a fixed interest rate of 4.58 % against 3 month Euribor, from August 2007 to July 2015.
7. Interest Rate Swap at KBC Bank in a notional amount of KEUR 6,000 KEUR, at a fixed interest rate of 4.39 % against 3 month Euribor, from January 2008 to August 2014.
8. Interest Rate Swap at KBC Bank in a notional amount of KEUR 20,000, at a fixed interest rate of 4.60 % against 3 month Euribor, from May 2007 to February 2015.
9. Interest Rate Swap at Belfius Bank in a notional amount of KEUR 10,000, at a fixed interest rate of 4.87 % against 3 month Euribor, from October 2008 to October 2013.
10. Interest Rate swap at Belfius Bank in a notional amount of KEUR 15,100, at a fixed interest rate of 2.315 % against 3 month Euribor, from March 2010 to September 2014.
11. Interest Rate swap at Belfius Bank in a notional amount of KEUR 6,500, at a fixed interest rate of 4.935 % against 3 month Euribor, from March 2010 to December 2015.
12. Interest Rate swap at Belfius Bank in a notional amount of KEUR 8,500 KEUR, at a fixed interest rate of 4.935 % against 3 month Euribor, from May 2010 to March 2017.
13. Interest Rate swap at Belfius Bank in a notional amount of KEUR 20,500, at a fixed interest rate of 1.66 % against 3 month Euribor, from January 2011 to April 2014.
14. Interest Rate swap at Belfius Bank in a notional amount of KEUR 20,000, at a fixed interest rate of 3.215 % against 3 month Euribor, from June 2012 to June 2017.
15. Interest Rate swap at Belfius Bank in a notional amount of KEUR 10,000, at a fixed interest rate of 3.03 % against 3 month Euribor, from November 2011 to November 2016.
16. Interest Rate swap at Belfius Bank in a notional amount of KEUR 6,000, at a fixed interest rate of 3.345 % against 3 month Euribor, from September 2012 to September 2017.
17. Interest Rate swap at Belfius Bank in a notional amount of KEUR 30,000, at a fixed interest rate of 3.685 % against 3 month Euribor, from November 2013 to November 2018.
18. Interest Rate swap at BNP Paribas Fortis Bank in a notional amount of KEUR 10,947, at a fixed interest rate of 3.89 % against 3 month Euribor, from March 2009 to December 2023.
19. Interest Rate swap at KBC Bank in a notional amount of KEUR 10,000, at a fixed interest rate of 2.3225 % against 3 month Euribor, from July 2011 to December 2015
20. Interest Rate swap at Belfius Bank in a notional amount of KEUR 10,000, at a fixed interest rate of 3.03 % against 3 month Euribor, from June 2012 to September 2017
21. Interest Rate swap at ING Bank in a notional amount of KEUR 25,000, at a fixed interest rate of 1.695 % against 3 month Euribor, from December 2011 to June 2016.
22. Interest Rate swap at BNP Paribas Fortis Bank in a notional amount of KEUR 10,000, at a fixed interest rate of 3.04% against 3 month Euribor, from May 2012 until April 2016.

23. Interest Rate Swap at BNP Paribas Fortis Bank in a notional amount of KEUR 21,000, at a fixed interest rate of 2.69% against 3 month Euribor, from September 2014 until September 2019.
24. Interest Rate Swap at KBC Bank in a notional amount of KEUR 20,500, at a fixed interest rate of 1.905% against 3 month Euribor, from April 2012 until March 2018.
25. Interest Rate Swap at BNP Paribas Fortis Bank in a notional amount of KEUR 10,000, at a fixed interest rate of 1.82% against 3 month Euribor, from January 2016 until December 2021.
26. Interest Rate Swap at Belfius Bank in a notional amount of KEUR 20,000, at a fixed interest rate of 1.48% against 3 month Euribor, from February 2015 until January 2020.

Note 41

Related parties

The company's related parties are its subsidiaries and its directors and members of the board of directors/executive officers. The transactions with the subsidiaries are eliminated in the consolidation.

Directors and members of the board of directors/ executive officers

The board of directors' and executive officers' remuneration is entered in the 'corporate operating costs' (see note 11):

(in '000 €)	31.03.13	31.03.12
Directors	432	414
Total	432	**414**

Directors and executive officers do not receive any other benefits from the company. Retail Estates NV has not an executive committee ("directiecomité"/"comité de direction"). These amounts are all short-term benefits. We refer to the remuneration report on page 24.

Note 42

Auditor's fee (VAT excl.)	31.03.13
Remuneration of the auditor for the audit assignment	95
Remuneration for exceptional duties or special assignments	
- Other audit assignments	20
- Tax consultancy assignments	6
- Other assignments outside the audit assignment	31

Note 43

Acquired real estate companies and property investments

Per 31.03.2012

The purchases and own developments in the 2011-2012 financial year resulted in a EUR 25.92 million increase in total rental income. If these acquisitions had taken place on 1 April 2011, rental income would have risen by EUR 2.55 million. The operating result increased by EUR 0.96 million as a result of these investments.

Per 31.03.2013

The purchases and own developments in the 2012-2013 financial year resulted in a EUR 117.63 million (without project developments). The total rental income increases by EUR 5.46 million in financial year 2012-2013 as a result of these investments If these acquisitions had taken place on 1 April 2012, the rental income would have increased by EUR 7.54 million. The operating result increased by EUR 4.77 million as a result of these investments.

Disposal of real estate companies and real estate investments

Per 31.03.2012

During the past financial year, 12 properties were sold, reducing the investment properties by EUR 17.43 million. Rental income fell by EUR 0.67 million as a result of this divestment. If these sales had taken place on 1 April 2011, rental income would have been EUR 1.05 million lower.

Per 31.03.2013

In the past financial year, 14 stores, 2 carcass apartments, 1 food service building, 3 plots of land, 1 small and middle-sized building and 1 villa were sold to private investors, with a net sales profit of EUR 19.25 million, reducing the investment properties by EUR 18.94 million. Rental income fell by EUR 0.81 million as a result of this divestment. If these sales had taken place on 1 April 2012, rental income would have been EUR 1.01 million lower.

Note 44

Events after the Balance sheet date

Acquisition of additional shares VRP 1 NV

On 21 May 2013, Retail Estates NV acquired an additional EUR 3.45 million participation in the company VRP 1 NV (please also refer to note 45), as a result of which Retail Estates NV now holds a 70% participation in VRP 1 NV.

Acquisition of additional shares Erpent Invest NV

In May 2013, Retail Estates NV acquired the remaining shares of the company Erpent Invest NV, for a purchase price of EUR 0.4 million. Retail Estates NV now owns 100% of the shares.

Contribution building Spa

On 31 March 2013, the company signed an agreement in principle regarding the contribution within the framework of the authorised capital of 2 building in Spa. These buildings have a fair value of EUR 1.18 million and rental income of EUR 0.089 million.

Note 45

List of consolidated companies and changes in the circle of consolidation

As at 31 March 2013, the following subsidiaries are part of the consolidation perimeter of Retail Estates:

Aalst Logistics NV – 100%
Belgium Retail 1 Luxembourg SARL – 100%
Poperinge Invest NV – 100%
Erpent Invest NV – 54,19%
Finsbury Properties NV – 100%
Infradis Real Estate NV – 100%
Retail Warehousing Invest NV – 62.5%
VRP 1 NV – 51%

During the past financial year, we acquired control over Retail Warehousing Invest NV (formerly Databuild Investments NV), VRP 1 NV, Erpent Invest NV and Infradis NV.

Infradis Real Estate NV

On 26 April 2012, Retail Estates acquired exclusive control over Infradis Real Estate NV, by taking over all of the shares of this company. Infradis Real Estate NV owns a store in Namur, which is let to New Vanden Borre since August 2012, and a complex in Zaventem, consisting of 2 stores, which are let to Ixina and Carpetright, and of 6 small and medium-sized units, mainly let to Carpetright, and a logistics company of the Colruyt group. At the time of the acquisition, the company also owned a building in Korbeek-Lo, which was sold for EUR 2.15 million (in accordance with the fair value) and a building in Drogenbos (fair value EUR 7.31 million), which was traded for buildings in Bouge and Hasselt (with fair values of EUR 1.67 million, resp. EUR 5.82 million). As at 31 March 2013, the investment value of the buildings of Infradis Real Estate NV amounted to EUR 18.49 million. These buildings represent a rental income of EUR 1.29 million.

Retail Warehousing Invest NV

On 4 July 2012, Retail Estates NV acquired control over Retail Warehousing Invest NV by acquiring a 62.5% share participation, part of which (308 shares) was purchased and part of which (317 shares) was acquired through a contribution in kind. This company owns 32 stores, 22 of which are concentrated in retail parks in Lommel (5 stores), Gembloux (10 stores) and Châtelet (7 stores). The remaining 10 stores are located in Soignies (2 stores), Anderlues (2 stores), Bouillon (2 stores), Fleurus (1 store), Thuin (1 store) and

Libramont (2 stores). The stores result in rental income of EUR 3.27 million and represent a fair value of EUR 49.77 million as 31 March 2013.

