

RETAIL ESTATES



‘the art of creating value in retail estate’

INTERIM STATEMENT OF THE BOARD OF DIRECTORS THIRD QUARTER 2012-2013¹ (closed on 31/12/2012)

Net current result² up by 15.62 % to EUR 15.10 million compared to EUR 13.06 million on 31 December 2011

Growth of the real estate portfolio³ fair value⁴ to EUR 666.77 million - increase of 24.05 % compared with 31 March 2012 (EUR 537.47 million)

High occupancy rate⁵ 98.07 % maintained (98.19 % on 31 March 2012)

1. REAL ESTATE ACTIVITIES

1.1. Rental income and occupancy rate

The rental income during the first three quarters amounts to EUR 30.91 million, an increase of 15.37 % versus the comparable period of the previous fiscal year (EUR 26.79 million). This increase is attributable to the growth of the real estate portfolio by acquisitions and to the positive indexation.

The occupancy rate on 31 December 2012 was 98.07 % which is line with the occupancy rate on 31 March 2012 (98.19 %).

¹ The figures in this press release are the consolidated, non-audited figures in accordance with IFRS.

² Net current result or operational result: net result excluding the result on the real estate portfolio (code XV, XVI, XVII of the profit and loss account).

³ Including project developments.

⁴ Fair value: investment value as determined by an independent real estate expert and from which the hypothetical transaction costs have been deducted. The fair value is the book value as defined in IFRS (see also appendix 22 in the 2011-2012 annual report).

⁵ The occupancy rate is calculated as the effective leased area versus the lettable area, expressed in m².



1.2. Fair value of the real estate portfolio

The fair value of the real estate portfolio on 31 December 2012 amounted to EUR 666.77 million which is an increase of EUR 129.30 million (24.05 %) in comparison with the value as per 31 March 2012. The increase is primarily the result of the acquisition of real estate portfolios minus the sale of individual properties. The variation in the fair value of real estate investments amounts to EUR 4.87 million on 31 December 2012 and is mainly attributable to higher rental prices as a result of the positive indexation. At 31 December 2012, the real estate portfolio consisted of 499 units with a lettable surface of 521,551 m².

1.3. Investments and divestments

Investments:

1. Namur

In the past quarter, Retail Estates further developed its investments in Namur. Two retail properties were acquired in Bouge, leased to Carrefour and C&A respectively, as well as a retail property in Jambes, leased to Quick restaurants. A retail property in Champion was delivered to Maisons du Monde as part of a project development. The fair value of these investments amounts to EUR 10.40 million and generates a rental income of EUR 0.67 million.

As part of the project development in Champion, the delivery of a further 2 retail properties and an extensive rebuild of a retail property acquired previously is also expected in the first quarter of the fiscal year.

2. Verviers

Retail Estates has acquired the control of the limited company under Belgian law "VRP 1". This company is building a retail park in Verviers. With an initial investment of EUR 4.25 million, Retail Estates has an interest of 51 % and in the event of an exit of the other partner, it is entitled to acquire all shares at the earliest when the retail park is delivered to its tenants in August 2013. The commercialising of the properties to let has started and will be followed up by Retail Estates. To date, contracts have been concluded with Decathlon (3,813 m²), Red Market (1,993 m² / discount formula of Delhaize) and McDonalds (522 m²) who will be present on the zone to attract the public. The investment of the development of the retail park shall amount to at least EUR 33 million⁶.

⁶ Estimate based on an assumed average rent of EUR 100/m² at an initial return of 6.35 %.



1.4. Merger through absorption of subsidiaries

On 30 November 2012, the board of directors of Retail Estates NV approved the merger by acquisition of the companies Belgian Wood Center NV and Champion Invest NV.

The merger of these subsidiaries simplifies the administration and reduces the taxable income of the subsidiaries of Retail Estates NV.

2. KEY FIGURES AS PER 31 DECEMBER 2012

2.1. Net current result

As per 31 December 2012 the net current result amounts to EUR 15.38 million of which EUR 15.10 million group share. The net current result per share for the first three quarters is EUR 2.65 (taking into account the weighted average of outstanding shares).

2.2. Net result

As per 31 December 2012 the net result, which also takes into account the results of the sale of real estate investments (EUR 0.27 million) and the variation of the fair value of real estate investments (EUR 4.87 million), amounts to EUR 20.53 million of which EUR 20.24 million group share.

2.3. Net assets per share

	31/12/2012	31/03/2012
Number of outstanding shares	5,813,122	5,437,074
Weighted average of outstanding shares	5,685,639	5,317,934
Net assets per share (fair value) ex. dividend	42.04	41.59
Net assets per share (fair value) incl. dividend	44.22	44.39
Net assets per share (fair value) ex. dividend ex. IAS 39	47.80	46.40
Net assets per share (investment value) ex. dividend ex. IAS 39	50.48	49.01

2.4 Debt ratio

As per 31 December 2012, the debt ratio was 56.61 %⁷ compared to 54.37 % on 30 September 2012 and to 51.08 % on 31 March 2012. As of 31 December 2012 the balance was prepared on the basis of the entire acquisition of all minority interests (as required by IFRS), regardless of the timing at which the acquisition takes place and assuming that it is paid in cash. This shows the maximum debt ratio based on the available information and the stage of development of the projects.

⁷The debt ratio was calculated according to the R.D. of 7 December 2010.



3. PROSPECTS

The macro-economic uncertainties do not permit predictions as to the evolution of the fair value of the property or the negative variations in the fair value of financial hedging instruments⁸. The evolution of the intrinsic value of the share, which is sensitive to such variations, is therefore uncertain.

At the end of last fiscal year 2011-2012, a net current result was projected on the assumption of a stable result. This objective is maintained based on the results of the first three quarters of the year. The expected dividend (EUR 2.90 gross per share) is confirmed. This represents a 3.57 % increase of the dividend compared with the fiscal year 2011-2012. These expectations were made while taking into account stable consumer expenditure and a positive evolution of rental prices caused by the contractual indexation.

4. FINANCIAL CALENDAR

Announcement of the annual results for fiscal year 2012-2013	31 May 2013
Ordinary general meeting for fiscal year 2012-2013	5 July 2013
Payment of dividend	12 July 2013

ABOUT RETAIL ESTATES NV

Retail Estates NV is a retail 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 buys 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 December 2012, Retail Estates NV has 499 properties in its portfolio with a retail surface area of 521,551 m². The occupancy rate of these buildings, expressed in leased m², amounts to 98.07 %.

The fair value of the consolidated real estate portfolio of Retail Estates NV at 31 December 2012 is estimated by independent real estate experts at EUR 666.77 million.

Retail Estates NV is listed on Euronext Brussels and is registered as a real estate investment company with fixed capital. On 31 December 2012 the stock market capitalisation of its 5,813,122 listed shares amounted to EUR 313.91 million.

⁸ All financial hedging instruments that are concluded to date, are 'full hedge' instruments and consequently their value variations were booked in the balance sheet and not in the profit and loss account.



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 interim statement. Significant factors that can influence such results include changes in the economic situation, and commercial, fiscal and influencing factors.

Ternat, 15 February 2013, Jan De Nys, managing director of Retail Estates NV

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