

RETAIL ESTATES



‘the art of creating value in retail estate’

ANNUAL RESULTS AND ANNOUNCEMENT OF CAPITAL INCREASE

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ANNUAL RESULTS for fiscal year 2012-2013

REAL ESTATE PORTFOLIO GROWS TO EUR 683.08 MILLION (24.05%)

OCCUPANCY RATE REMAINS HIGH (98.13%)

- **Net rental income** increases 16.72% to EUR 41.40 million after expanding real estate portfolio by 24.05% to EUR 683.08 million (fair value including assets meant for sale)
- **Net current result** (excluding portfolio result), increases 14.91% to EUR 20.70 million
- **Valuation** of property portfolio: fair value of property portfolio is stable and inflation-resistant, EUR 8.58 million changes in fair value of investment property
- **The debt ratio** increases to 55.75%
- **Annual Report 2012-2013** available
- **Dividend** increases to EUR 2.90 (+3.57%) - pay-out ratio (80.84%)

RETAIL ESTATES ACTIVITIES AT HIGH LEVEL

During fiscal year 2012-2013, Real Estates NV took a wide range of initiatives to support the growth of the company while also realising strong operational results within the context of a weak economic climate and hesitant consumer confidence. The purchasing power of Belgian private



consumers has, to date, not been affected to the same extent as in some surrounding European countries. As a result of this, the company's efforts were rewarded with a high occupancy rate (98.13%) and a strong collection percentage (99.91%).

Retail Estates NV booked an overall increase of the **fair value of its property portfolio** and this is in line with previous fiscal years and the positive trend in the investment market for retail real estate.

The **market price** (closing price on 31/03/2013 = EUR 57.98) exceeds the level reached prior to the problems in the financial markets in 2008. This allowed Retail Estates NV to realise 2 capital increases for a total amount of EUR 18.05 million at an emission price that exceeds the net asset value of the share.

Retail Estates NV experienced an exceptional growth of its property portfolio in the past fiscal year. The investments consist mainly of new retail parks in Tongeren (27 retail properties), Bruges (10 retail properties), Namur (6 retail properties) and the acquisition of a controlling interest in NV Retail Warehousing Invest (32 retail properties) and NV VRP1 (23 retail properties) in Verviers. The shops in Verviers are expected to be delivered on 15 August 2013. The property portfolio consequently increased in value to EUR 683.08 million¹. Retail Estates also sold various premises for a value of EUR 18.94 million (fair value). The arbitration of the portfolio which focuses on value creation and profitable long-term growth, strives to strengthen the profitability of the company in the future.

CHANGES IN FAIR VALUE OF AUTHORIZED HEDGING INSTRUMENTS QUALIFYING FOR HEDGE ACCOUNTING (interest rate swaps)

Since it was established, Retail Estates NV has had a hedging policy to avoid the risks caused by interest rates changes when financing its acquisitions. In this respect, 'SWAP' agreements are concluded that result in substantial negative changes in the fair value of hedging instruments (EUR -30.09 million) due to the general fall of interest rates. This has slowed down the increase of the net asset value. In accordance with IFRS those changes in fair value are accounted for directly in shareholder's equity².

¹ This amounted to EUR 550.63 million for the previous fiscal year.

² This amounted to EUR -26.19 million for the previous fiscal year.



REGISTRATION OF RETAIL WAREHOUSING INVEST AS AN INSTITUTIONAL SICAFI

On 23 May 2013 Retail Warehousing Invest NV, a subsidiary under exclusive control of Retail Estates, was registered with the FSMA as an institutional SICAFI. The articles of association of Retail Warehousing Invest are still to be amended to comply with its new status, whereupon its status as an institutional SICAFI shall become effective. Retail Estates NV owns 62,5% of the shares in Retail Warehousing Invest, the remaining part of its shares being held by Databuild Retail NV.

The status of an institutional closed-end real estate investment company is largely comparable to the status of a public SICAFI, and as institutional SICAFI enjoys the same special tax regime as a public SICAFI.

PROSPECTS FOR FISCAL YEAR 2013-2014

In the absence of a major change in the general economic situation, Retail Estates NV shall continue its growth strategy and expand its portfolio. This assumes that its capital will grow accordingly.

DIVIDEND

The board of directors shall propose to the General Shareholders Assembly of 5 July 2013 to approve a gross dividend per share of EUR 2.90 (pay-out ratio of 80.84%). This is an increase of the dividend by 3.57% compared to the dividend paid in the previous fiscal year.

For fiscal year 2013-2014, Retail Estates aims at a gross dividend of EUR 3.00. This represents an increase of 3.4% compared to the dividend aimed at for the previous fiscal year 2012-2013.

The 2012-2013 dividend is payable on 12 July 2013.

NOTICE RELATING TO AN INTENDED PUBLIC OFFERING TO SUBSCRIBE TO NEW SHARES FOR A CAPITAL INCREASE IN CASH WITH PREFERENTIAL RIGHT AMOUNTING TO APPROX. EUR 75 MILLION.



Real Estates wishes to take advantage of the opportunities on the capital markets to continue its investment strategy by broadening its capital base.

In this respect, Retail Estates NV announces its intention to increase its capital, subject to the approval of the prospectus relating to the transaction by the FSMA on the one hand, and the decision regarding this capital increase by the board of directors that meets on 6 June 2013 on the other hand. Retail Estates NV's capital increase shall in principle be held during the month of June but not before 7 June 2013 and it shall consist of a public offering for the subscription to new shares with a preferential right for existing shareholders.