Erpent Invest NV

On 20 December 2012, Retail Estates NV acquired control over Erpent Invest NV, the owner of an office villa located in Erpent, which will be demolished and replaced by a store and offices. The completion of this project is expected to take place in 2014.

VRP 1 NV

Retail Estates NV has acquired control over the public limited liability (“naamloze vennootschap”) “VRP 1”. This company builds a retail park with 20,899 m² of shopping surface in Verviers. By means of an initial investment of EUR 4.25 million, Retail Estates NV obtained a 51% participation and, in case its partner exits, Retail Estates NV has the prospect of acquiring all of the shares at the earliest upon delivery of the retail park to its tenants in August 2013. The commercialisation of the shopping premises to be let is on-going and is supported by Retail Estates. To date, 70 % of the retail park is let to, inter alia, Decathlon, Maisons du Monde and Red Market.

None of these acquisitions is considered to be a business combination under IFRS 3.

The agreement concluded with a view to acquiring control over Retail Warehousing Invest NV provides that Retail Estates NV, at the latest on 1 July 2016, acquires all shares of this company that are not yet fully owned by Retail Estates NV, on the basis of the same valuation formula laid down in order to acquire control on 4 July 2012. Upon acquisition of the minority interest, the underlying real estate value used in this formula will be checked against the valuation of the real estate expert applicable at that time and, as the case may be, be limited to that valuation in accordance with Article 18 of the Royal Decree on fixed-capital real estate investment funds.

Also the agreements regarding the acquisition of control over VRP 1 NV and Erpent Invest NV contain provisions regarding the further acquisition of shares that are not yet owned by Retail Estates NV.

As of 31 December 2012, the balance sheet has been drawn up on the assumption that all minority interests are acquired (in accordance with IFRS), irrespective of the timing of such acquisition and on the assumption that such acquisition is paid in cash. This reflects the maximum debt ratio on the basis of the available information and the development stage of the projects.

Note 46

Determination of the amount in accordance with Article 617 of the Belgian Companies Code

The amount referred to in Article 617 of the Belgian Companies Code, of the paid-up capital if that amount is higher, of the called-up capital, increased with all the reserves that cannot be distributed (in accordance with the law or with the provisions of the articles of association, is determined in Chapter 4 of Annex C to the Royal Decree of 7 December 2010.

This calculation takes place on the basis of the statutory annual accounts of Retail Estates NV.

(in '000 €)	31.03.13	31.03.12
Non-distributable elements of the shareholders' equity before distribution of results	**219,281**	**190,521**
Paid-up capital	129,389	121,174
Non-available issue premiums pursuant to the articles of association	52,857	43,268
Reserve for the positive balance of the variations of the investment value of real estate	80,459	65,984
Reserve for the impact on fair value of estimated transfer taxes and costs resulting from the hypothetical disposal of investment properties	-14,378	-13,718
Reserve for the balance of the changes in fair value of authorized hedging instruments qualifying for hedge accounting	-29,378	-26,187
Reserve for the balance of the changes in fair value of authorized hedging instruments not qualifying for hedge accounting	0	
Other reserves	332	
Profit and loss of the financial year that must be allocated to the non-distributable reserves in accordance with Chapter I of Annex C of the Royal Decree of 7 December 2010	**8,458**	**10,656**
Result on portfolio	7,407	9614
Revaluation participations	1,051	1042
Changes in fair value of financial assets and liabilities (non-effective hedges - IAS 39) and of financial fixed assets		
Aggregate shareholders' equity, statutory, non-distributable	**227,739**	**201,177**
Shareholders' equity, statutory	270,637	242,241
Planned dividend distribution	-16,858	-15,107
Number of shares	5,813,122	5,395,408
Distributable operational profit and loss per share (€)	2,90	2,80
Shareholder's equity, statutory, after distribution of dividends	**253,779**	**227,134**
Remaining reserve after distribution	**26,040**	**25,957**

3. Auditor's report to the shareholders' meeting on the consolidated annual accounts for the financial year which ended on 31 March 2013

To the shareholders

As required by law, we report to you on the performance of our mandate of statutory auditor. This report includes our report on the consolidated financial statements as defined below together with our report on other legal and regulatory requirements.

Report on the consolidated financial statements – Unqualified opinion

We have audited the accompanying consolidated financial statements of Retail Estates NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as implemented by the Belgian Royal Decree of 7 December 2010 on real estate investment trusts and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 March 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated financial statements show total assets of 687.511 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 29.582 (000) EUR.

Responsibility of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with the accounting principles consistent with International Financial Reporting Standards as implemented by the Belgian Royal Decree of 7 December 2010 on real estate investment trusts and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Retail Estates NV give a true and fair view of the group's net equity and financial position as of 31 March 2013, and of its results and its cash flows for the year then ended, in accordance with the accounting principles consistent with International Financial Reporting Standards as implemented by the Belgian Royal Decree of 7 December 2010 on real estate investment trusts and with the legal and regulatory requirements applicable in Belgium..

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

In the framework of our mandate, our responsibility is to verify, for all significant aspects, the compliance with some legal and regulatory requirements. On this basis, we provide the following additional comment which does not modify the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is, for all significant aspects, in agreement with the consolidated financial statements and is not in obvious contradiction with any information obtained in the performance of our mandate.

Antwerp, 27 May 2013

The statutory auditor
DELOITTE Bedrijfsrevisoren /
Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Kathleen De Brabander

4. Statutory income statement

INCOME STATEMENT (in '000 €)	31.03.13	31.03.12
Rental income	37,294	34,154
Rental related charges	-460	-303
Net rental income	**36,834**	**33,851**
Recovery of property charges		
Recovery of charges and taxes normally payable by tenants on let properties	3,214	2,737
Rental charges and taxes normally payable by tenants on let properties	-3,595	-2,919
Other rental related income and expenses	-26	-42
Property result	**36,427**	**33,627**
Technical costs	-1,061	-926
Commercial costs	-102	-105
Charges and taxes on unlet properties	-120	-78
Property management costs	-563	-247
Other property charges	-1	
Property charges	**-1,848**	**-1,355**
Operating property result	**34,579**	**32,272**
Corporate operating costs	-1,933	-1,880
Other current operating income and expenses		

INCOME STATEMENT (in '000 €)	31.03.13	31.03.12
Operating result before result on the portfolio	**32,646**	**30,392**
Result on disposals of investment property	303	-99
Result on sales of other non-financial assets		
Changes in fair value of investment properties	7,407	9,614
Operating result	**40,356**	**39,907**
Financial income	1,991	2,019
Interest charges	-15,429	-14,319
Other financial charges	-158	-43
Financial result	**-13,596**	**-12,343**
Result before taxes	**26,761**	**27,564**
Taxes	**20**	**173**
Net result	**26,781**	**27,737**

5. Statutory balance sheet

ASSETS (in '000 €)	31.03.13	31.03.12
Non-current assets	**624,895**	**538,571**
Goodwill		
Intangible assets	51	82
Investment properties	571,565	515,663
Other tangible assets	352	363
Non-current financial assets	52,928	22,445
Trade receivables and other non-current assets	0	18
Current assets	**13,335**	**18,697**
Assets held for sale	7,488	
Trade receivables	519	1,862
Tax receivables and other current assets	4,428	2,136
Cash and cash equivalents	606	884
Deferred charges and accrued income	294	655
TOTAL ASSETS	**638,230**	**557,269**

SHAREHOLDERS' EQUITY AND LIABILITIES (in '000 €)	31.03.13	31.03.12
Shareholders' equity	**270,637**	**242,241**
Capital	129,389	121,174
Share premium	52,857	43,268
Reserves	61,611	50,061
Net result of the financial year	26,781	27,737
Liabilities	**367,594**	**315,028**
Non-current liabilities	340,600	283,610
Provision		
Non-current financial debts	311,221	257,423
Credit institutions	311,221	257,423
Financial lease		
Other non-current liabilities	29,379	26,187
Current liabilities	26,993	31,418
Current financial debts	14,960	13,473
Credit institutions	14,960	13,473
Financial lease		
Trade debts and other current debts	10,058	15,825
Other current liabilities	93	164
Accrued charges and deferred income	1,882	1,955
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**638,230**	**557,269**

> 15

EMPLOYEES

Permanent document

“ Retail Estates NV is committed to quality in all areas, both operational and financial, and enjoys the full Support of its employees and directors ”

Quality

Permanent document

1. General information

Identificifation

Name

The official name of the company is Retail Estates NV "Vastgoedbeleggingsvennootschap met Vast Kapitaal naar Belgisch recht" or "Vastgoedbevak naar Belgisch recht" (i.e. Real estate investment company with a fixed capital, according to Belgian law).

Registered office

The registered office of the company is located at Industrielaan 6, 1740 Ternat, Belgium. Under article 2 of the articles of association, the registered office of the company may be relocated to any place in Belgium following a decision by the Board of Directors, without the need to amend the articles of association.

Company number

The company has been entered in the register of legal persons under the company number 0434 797 847.

Legal form, establishment, publication

The public limited company "Retail Estates – Vastgoedbevak naar Belgisch recht" was established by a legal instrument executed by the civil notary Urbain Drieskens at Houthalen on 12 July 1988 and subsequently published in the appendix to the Belgian Official Gazette on 29 July 1988 under number 880729-313.

The articles of association were most recently amended by means of a notarised record drawn up on 3 May 2013, by Peter Van Melkebeke, associated Notary in Brussels, and lodged with the Clerk of the Brussels Commercial Court.

The company makes a public call on savings under article 439 of the Companies Code.

Duration

The company was established for an open-ended period of time.

Social purpose and investment policy

Article 3 of the articles of association:

« The company's purpose is the collective investment in real estate using funds obtained from the public, as defined in the sicafi legislation.

Consequently, the company shall primarily invest in real estate, as defined in the sicafi legislation, namely:

1. real property as defined in Articles 517 et seq. of the Civil Code and rights in rem to real property;
2. voting shares issued by real estate companies over which the company exercises joint or exclusive control;
3. option rights to real property;
4. shares of public or institutional sicafis, provided joint or exclusive control is exercised over institutional sicafis;
5. shares of foreign undertakings for collective investment in real estate, under the circumstances provided for by the sicafi legislation;
6. real estate certificates, within the meaning of Article 5 § 4 of the Act of 16 June 2006;

7. rights arising from agreements granting finance leases to the company for one or more properties or conferring other analogous rights of use.

Within the limits of its investment policy, as defined in Article 4 of these articles, and in accordance with the sicafi legislation, the company can engage in the acquisition, renovation, improvement, lease, sublease, management, exchange, sale, subdivision, and subjection to joint ownership of the property described above, acquire a stake, by means of a merger or otherwise, in any company whose purpose is similar or complementary to its own (including a stake in a controlled subsidiary that provides services to the lessors of real property of the sicafi and/or of its subsidiaries) and, in general, carry out all transactions relating directly or indirectly to its corporate purpose.

The company can act as a real estate developer, provided it only does so on an occasional basis. The company can grant mortgages or other forms of security as well as extend loans to, and serve as a guarantor for, a subsidiary, within the limits of the sicafi legislation.

On a temporary or subsidiary basis, the company can also invest in securities which are not real estate. Such investments shall be diversified in order to ensure an adequate allocation of risk. The company can hold non-committed liquid assets. The liquid assets can be held in all currencies, in the form of demand and term deposits, as well as all easily convertible money market instruments.

In addition, the company can engage in transactions involving hedging instruments, provided the latter are carried out for the sole purpose of hedging the interest rate and exchange risk, expressly excluding any speculative transactions.

The company and its subsidiaries can let one or more properties under finance leases. Such finance leases, with a purchase option, can only be granted on a subsidiary basis, unless the properties in question are intended to be used in the public interest (in which case, this activity can form part of the company's main business).

In general, the company is obliged to carry out all of its activities and transactions in accordance with the rules and within the limits provided for by the sicafi legislation and any other applicable legislation. »

Article 4 of the articles of association:

« In order to ensure an adequate allocation of the investment risk, the company shall invest in real property intended primarily for retailing, located in the suburbs, with a surface area ranging in general from five hundred square meters (500 m²) to ten thousand square meters (10,000 m²). The real property shall be located throughout Belgium and possibly in other Member States of the European Union.

At the most, ten percent (10%) of the company's assets can be invested in real estate whose main activity does not meet the above mentioned criteria. For the purposes of this article, retailing is understood to mean: both commercial services, and retail with individuals and / or retailers that takes place in a shop or showroom. »

Financial year

The financial year of the company shall start on 1 April and end on 31 March of each year. The first financial year as a real estate investment company ran from 1 April 1998 to 31 March 1999.

Inspection of documents

The non-consolidated and consolidated annual accounts, articles of association, annual reports and other information disclosed publicly to shareholders may be obtained free of charge at the registered office of the company. The non-consolidated and consolidated annual accounts and the supplementary reports shall be lodged with the National Bank of Belgium. The articles of association may be obtained from the Clerk of the Brussels Commercial Court or on the website www.retailestates.com.

Notices convening general meetings shall be published in the appendices to the Belgian Official Gazette and in the newspaper De Standaard. The convening notices and all relevant documents shall simultaneously be made available on the website at www.retailestates.com /investor relations/shareholders' agenda/(extraordinary) general meeting/.

All press releases and other financial information published by Retail Estates nv may be viewed on the same website.

The annual reports of the company shall be sent to holders of registered shares, other holders of securities who have fulfilled the formalities prescribed by the Companies Code and to any person who request them. They shall also be obtainable at the registered office of the company.

Legal regime

The legal regime for a real estate investment company

The real estate investment company system was established by the Royal Decree of 7 December 2010, which superseded all previous texts.

The concept of an investment company with fixed capital is akin to a Real Estate Investment Trust (USA) or an Investment Institution (the Netherlands).

The intention of lawmakers was for a real estate investment company to guarantee optimum transparency of real estate investments and to assure a maximum disbursement of cash flow, while allowing investors to enjoy numerous benefits. Our real estate investment company is regulated by the FSMA, and is subject to some specific regulations, of which the most important are:

- the legal status must be that of a private limited company or a partnership limited by shares, with a minimum capital of EUR 1,250,000;
- indebtedness must be limited to 65 %;
- the portfolio must be stated at fair value (real value) without a possibility of write-downs;
- independent experts must make an annual estimate of the real estate assets, which must be updated at the end of the first three quarters of each financial year;
- at least 80 % of the current result must be paid out as a dividend;
- the risk must be spread, i.e. not more than 20 % of the assets may be invested in one and the same real estate complex;
- virtually complete exemption from corporation tax;
- an advance levy (currently 21 %) must be deducted from the payable dividend. This is by way of discharge

of obligations, insofar as natural persons are concerned, who acquired the shares as part of the management of their private property;
- there must be a stock exchange listing;
- the activity must be confined to real estate investments; additionally, the real estate investment company may place assets in securities;
- possibility to request that branches of the real estate investment company be given the status of an institutional real estate investor.

The objective of all these rules is to limit risks. Companies that merge with a real estate investment company are subject to a 16.995 % tax over the unrealised gains and tax-free reserves, i.e. the 'exit tax', plus a supertax at the prevailing rate.

2. Articles of association

The articles of association were completely revised by an extraordinary general meeting held on 27 May 2011, as a result of the Royal Decree concerning real estate investment companies published on 7 December 2010, and the Act of 20 December 2010 concerning the exercising of certain rights by shareholders of listed companies.

Corporate form - name - registered office - corporate purpose - term of existence

Article 1: Corporate form and name

The company takes the form of a limited liability company under Belgian law with the name "Retail Estates". This name shall be immediately followed by the words "public closed-end real estate investment company under Belgian law" or "Public real estate SICAF under Belgian law" ("Société d'investissement immobilière à capital fixe publique de droit belge" or "SICAF immobilière publique de droit belge" / "Vastgoedbeleggingsvennootschap met vast kapitaal naar Belgisch recht" or "Vastgoedbevak naar Belgisch recht") and all documents issued by the company shall contain this mention.

The company has made a public offering within the meaning of Article 438(1) of the Company Code.

The company is an undertaking for collective investment in a fixed number of transferable securities, subject to the statutory framework governing closed-end investment companies set forth in Articles 18 till 21 of the Act of 3 August 2012 on certain forms of collective management of investment portfolios. The company has opted to invest in real estate, as mentioned in Article 7(1)(5) of the aforementioned act.

The company is subject to the relevant provisions of the Act of 3 August 2012 on certain forms of collective management of investment portfolios, as well as to the royal decrees implementing the act, which are applicable to public undertakings for collective investment in a fixed number of transferable securities, investing in the category of assets mentioned in Article 7(1)(5) of the act (real estate) (this act and its implementing decrees are hereinafter referred to as the "sicafi legislation").

Article 2: Registered office

The registered office is located at 6 Industrielaan, 1740 Ternat.

The registered office can be transferred to any other location in Belgium, pursuant to a decision of the Board of Directors, which complies with the applicable legislation on the use of languages, without an amendment to these articles being required.

The Board of Directors can also establish administrative offices, places of business, branches and subsidiaries, both in Belgium and abroad.

Article 3: Corporate purpose

The company's purpose is the collective investment in real estate using funds obtained from the public, as defined in the sicafi-legislation.

Consequently, the company shall primarily invest in real estate, as defined in the sicafi legislation, namely:

1. real property as defined in Articles 517 et seq. of the Civil Code and rights in rem to real property;
2. voting shares issued by real estate companies over which the company exercises joint or exclusive control;
3. option rights to real property;
4. shares of public or institutional sicafis, provided joint or exclusive control is exercised over institutional sicafis;
5. shares of foreign undertakings for collective investment in real estate, under the circumstances provided for by the sicafi legislation;
6. real estate certificates, within the meaning of Article 5 § 4 of the Act of 16 June 2006;
7. rights arising from agreements granting finance leases to the company for one or more properties or conferring other analogous rights of use.