The preferential right will be represented by coupon no. 18 of the existing shares of Retail Estates NV. Shareholders with nominative shares will receive an announcement from Retail Estates NV with information about their number of preferential rights and about the procedure to be followed to exercise or trade their preferential rights. Shareholders with shares in a securities account will be informed in principle by the financial institution about the procedure to follow to exercise or trade their preferential rights. Shareholders who still own bearer shares can submit their no. 18 coupons directly at a financial institution of their choice, in accordance with the conditions in the prospectus. It is expected that this prospectus will be available from 6 June 2013 (after close of business). In this hypothesis, coupon no. 18 will be detached on 6 June 2013 (after close of business).

The preferential rights and the new shares will be listed on Euronext Brussels.

The specific modalities of the offering and other statutory information will be included in the prospectus which will be available in due course at KBC Securities, Petercam and Belfius Bank, and on the Company's website.

The Company shall announce the effective start of the subscription period and the publication of the prospectus in the Belgian press.

DECLARATION PURSUANT TO ARTICLE 18 OF THE ROYAL DECREE ON REAL ESTATE INVESTMENT COMPANIES

In accordance with article 18 of the Royal Decree on Real Estate Investment Companies, transactions planned by the Company must be reported to the FSMA and the relevant details must



also be made public, if certain persons as described in article 18, section 1 of the Royal Decree on Real Estate Investment Companies, act directly or indirectly as counterparty for these transactions, or if their assets benefit in any way.

Insofar as necessary in the context of the intended capital increase, it is hereby acknowledged that certain members of the board of directors and certain shareholders of the Company qualify as these persons (as described in article 18, section 1 of the Royal Decree on Real Estate Investment Companies) who "act as counterparty for the planned transaction or whose assets benefit", in their capacity of Company shareholder. The abovementioned shareholders also entered into firm subscription commitments regarding the transaction. The planned transaction is considered to be in the interest of the Company and is part of the Company's investment policy. The transaction shall be executed under normal market conditions whereby all shareholders are treated equally.

FINANCIAL CALENDAR

The **annual report** will be available from 28 May 2013 (before the markets open) for shareholders on the website.

KEY FIGURES

INCOME STATEMENT (in 000 €)	31.03.13	31.03.12
Rental income	42.027	35.762
Rental related expenses	-625	-290
Net rental income	41.402	35.473
Recovery of property expenses		
Recovery of charges and taxes normally payable by tenants on let properties	3.638	2.883
Charges and taxes normally payable by tenants on let properties		
Other rental related income and expenses	-4.052	-3.108
Property result	-29	-45
Technical costs	40.959	35.204
Commercial costs	-1.059	-1.062
Charges and taxes on unlet properties	-128	-119
Property management costs	-140	-81
Other property charges	-1.220	-900
Property charges	-2	-5
Operating property result	-2.549	-2.165
Corporate operating costs	38.410	33.038



Other current operating income and expenses	-2.263	-2.194
Operating result before result on the portfolio		
Result on disposals of investment property	36.147	30.844
Result on sales of other non financial assets	303	-50
Changes in fair value of investment property		
Operating result	8.579	9.396
Financial income	45.029	40.191
Interest charges	898	1.045
Other financial charges	-15.594	-13.962
Financial result	-75	-61
Result before taxes	-14.771	-12.977
Taxes	30.258	27.213
NET RESULT	-676	147
Earnings per share	29.582	27.360
Number of ordinary shares	5.813.122	5.437.074
Weighted average number of shares	5.717.073	5.317.934
Net profit per ordinary share (in €)	5.17	5.14
Distributable result per share (in €)	3.59	3.32
Net current result per share (in €)	3.62	3.39
Dividend	2.90	2.80
Net asset value per share (fair value)		
- excluding dividend	43.48	41.59
- including dividend	46.38	44.39
- excluding dividend ex IAS 39	48.66	46.40

ABOUT RETAIL ESTATES NV

Retail Estates NV is a public real estate investment company with fixed capital and more specifically a niche investment company that invests directly in out-of-town retail properties which are located on the periphery of residential areas or along main access roads into urban centres. Retail Estates NV acquires these properties from third parties or builds and markets retail buildings for its own account. The buildings have useful areas ranging between 500 m² and 3,000 m². A typical retail building has an average area of 1,000 m².

As per 31 March 2013, Retail Estates NV has 499 properties in its portfolio with a retail surface area of 521.452 m². The occupancy rate of these buildings, expressed in leased m², amounts to 98.13 %.

The fair value of the consolidated real estate portfolio of Retail Estates NV at 31 March 2013 is estimated by independent real estate experts at EUR 683.08 million.

Retail Estates NV is listed on Euronext Brussels and is registered as a public real estate investment company with fixed capital. On 31 March 2013 the stock market capitalisation of its 5,813,122 listed shares amounted to EUR 337.04 million.



FUTURE-ORIENTED STATEMENTS

This press release contains a number of future-oriented statements. Such statements are subject to risks and uncertainties, which means that the actual results can differ significantly from those expected on the basis of such future-oriented statements in this announcement. Significant factors that can influence such results include changes in the economic situation, and commercial, fiscal and influencing factors.

This announcement does not constitute an offering of securities in the United States or in any other country. The securities may be neither offered nor sold in the United States without registration or registration exemption pursuant to the U.S. Securities Act of 1933 and its amendments. The Company does not intend to register the offering, in whole or in part, in the United States or to initiate a public offering for savings in any country outside Belgium.

Ternat, 28 May 2013, Jan De Nys, managing director of Retail Estates NV.

For more information, please contact:

RETAIL ESTATES NV, Jan De Nys - CEO, tel. 02 568 10 20 - 0475/27 84 12

RETAIL ESTATES NV, Paul Borghgraef - Chairman, tel. 02 568 10 20 - 0475/42 98 03

Retail Estates NV – Public real estate investment company with fixed capital as governed by Belgian law
- Industrielaan 6, 1740 Ternat RPR Brussels - VAT BE 0434.797.847.