Within the limits of its investment policy, as defined in Article 4 of these articles, and in accordance with the sicafi-legislation, the company can engage in the acquisition, renovation, improvement, lease, sublease, management, exchange, sale, subdivision, and subjection to joint ownership of the property described above, acquire a stake, by means of a merger or otherwise, in any company whose purpose is similar or complementary to its own (including a stake in a controlled subsidiary that provides services to the lessors of real property of the sicafi and/or of its subsidiaries) and, in general, carry out all transactions relating directly or indirectly to its corporate purpose.

The company can act as a real estate developer, provided it only does so on an occasional basis. The company can grant mortgages or other forms of security as well as extend loans to, and serve as a guarantor for, a subsidiary, within the limits of the sicafi legislation.

On a temporary or subsidiary basis, the company can also invest in securities which are not real estate. Such investments shall be diversified in order to ensure an adequate allocation of risk. The company can hold non-committed liquid assets. The liquid assets can be held in all currencies, in the form of demand and term deposits, as well as all easily convertible money market instruments.

In addition, the company can engage in transactions involving hedging instruments, provided the latter are carried out for the sole purpose of hedging the interest rate and exchange risk, expressly excluding any speculative transactions.

The company and its subsidiaries can let one or more properties under finance leases. Such finance leases, with a purchase option, can only be granted on a subsidiary basis, unless the properties in question are intended to be used in the public interest (in which case, this activity can form part of the company's main business).

In general, the company is obliged to carry out all of its activities and transactions in accordance with the rules and within the limits provided for by the sicafi legislation and any other applicable legislation.

Article 4: Investment policy

In order to ensure an adequate allocation of the investment risk, the company shall invest in real property intended primarily for retailing, located in the suburbs, with a surface area ranging in general from five hundred square meters (500 m²) to ten thousand square meters (10,000 m²). The real property shall be located throughout Belgium and possibly in other Member States of the European Union.

At the most, ten percent (10 %) of the company's assets can be invested in real estate whose main activity does not meet the above mentioned criteria. For the purposes of this article, retailing is understood to mean: both commercial services, and retail with individuals and / or retailers that takes place in a shop or showroom.

Article 5: Term

The company is incorporated for an indefinite term.

Capital - shares

Article 6: Capital

1. Share capital

The company's share capital is fixed at one hundred and thirty million, seven hundred and ninety-seven thousand, five hundred and seventeen euros, and nineteen cents (EUR 130,797,517.19).

The capital is divided into five million, eight hundred and thirteen thousand, one hundred and twenty-two (5,813,122) shares, without par value, each of which represents an equal share of the capital. The capital is paid up in full.

2. Authorised capital

The Board of Directors is authorised to increase the share capital on one or more occasions, up to a maximum amount of one hundred and thirteen million, eight hundred and eighty-nine thousand, five hundred and forty-two euros, and seventy cents (EUR 113,889,542.70).

This authorisation is conferred on the Board of Directors for a period of five years, as from the publication in the annexes to the Belgian State Gazette of the amendment to the articles of association, adopted by the extraordinary general meeting of 27 May 2011. This authorisation can be renewed. The Board of Directors shall determine the price, the issue premium, and the issue conditions for new shares, unless these decisions are taken by the general meeting.

Within the above limits, and without prejudice to mandatory provisions of the Company Code, the Board of Directors can decide to increase the capital, by means of contributions in cash or in kind, the incorporation of reserves or issue premiums, with or without the issuance of new shares, on a case-by-case basis. The Board of Directors is also authorised, by the general meeting, to issue other securities, including, without limitation, (subordinated or non-subordinated) convertible bonds, warrants, non-voting shares, and preferred shares with regard to dividends and/or liquidation proceeds.

Moreover, the Board of Directors is allowed to limit or remove the preferential right granted by the Company Code to the shareholders, including those in favour of one or more persons other than the employees of the company or a subsidiary, provided an irreducible allocation right is granted to the existing shareholders upon the distribution of new shares. This irreducible allocation right shall meet the requirements determined by the sicafi legislation and Article 6.4 of these articles of association.

This right need not be granted in the event of a contribution of cash made in the context of an optional dividend distribution, under the circumstances provided by Article 6.4 of these articles of association.

Capital increases by means of a contribution in kind shall be carried out in accordance with the requirements determined by the sicafi legislation and Article 6.4 of these articles of association. Such contributions can include a right to a dividend in the context of an optional stock dividend distribution.

Without prejudice to the authorisation granted to the Board of Directors in accordance with the preceding paragraphs, the Board of Directors is authorised to proceed with one or more capital increases, in the event of a takeover bid for all of the company's shares, under the conditions set forth in Article 607 of the Company Code, provided the company has received an acknowledgement of the takeover bid from the Financial Services and Markets Authority (FSMA) within a period of three years from the extraordinary general meeting of 27 May 2011. If applicable, the Board of Directors must respect the irreducible allocation right provided for by the sicafi-legislation. Capital increases carried out by the Board of Directors pursuant to this authorisation will be deducted from the remaining authorised capital, mentioned in the first paragraph of this article.

When capital increases carried out pursuant to these authorisations entail an issue premium, the amount thereof shall be allocated to a non-distributable "issue premium" reserve which shall serve, like the capital, as a guarantee to third parties, and which can only be reduced or abolished pursuant to a decision of the general meeting, deliberating in accordance with the conditions set forth in Article 612 of the Company Code, without prejudice to its incorporation in the company's capital.

3. Acquisition, transfer and pledge of own shares

The company can acquire or pledge its own shares on the conditions provided for by law. The company is authorised to transfer the acquired shares, on or off market, on the conditions determined by the Board of Directors, without the prior consent of the general meeting.

The Board of Directors is authorised, within the limits of Articles 620 et seq. of the Company Code, to decide that the company can acquire, pledge and transfer its own shares when such acquisition or transfer is necessary to avoid serious, imminent harm to the company. This authorisation is valid for a period of three (3) years, as from the publication in the annexes to the Belgian State Gazette of the authority granted by the extraordinary general meeting of 27 May 2011, and can be extended by the general meeting for the same period of time.

The Board of Directors is authorised, for a period of five (5) years following the extraordinary general meeting of 27 May 2011, to acquire, pledge and transfer (including off market) the company's own shares on the company's behalf, at a unit price which cannot be less than eighty-five percent (85 %) of the closing market price on the day preceding the date of the transaction (acquisition, sale or pledge) and cannot exceed one hundred and fifteen percent (115 %) of the closing market price on the day preceding the date of the transaction (acquisition, sale or pledge), subject to the requirement that the company cannot, at any time, hold more than 20 % of the total outstanding shares.

The above-mentioned authorisations extend to acquisitions and transfers of the company's shares by its subsidiaries within the meaning of the first paragraph of Article 627 of the Company Code, including instances when such acquisitions are made by persons acting in the name and on behalf of a subsidiary.

4. Capital increase

Any capital increase shall meet the requirements of Articles 581 through 609 of the Company Code and the sicafi legislation.

The company's capital can be increased pursuant to a decision of the general meeting, deliberating in accordance with Article 558 and, if applicable, Article 560 of the Company Code, or pursuant to a decision of the Board of Directors within the limits of the authorised capital. It is, however, forbidden for the company to subscribe, directly or indirectly, to its own capital.

In the event of a capital increase by means of a cash contribution, pursuant to a decision of the general meeting, or within the limits of the authorised capital, the shareholders' preferential right can only be restricted or cancelled if an irreducible allocation right is granted to the shareholders of record at the time that the new shares are awarded. This irreducible allocation right shall meet the following requirements, determined by the sicafi legislation:

1. it applies to all new shares issued in their entirety;
2. it is granted to the shareholders in proportion to the percentage of capital that their shares represent at the time of the transaction;
3. a maximum share price is announced no later than the day before the opening of the public subscription period; and
4. the public subscription period lasts, in this case, for at least three trading days.

This irreducible allocation right applies to the issuance of shares, (subordinated or non-subordinated) convertible bonds, and warrants, but does not have to be allocated to a cash contribution with a limitation or cancellation of the preferential right, in addition to a contribution in kind, in the context of the distribution of an optional stock dividend, provided the grant thereof is effectively open to all shareholders.

Capital increases by means of contributions in kind are subject to the rules set forth in Articles 601 and 602 of the Company Code.

Moreover, the following requirements must be met in the event of the issuance of securities, following a contribution in kind, in accordance with the sicafi legislation:

1. the contributor's identity must be disclosed in the report prepared by the Board of Directors pursuant to Article 602 of the Company Code, and also, if applicable, in the notice of the general meeting called to vote on the capital increase;
2. the issue price cannot be less than the lower value of the following: (a) a net asset value per share dated no more than four months before the date of the contribution agreement or, at the company's choosing, before the date of the document enacting the capital increase and (b) the average closing market (share) price over the thirty calendar days preceding this same date;
   In this regard, it is permitted to deduct, from the

amount indicated in point (b) above, an amount corresponding to the portion of undistributed gross dividends of which the new shares could be deprived, provided that the Board of Directors specifically justifies, in its special report, the amount of accrued dividends to be deducted, and sets forth the financial conditions for the transaction in the annual financial report;

3. unless the issue price or, under the circumstances provided in Article 6.6 below, the share-exchange ratio, as well as the associated formalities, is determined and communicated to the public, at the latest, on the working day following the conclusion of the contribution agreement, with a mention of the time period within which the capital increase will effectively be carried out, the document enacting the capital increase shall be drawn up within a maximum period of four months; and
4. the report mentioned in point 1 above must also make clear the effect of the proposed contribution on the situation of the existing shareholders, in particular their share of the company's profit, the net asset value, and the capital, as well as the impact on voting rights.

These additional conditions are not applicable in the event of the contribution of a right to a dividend in the context of an optional stock dividend distribution, provided the grant thereof is effectively open to all shareholders.

If the general meeting decides to require the payment of an issue premium, this amount must be booked in a non-distributable reserve, which can only be reduced or abolished pursuant to a decision of the general meeting, deliberating in accordance with the conditions provided to amend the articles of association and respecting the procedure provided to reduce the share capital. The issue premium shall serve, like the share capital, as a common guarantee for the benefit of third parties.

5. Capital increase in an institutional closed-end real estate investment company

In the event of a capital increase by means of a contribution in cash in an institutional closed-end real estate investment company at a price that is 10 % or more lower than the lower of (a) a net asset value dated no more than four months before the start of the issue and (b) the average closing market (share) price over the thirty calendar days preceding the issue start date, the board of directors draws up a report in which it explains the economic justification of the discount applied, the financial consequences of the transaction for the shareholders of the public closed-end real estate investment company and the importance of the capital increase concerned for the public closed-end real estate investment company.

This report and the valuation criteria and methods applied are explained by the auditor of the public closed-end real estate investment company in a separate report. The reports from the board of directors and the auditor are published in accordance with Article 35 ff. of the royal decree of 14 November 2007 at the latest on the issue start date and in any case as soon as the price has been set, if this is done earlier.

For the application of the above paragraphs, it is permitted to deduct from the amount indicated in point (b) of the first paragraph an amount corresponding to the portion of the undistributed gross dividend of which the new shares could be deprived, provided the board of directors of the public closed-end real estate investment company specifically justifies the amount of the dividend thus deducted and sets out the financial conditions for the transaction in its annual financial report.

If the institutional closed-end real estate investment company is not a listed company, the discount referred to in the first paragraph is only calculated on the basis of a net asset value dated no more than four months previously.

This Article 6.5 does not apply to capital increases that are subscribed in full by the public closed-end real estate investment company or its subsidiaries whose capital is held entirely, whether directly or indirectly, by the public closed-end real estate investment company.

6. Capital reduction

A capital reduction can only take place if similarly situated shareholders are treated equally and if the applicable provisions of the Company Code are observed.

7. Mergers, divisions and equivalent transactions

In accordance with the sicafi legislation, the additional requirements set forth in Article 6.4 in the event of a contribution in kind are applicable mutatis mutandis to mergers, divisions and equivalent transactions within the meaning of Articles 671 to 677, 681 to 758 and 772/1 of the Company Code.

Article 7: Characteristics of the shares

At the shareholders' choosing, the shares can be registered, book-entry or - for as long as the law still allows - bearer.

Any shareholder can, at any time, request the conversion of his or her shares.

The shares shall remain in registered form when the law so requires.

Effective 01.01.2008, bearer shares which have not yet been booked on a securities account will automatically, and at no expense, be converted into book-entry form upon their recording in a securities account.

Bearer shares which have not been converted in accordance with the preceding paragraph must be converted no later than 31.12.2013, into book-entry or registered form, at their holder's choosing. The time limits and provisions mentioned in this article must, if the applicable law is amended, be read and replaced with the corresponding time limits and articles of the amended legislation.

At the end of this time period, bearer shares whose conversion has not yet been requested will be converted by operation of law into book-entry form and recorded in a securities account by two directors.

Effective 01.01.2015, securities whose beneficiaries remain unknown shall be offered for sale, in accordance with the applicable legislation.

The Board of Directors can, within the limits fixed by law, determine the formalities for the conversion of former bearer securities into book-entry (and/or registered) form.

Registered securities shall be recorded in the register of shares kept at the company's registered office. Title to shares can only be established through the recording in this register.

Book-entry securities are represented by a book entry, in the name of the owner or holder, with a settlement institution or authorised account holder.

All shares are fully paid up, and without par value.

Article 8: Exercising of the rights attached to the shares

The shares are indivisible, and the company only recognises one owner per share. When several persons can claim rights to the same share, the exercising of the rights attached to this share shall be suspended until a single person is designated as the owner with regard to the company.

Article 9: Other securities

The company is authorised to issue the securities mentioned in Article 460 of the Company Code, with the exception of profit sharing instruments and analogous securities, provided that the specific rules stipulated by the sicafi legislation and these articles are respected.

Article 10: Stock exchange listing and disclosure of substantial shareholdings

The company's shares must be admitted to trading on a regulated market in Belgium, in accordance with the sicafi legislation.

Every shareholder is obliged to notify the company and the Financial Services and Markets Authority (FSMA) of their possession of securities with voting effects, their voting rights, or similar financial instruments issued by the company, in accordance with the legislation on the disclosure of substantial shareholdings.

The thresholds above which the notification obligation comes into effect, for the purposes of the legislation on the disclosure of substantial shareholdings, is fixed at three percent (3 %), five percent (5 %) and multiples of five percent (5 %) of the total number of outstanding voting rights.

With the exception of the derogations provided for by the Company Code, no-one is allowed more votes at a general meeting of the company than the number of votes attached to the securities which the person in question had declared to own at least twenty (20) days before the date of the general meeting.

Management and supervision

Article 11: Composition of the Board of Directors

The company is managed by a board, whose composition is intended to ensure autonomous management in the sole interest of the company's shareholders. The Board shall be composed of a minimum of three and a maximum of twelve members, who need not necessarily be shareholders in the company, appointed by the general meeting of shareholders for a maximum term of six years, and elligible to be removed by the general meeting at all times. The directors may be re-elected.

The Board of Directors shall have at least three independent directors, within the meaning of Article 526ter of the Company Code.

When a legal entity becomes a director of the company, it is obliged to appoint a permanent representative, in accordance with the applicable provisions of the Company Code, to perform its duties in its name and on its behalf.

In the event of a vacancy on the Board of Directors, the remaining directors shall have the right, acting as a board, to temporarily appoint another director to fill the vacancy until the next general meeting, at which time the vacancy will be filled definitively.

The director so appointed shall serve out the term of the director he or she was appointed to replace.

All directors and their permanent representatives, if any, shall possess the necessary professional integrity and adequate experience to exercise their functions and ensure autonomous management of the company.

Article 12: Chairperson and meetings of the Board of Directors

The Board of Directors can appoint a chairperson from amongst its members.

The Board of Directors shall meet when called by the chair, by two directors, or the managing director(s), whenever the interests of the company so require.

Notices of meetings shall indicate the place, date, time, and agenda of the meeting, and shall be sent by regular mail, fax, or email, at least 24 hours in advance.

In exceptional circumstances, when the abovementioned convocation deadlines cannot be met, the time periods can be shortened. When this proves necessary, notice can be given by telephone, in addition to the above-mentioned means.

The meeting is presided over by the chairperson or, if the chair is absent, by a director appointed by the directors present. The person presiding over the meeting can appoint a secretary, who need not be a director.

Any director can, by letter, fax, email, or any other written means, give a proxy to another member of the Board to represent him or her at a given meeting. No member of the Board can represent more than two other directors.

Each director that attends or is represented at a meeting is deemed to have been validly notified thereof.

A director can also, before or after a Board meeting which he or she did not attend, waive his or her right to claim a defect or irregularity with respect to the fulfilment of the convocation formalities. In any case, the proper fulfilment of the convocation formalities need not be proven when all directors are present or validly represented and express their agreement with the agenda.

Meetings of the Board of Directors can validly be held by videoconference or conference call. In this case, the meeting will be considered to have been held at the company's registered office if at least one director was physically present at this location.

The directors can use the information they acquire in their capacity as directors only in the scope of their official duties.

Article 13: Deliberations

Except in the case of force majeure, the Board of Directors can validly deliberate and take decisions only if at least half its members are present or represented. If this condition is not met, a new meeting can be called, which can validly deliberate and take decisions on the items on the agenda of the previous meeting if at least two directors are present or represented.

Barring exceptional cases, the meeting can, in principle, only deliberate and vote on the items that are on the agenda.

Pursuant to Article 521 of the Company Code, in exceptional cases duly justified by their urgency and the corporate interest, the Board of Directors can take decisions unanimously in writing. However, it cannot use this procedure to draw up the annual accounts or determine the use of the authorised capital.

Board decisions shall be approved by a simple majority of votes cast by those directors who are present or represented or, in the event of one or more of them having abstained, by a majority of the other directors. In the event of a tie, the director presiding over the meeting shall cast the deciding vote.

When a director has a conflict of interest and consequently does not take part in the Board's deliberations or vote on a particular decision or transaction, the vote of this director shall not be taken into account for the purpose of calculating the quorum and majority.

Decisions of the Board of Directors are recorded in minutes, signed by the chairperson of the Board, the secretary, and those members who so request. These minutes are kept in a special register. Proxies are attached to the minutes of the meeting for which they were given.

Copies of, or extracts from, these minutes, which are to be used in legal proceedings or otherwise, shall be signed by the chairperson of the Board of Directors, two directors, or a director entrusted with the daily management. This authority can be delegated to a representative.

Article 14: Prevention of conflicts of interest
The directors, the person(s) in charge of the daily management, and the company's representatives cannot act as a counterparty in a transaction with the company or one of its subsidiaries, or derive any benefit from such a transaction, except when the transaction is proposed in the interest of the company, falls within the company's investment policy, and is conducted in ordinary market conditions.

In this case, the company must first inform the Financial Services and Markets Authority (FSMA).

The transactions mentioned in the first paragraph, as well as the information contained in the aforementioned notice, shall be immediately made public and explained in the annual report and, if applicable, the semi-annual report.

The preceding provisions do not apply to transactions that fall outside the scope of application of the conflicts of interest procedure provided for by the sicafi legislation.

Articles 523 and 524 of the Company Code remain applicable in full.

Article 15: Powers of the Board of Directors
The Board of Directors has the power to perform all acts necessary or useful to realise the company's corporate purpose, with the exception of those that are reserved by law, or these articles, to be executed by the general meeting.

The Board of Directors shall draw up the semi-annual report and the annual report. The Board shall appoint one or more experts, in accordance with the sicafi legislation, and if applicable, propose any modification to the list of experts, contained in the file accompanying its application to be recognised as a sicafi.

The Board can determine the remuneration of any representative on whom it confers special powers, in accordance with the sicafi legislation.

Article 16: Remuneration of the directors
The directors shall be reimbursed for normal, legitimate expenses and costs incurred in the performance of

their duties, provided that these costs were previously discussed with and accepted by the chairperson of the Board of Directors.

Moreover, in accordance with the sicafi legislation, no remuneration can be granted to directors based on a specific transaction of the company or its subsidiaries.

Article 17: Effective management, daily management, and delegation of powers

The effective management of the company must be conferred onto a minimum of two natural persons, or a one-person limited-liability company, on the conditions provided for by the sicafi legislation.

The persons entrusted with the effective management of the company must possess the necessary professional integrity and adequate experience to exercise their functions, in accordance with the sicafi legislation.

The Board of Directors can delegate the daily management of the company to one or more persons, on the understanding that the daily management shall be organised in such a way that the Board of Directors has at least two directors who can jointly ensure the daily management or supervise the performance thereof.

The Board and the persons entrusted with the daily management, within the limits of their powers, can delegate to a representative, who need not be a director, all or some of their powers pertaining to extraordinary or specific questions within the context of a given assignment.

The Board of Directors can create one or more advisory committees from amongst its members, subject to its responsibility. The Board shall determine the composition and the duties of any such committees.

Article 18: Management committee

Without prejudice to Article 17, concerning the daily management and the delegation of powers, and within the limits provided for by Article 524bis of the Company Code, the Board of Directors can delegate all or some of its management powers to a management committee, composed of several members, who need not be directors, although this delegation of powers cannot concern the company's general policy, with regard to any acts reserved by law or the articles of association to the Board of Directors, or decisions or transactions to which Article 524ter of the Company Code applies, in which case the notification procedure set forth in Article 524ter § 2 will apply.

The Board of Directors is responsible for overseeing the management committee. The board determines the management committee's working procedure and the conditions for the appointment and removal of its members, as well as their remuneration and the length of their term of office.

When a legal entity is appointed to the management committee, it is obliged to designate, in accordance with the applicable provisions of the Company Code, a permanent representative to perform its duties in its name and on its behalf.

Article 19: Representation of the company

The company is validly represented in all actions, including those involving a public official or a notary, either by two directors acting jointly or, in the context of the daily management, by a person entrusted with such management. With respect to third parties, they need not produce proof of a prior Board decision.

For any transaction involving the sale of a real property, the company must be represented by at least two directors acting jointly.

The board of directors may in particular appoint authorised representatives of the company for acts of disposal of real estate (within the meaning of the applicable rules on closed-end real estate investment companies), provided (i) the board of directors exercises actual control over the instruments or documents that are signed by the special proxy holder(s), (ii) the internal procedure determined for this purpose is followed, relating to both the content of the control and its periodicity; (iii) a proxy is always granted that relates to a clearly specified transaction or a clearly defined group of transactions; (iv) the relevant limits are indicated in the proxy itself; and (v) the proxy is limited in time, this being the time needed to finalise the transaction.

If the transaction (including the conclusion of a lease agreement, with or without a purchase option or the establishment of easements) involves a property whose value is less than either 1 % of the company's consolidated balance sheet, or EUR 2,500,000, the company can be validly represented by the director in charge of the daily management.

Without prejudice to the third paragraph of this Article 19, the company is moreover validly bound by special representatives acting within the limits of the assignment entrusted to them.

The company can be represented abroad by any person expressly authorised to do so by the Board of Directors.

Article 20: Audit

The company shall appoint one or more auditors to perform the duties incumbent on them pursuant to the Company Code and the sicafi legislation.

The auditor(s) must be recognized by the Financial Services and Markets Authority (FSMA).

General meetings of the shareholders

Article 21: Meetings

A general meeting shall be held each year, on the first Friday of July , at 10.00 hours. If this day is a public holiday, the general meeting will be held on the next working day, at the same time.

An extraordinary or special general meeting can be called each time the interests of the company so require.

These general meetings can be called by the Board of Directors or by the auditor(s) and must be called each time that the shareholders collectively representing one-fifth of the share capital so request.

General meetings are held at the company's registered office, or at any other location mentioned in the notice or otherwise indicated.

One or more shareholders collectively possessing at least 3 % of the share capital can, in accordance with the provisions of the Company Code and its limits, request the inclusion of items on the agenda of any general meeting, and submit proposals for resolutions on the items included or to be included on the agenda. Additional agenda items or proposed resolutions must be submitted to the company no later than on the twenty-second (22nd) day before the date of the general meeting. The directors shall answer the questions put to them by shareholders during the general meeting, or those which have been submitted in writing, about their report or other agenda items, provided that the provision of the information or facts in question could not harm the company's professional interests or undermine their duty of confidentiality to the company. As soon as the notice of the general meeting is published, the shareholders can submit questions in writing, which will be answered during the meeting, provided that they were submitted to the company no later than the sixth day prior thereto.

The auditor(s) shall answer the questions asked by the shareholders about his/her/their audit report.

Article 22: Notice

Pursuant to Article 533 of the Company Code, a general meeting must be called by means of a notice published in the Belgian State Gazette, a national newspaper (except in those cases expressly mentioned in the Company Code) and in the media in accordance with the requirements of the Company Code, at least 30 days before the meeting. If a new meeting must be called, and if the date of the second meeting is mentioned in the first notice, the notice for the second meeting must be published at least 17 days before the meeting.

The notice shall be sent to the holders of shares, bonds, registered warrants and registered depositary receipts which have been issued in collaboration with the company, as well as to the directors and auditors within the above-mentioned period before the meeting; the notice can be sent by regular mail, unless the recipients have individually and expressly agreed in writing to receive the notice by another means of communication. No proof need be provided of the fulfilment of this formality.

The notice shall contain the agenda for the meeting, with a mention of the subjects to be discussed and the proposed resolutions, as well as the date, time, and place of the meeting, and the other information required by the Company Code.

The documents which must be made available by law and a copy thereof shall be sent pursuant to the applicable provisions of the Company Code.

A shareholder that participates in, or is represented at, a meeting is considered to have received valid notice thereof. A shareholder can also, before or after a general meeting which he or she does not attend, waive his or her right to rely on any defect or irregularity committed in fulfilment of the convocation formalities.

Article 23: Participation in the general meeting

The right to participate in and vote at a general meeting is subject to the recording of the shares in the shareholder's name on the fourteenth day preceding the general meeting, at twenty-four hours (Belgian time) (hereinafter the "record date"), in either the register of the company's registered shares or in the books held by an authorised account holder or settlement institution, or by submission of the bearer shares to a financial intermediary, without regard to the number of shares actually held by the shareholder on the date of the general meeting.

The holders of book-entry or bearer shares that wish to take part in a general meeting must produce a certificate issued by their financial intermediary or authorised account holder or settlement institution, certifying, as the case may be, the number of book-entry shares listed in the shareholder's name on the record date or the number of bearer shares produced on the record date, with which the shareholder has declared his or her intention to particate in the general meeting.

The certificate must be submitted to the company's registered office or to an institution identified in the notice of the meeting, no later than six days before the date of the meeting.

The holders of registered shares that wish to participate in a general meeting must notify the company of their intention to do so, by regular mail, fax or email, reaching the company's registered office no later than the sixth day before the date of the meeting.

All shareholders or their proxy holders are obliged, before participating in a meeting, to sign the attendance list, indicating the last name, the first name(s), and the address of the shareholder and the number of shares represented.

Article 24: Proxy voting

Any shareholders can be represented at a general meeting by a proxy holder, who need not be a shareholder.

A shareholder can only appoint one proxy holder for a given general meeting, without prejudice to the derogations provided for in the Company Code.

In order to be valid, any request to appoint a proxy holder shall include at least the following information: (1) the agenda for the meeting, mentioning the subjects to be discussed and the proposed resolutions; (2) a request for instructions regarding the exercising of voting rights for the various items on the agenda; and (3) an indication of the manner in which the proxy holder should exercise the voting rights, in the absence of instructions from the shareholder.

The proxy form must be signed by the shareholder and be submitted at the company's registered office, or the location indicated in the notice, no later than the six days before the general meeting.

Co-owners, beneficial owners and bare owners, creditors and debtors-pledgees must be represented, respectively, by one and the same person.

Article 25: Correspondence voting

If the Board of Directors so authorises in the notice of the meeting, shareholders can vote on the items on the agenda by correspondence, using a form prepared and made available by the company.

The form for distance voting shall include at least the following information: (1) the name or corporate name of the shareholder, as well as the shareholder's address or registered office; (2) the number of votes the shareholder wishes to cast at the general meeting; (3) the type of shares held; (4) the agenda for the meeting, including proposals for resolutions; (5) the deadline by which the form must reach the company; and (6) the shareholder's signature. The form shall expressly state that it must be signed by the shareholder and sent to the company by registered letter no later than six days before the date of the meeting.

Article 26: Presiding committee

Every general meeting shall be presided over by the chairperson of the Board of Directors or, in the chair's absence, by a director appointed by the directors present or by a member of the meeting appointed by the latter. The chair shall appoint a secretary.

When the number of persons present so allows, the meeting shall select two scrutineers (returning officers), further to a proposal of the chair.

The minutes of general meetings are signed by the chairperson of the meeting, the secretary, the scrutineers, the directors, and the auditor(s) present, as well as those shareholders who so request.

The minutes shall be kept in a special register. Proxies shall remain attached to the minutes of the meeting for which they were granted.

Article 27: Number of votes and the exercising of voting rights

Each share carries one vote.

The holders of bonds and warrants can attend the general meeting, but are not entitled to vote.

Article 28: Deliberations and voting

The general meeting can validly deliberate and vote, without regard to the percentage of share capital present or represented, except in those cases where the Company Code requires a quorum.

The general meeting cannot deliberate on items that do not appear on the agenda, unless all shareholders are physically present or represented at the meeting and unanimously decide to extend the agenda.

Unless provided otherwise by law or by provisions of the articles of association, any decision can be adopted by the general meeting by a simple majority of the votes cast. Blank and invalidly marked ballots shall not be counted when calculating the votes cast.

Decisions regarding approval of the company's annual accounts and discharge of the directors and auditor(s) are adopted by a majority of votes.

When the general meeting is asked to deliberate, amongst other things, on:

- an amendment to the articles,
- an increase in or reduction of the share capital,
- the issuance of shares below the accounting par value,
- the issuance of convertible bonds or warrants,
- the dissolution of the company,

at least half the shares representing the capital must be represented at the meeting. If this condition is not met, a new meeting must be called, which will validly deliberate, regardless of the number of shares represented.

Decisions on the above-mentioned subjects must be approved by a majority of three quarters of the votes cast, without prejudice to other rules of attendance and majority provided for by the Company Code, including those in relation to the modification of the corporate purpose, the acquisition, the pledge, and the transfer of own shares by the company, the dissolution of the company when, as the result of losses, the company's net asset value falls below a quarter of its share capital, and the conversion of the company into a different corporate form.

Voting shall take place by a show of hands or roll call, unless the general meeting decides otherwise by a simple majority of votes cast.

Article 29: Minutes

The minutes of general meetings are signed by the members of the presiding committee and by those shareholders who so request.

Copies of, or extracts from, the minutes, which are to be used in court or otherwise, shall be signed by the chairperson, the secretary, and the scrutineers or, in their absence, by two directors.

Financial year - annual report - dividends

Article 30: Financial year and the annual report

The financial years starts to run on the first of April and closes on the thirty-first of March the following year.

At the end of each financial year, the Board of Directors shall draw up a list of assets and liabilities, as well as the financial statements. The Board of Directors shall also draft a report, in which it explains its management of the company. The auditor shall draft a detailed written report, in preparation for the annual general meeting. These documents shall be prepared in accordance with the applicable statutory provisions.

Article 31: Distribution of dividends

On an annual basis, the company must distribute a dividend to its shareholders, within the permissible limits of the Company Code and the sicafi legislation, the amount of which is prescribed by the sicafi legislation.

The Board of Directors can, within the limits of the applicable provisions of the Company Code, distribute an interim dividend from the profits for the financial year and determine a payment date.

Article 32: Payment of dividends

The dividends that the general meeting decides to distribute shall be paid at the time and place determined by the general meeting or the Board of Directors.

Any dividends or interim dividends distributed in violation of the law must be reimbursed by the shareholders who received them, if the company can prove that the shareholders in question had known, or should have known, under the circumstances, that the distribution made in their favour was contrary to the statutory requirements.

Article 33: Financial service

The Board of Directors shall designate the institution in charge of the company's financial service in accordance with the sicafi legislation.

The appointment of this institution can be suspended or revoked at any time by the Board of Directors. The company shall ensure that any such suspension or revocation does not adversely affect the continuity of the financial service.

The above-mentioned appointments and revocations shall be posted on the company's website and published in the press, in accordance with the statutory requirements.

Article 34: Annual report and semi-annual report

The company's annual and semi-annual reports, containing the stand-alone and consolidated annual and semi-annual accounts, and the auditor's report, shall be placed at the disposal of the shareholders, in accordance with the applicable statutory provisions applicable to the issuers of financial instruments admitted to trading on a regulated market and within the sicafi legislation.

The company's annual and semi-annual reports shall be made available on its website.

Shareholders have the right to obtain a copy of the annual and semi-annual reports free of charge, at the company's registered office.

Dissolution - liquidation

Article 35: Appointment and powers of the liquidators

In the event of the dissolution of the company, for whatever reason and at any time whatsoever, the liquidation shall be carried out by one or more liquidators appointed by the general meeting. The liquidator(s) can only take office after a confirmation of their appointment by the commercial court. If no liquidator(s) is/are appointed, the members of the Board of Directors shall be considered liquidators with regard to third parties.

The liquidators shall form a board. To this end, they shall have the broadest powers in accordance with the applicable provisions of the Company Code, without prejudice to any limits imposed by the general meeting.

The liquidator(s) is/are obliged to call a general meeting each time that the shareholders collectively representing a fifth of the share capital so request.

The general meeting shall determine the fees of the liquidator(s).

The liquidation of the company shall be closed in accordance with the provisions of the Company Code.

Article 36: Allocation of liquidation proceeds

After settling all debts, expenses and liquidation costs, the net asset value shall first be used to pay back, in cash or in securities, the paid-up share capital that has not yet been reimbursed.

Any remaining balance shall be divided equally amongst the shares.

General provisions

Article 37: Choice of domicile

Any director, manager, and liquidator of the company whose domicile is abroad is deemed, for the purpose of his or her official functions, to have elected a domicile at the company's registered office, to which address all communications, notices, and convocations can be validly sent.

The holders of registered shares must notify the company of any change of address; in the absence thereof, all communications, notices and convocations will be validly sent to their last known address.

Article 38: Applicable law

Any provision of these articles that is contrary to the mandatory provisions of the Company Code and to the sicafi legislation shall be deemed null and void; the invalidity of any one of these articles or any part thereof shall have no effect on the remaining articles.

Miscellaneous

1. Statements

Responsibilities

The board of directors of Retail Estates NV is responsible for the contents of this annual report, subject to information provided by third parties, including reports of the auditor and the real estate expert.

The board of directors, whose members are named on page 40, hereby declares that, to the best of its knowledge:

- this annual report accurately presents important events and, where applicable, the most important transactions conducted with affiliated parties in the course of the financial year, and the impact of those transactions on the abbreviated financial statements;

- this report makes no omissions that significantly alter the scope of any statement made in the annual report;

- the abbreviated financial statements, which were prepared in accordance with the applicable accounting standards and were thoroughly audited by the auditor, accurately present the property, the financial condition, and the results of Retail Estates NV and the subsidiaries included in the consolidation. The management report further contains the expectations concerning next year's results, plus explanatory notes on the risks and the uncertainties facing the company.

Statements concerning directors

The board of directors of Retail Estates NV hereby confirms that, to its knowledge, none of its directors have ever been convicted of a crime of fraud, been the subject of any official and/or public accusation, had a sanction imposed by a judicial or regulatory body, been banned by a court of law from serving as a member of a management body, or ever appeared before a court of law in the capacity of a director, in connection with bankruptcy.

Forward-looking statements

This annual report contains forward-looking statements, including, but not limited to, statements using such words as "believe", "anticipate", "expect", "intend", "plan", "pursue", "estimate", "can", "will" and "continue", and similar expressions. These forward-looking statements are made in the context of known and unknown risks, uncertainties and other factors that might cause the actual results, the financial condition, the performance, or the accomplishments of Retail Estates NV, Finsbury Properties NV, Distri-Land NV, Belgium Retail 1 Luxembourg sàrl, Poperinge Invest NV, Aalst Logistics NV, Erpent Invest NV, VRP1 NV and Retail Warehousing Invest NV or the results of the sector, to differ considerably from the expected results, performance or accomplishments expressed or implied in the aforementioned forward-looking statements. Given these uncertainties, investors are advised not to rely automatically on such forward-looking statements.

Availability of the annual report

This annual report is available in Dutch and French versions.

This annual report was prepared in Dutch. Retail Estates NV checked the translation of, and the correspondence between, the official Dutch version and the French version. The Dutch version shall prevail in the event of contradictions between the Dutch and French versions. For information purposes only, the company has published an electronic version of the annual report on the website of Retail Estates NV (www.retailestates.com). From 31 May, an English version of the annual report will also be available on the website. None of the other information published on the website of Retail Estates NV forms part of this annual report.

2. Glossary

Acquisition value
This is the term to be used for the purchase of a building. Any conveyance fees payable are included in the acquisition price.

BEL mid-index
Since 1 March 2005, this has been a weighted price index of shares quoted on Euronext that makes allowance for the stock-market capitalisation, with the weightings determined by the free float percentage and the velocity of circulation of the shares in the basket.

Book value of a company
The book value of a company means the totality of its equity. The book value can be found in the company's balance sheet.

Book value of a share
NAV (Net Asset Value) means equity divided by the number of shares.

Bullet loan
A loan repaid in its entirety at the end of the loan term.

Chain stores
These are companies that have a central purchasing department and operate at least 5 different retail outlets.

Contractual rents
The index-linked basic rents as provided in the lease agreements as of 31 March 2013, before deduction of gratuities or other benefits granted to tenants.

Corporate governance
Good governance means adherence to principles such as transparency, integrity and balance between responsibilities, based on the recommendations of the FSMA and Euronext. In a more general sense, they are part of strict business ethics and require compliance with the Law of 2 August 2002.

Debt ratio
The debt ratio is calculated as follows: liabilities (excluding provisions, deferred accounts and hedging instruments) divided by total assets.

Dividend yield
The ratio of the most recently paid gross dividend to the final share price of the financial year over which the dividend is payable.

Estimated investment value
This is the value of our real estate portfolio, including costs, registration charges, fees and VAT, as estimated each quarter by an independent expert.

Estimated liquidation value

This is the value excluding costs, registration charges, fees and recoverable VAT, based on a scenario whereby the buildings are sold on a building-by-building basis.

Exit tax

The exit tax is a special corporate tax rate applied to the difference between the fair value of the registered capital of companies and the book value of its capital at the time that a company is recognised as a fixed-capital real estate investment fund, or merges with a fixed-capital real estate investment fund.

Fair value

This value is equal to the amount for which a building could be swapped between properly informed parties, consenting and acting under normal competitive conditions. From the point of view of the seller, it must be construed minus the registration charges.

Free Float

This is the percentage of shares held by the public. Euronext calculates the free float as the total number of shares in the capital, minus the shares held by companies that form part of the same group, state enterprises, founders, shareholders with a shareholder agreement, and shareholders with a controlling majority.

IAS

The International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) were drawn up by the International Accounting Standards Board (IASB), defining international standards for the preparation of annual accounts.

European listed companies are required to apply the rules in their consolidated accounts for financial years starting from 1 January 2005.

IFRS

International Financial Reporting Standards are a set of accounting principles and valuation rules prepared by the International Accounting Standards Board. The aim is to simplify international comparison between European listed companies.

Listed companies are required to prepare their consolidated accounts according to these standards starting from the first financial year beginning after 1 January 2005.

Institutional investor

An enterprise that professionally invests funds entrusted to it by third parties for various reasons. Examples include pension funds, investment funds,…

Intrinsic value

The intrinsic value of a share is the actual estimated value of the share, assuming that the company was to cash in all of its assets.

Investment value

This is the value of a building, as estimated by the independent real estate expert, including the conveyance charges after deduction of the registration charges. This value corresponds with what was formerly called ‘value after costs paid by the vendor’ or ‘value in hand’.

IRS

An Interest Rate Swap (IRS) is an agreement between parties to exchange interest rate cash flows during a predetermined period of time on an amount agreed beforehand. This concerns only the interest rate cash flows. The amount itself is not swapped. IRS is often used to hedge interest rate increases. In this case, a fixed interest rate will be swapped for a variable one.

Net cash flow

Operating cash flow, net current result (share of the group) plus the additions to depreciation, impairments on trade receivables, and additions to, and withdrawals from, provisions, plus the achieved higher or lower value relative to the investment value at the end of the previous financial year, minus the exit tax.

Net current cash flow

Operating cash flow, net current result (share of the group) plus the additions to depreciation, impairments on trade receivables and additions to, and withdrawals from, provisions.

Net inventory value

Revalued net assets.

OLO/linear bond

Government bond usually deemed equivalent to a virtually risk-free investment, and used as such to mitigate the risk premium compared with listed securities. The risk premium is the additional return expected by the investor for the company's risk profile.

Operational cash flow (EBITDA)

Operating income (EBIT) plus depreciations and impairments.

Operating result (EBIT)

EBIT (Earnings Before Interests and Taxes) is the net current result before interest charges and taxes. Pursuant to the status of a fixed-capital real estate investment fund, Retail Estates NV does not have to write down on its buildings. Consequently, the EBIT closely resembles the EBITDA (Earnings Before Interest, Taxes and Depreciation and Amortisation), because Retail Estates NV applies depreciation only to intangible assets (such as the costs of capital increases) and plant, property and equipment (such as company vehicles and office furniture).

Pay-out ratio

The pay-out ratio indicates the percentage of the net profit that will be paid out as a dividend to shareholders. This ratio is obtained by dividing the paid-out net profit by the total net profit.

Peripheral retail store

Retail premises grouped along roads leading into and out of cities and towns. Each peripheral retail store has its own car park and an entrance and exit road connecting to the public highway.

Price/earnings ratio (P/E ratio)

This ratio is calculated by dividing the price of the share by the profit per share. The ratio indicates the number of years of earnings which would be required to pay back the purchase price.

Real estate certificate
A real estate certificate is a security that entitles the holder to a proportionate part of the income obtained from a building. The holder also shares in the proceeds if the building is sold.

Result on portfolio
Achieved and unachieved higher or lower values relative to the most recent valuation by the expert, including the exit tax owed on account of inclusion of the property of the acquired companies in the system of fixed-capital real estate investment funds.

Retail park
Retail properties that form part of an integrated commercial complex and are grouped together with other retail properties. All properties use a central car park with a shared entrance and exit road.

Return
The total return achieved by the share in the past 12 months or (most recent price + gross dividend)/price in the previous year.

Securitised real estate
This is an alternative way of investing in real estate, whereby the shareholder or certificate holder, instead of investing personally in the ownership of a property, acquires (listed) shares or share certificates of a company that has purchased a property.

Stock market capitalisation
This is the total number of shares at the end of the financial year multiplied by the closing price at the end of the financial year.

Velocity of circulation
Sum of the shares traded monthly, relative to the total number of shares over the past 12 months.

Information sheet

Name:	Retail Estates NV
Status:	Fixed-capital real estate investment fund organised and existing under the laws of Belgium
Address:	Industrielaan 6 – B-1740 Ternat
Tel:	+32 2 568 10 20
Fax:	+32 2 581 09 42
Email:	info@retailestates.com
Website:	www.retailestates.com
Register of Legal Entities:	Brussels
VAT:	BE 434 797 847
Enterprise number:	0434 797 847
Date of incorporation:	12 July 1988
Status as fixed-capital real	27 maart 1998
estate investment fund granted	onbepaalde duur
on:	27 March 1998
Duration:	unlimited
Management:	internal
Auditor:	Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA - Berkenlaan 8B at B-1831 Diegem, represented by Mrs. Kathleen De Brabander
Financial year closing:	31 March
Capital:	EUR 130,797,517.19
Number of shares:	5,813,122
Annual Shareholders' meeting:	first Friday of July
Share listing:	Euronext – continuous market
Depository bank:	KBC Bank
Value of real estate portfolio:	investment value EUR 691.17 million – fair value EUR 657.59 million
Real estate experts:	Cushman & Wakefield and CBRE
Number of properties:	499
Type of properties:	Peripheral retail real estate
Liquidity provider:	KBC Securities

RETAIL ESTATES

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