

## RETAIL ESTATES



Naamloze Vennootschap (public limited company)  
public fixed-capital real estate investment fund organised and existing under the laws of Belgium,  
with registered office at Industrielaan 6, 1740 Ternat (Belgium),  
Brussels Register of Legal Entities: 0434.797.847

‘the art of creating value in retail estate’

### INTERIM STATEMENT OF THE BOARD OF DIRECTORS FIRST QUARTER 2013-2014<sup>1</sup> (closed on 30/06/2013)

**Net current result<sup>2</sup> up by 20.21% to EUR 5.42 million compared to EUR 4.51 million on 30 June 2012**

**Growth of the real estate portfolio fair value<sup>3</sup> to EUR 683.76 million, chiefly through additional project developments**

**High occupancy rate<sup>4</sup> of 98.14% maintained (98.13% on 31 March 2013)**

#### 1. Real estate activities

##### 1.1. Rental income and occupancy rate

The net rental income during the first quarter of the fiscal year amounts to EUR 11.02 million, an increase of 21.25% versus the comparable period of the previous 2012-2013 fiscal year. This increase is nearly completely attributable to the growth of the real estate portfolio and the positive indexation of the rents.

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

<sup>2</sup> 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).

<sup>3</sup> 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 2012-2013 annual report).

<sup>4</sup> The occupancy rate is calculated as the total real estate portfolio area versus the unoccupied area, expressed in m<sup>2</sup>.



The occupancy rate on 30 June 2013, 98.14%, remained at a high level, slightly up with respect to 31 March 2013 when the occupancy rate was 98.13%.

## 1.2. Fair value of the real estate portfolio

The fair value of the real estate portfolio (including project developments) on 30 June 2013 amounted to EUR 683.76 million, an increase of EUR 8.16 million (+1.21%) with respect to the value on 31 March 2013.

This increase was primarily the result of new investments (+ EUR 6.78 million) and the added value on the portfolio (+ EUR 1.38 million). The added value on the portfolio is mainly attributable to indexations.

The fair value of the total real estate portfolio letted out (meaning all properties without the project developments, but including acquisitions during the first quarter) rose to EUR 678.03 million. The gross initial return determined for this portfolio by real estate experts was 6.94% for the investment value of the real estate portfolio (7.11% for the fair value).

On 30 June 2013, the real estate portfolio consisted of 501 properties with a lettable area of 522,247 m<sup>2</sup>.

## 1.3. Project development - optimisation of the real estate holdings

On 1 June 2013 2 retail properties at Peruwelz were established by Retail Estates after the demolition of an older retail building were delivered.

The stores were leased to Action and Bel&Bo. They yield rental charges of EUR 0.15 million and represent a fair value of EUR 2.12 million.

On 30 June 2013, the project development in Verviers entered its final phase. Delivery of the retail properties is expected for this coming September. Retail Estates increased its participation in the shareholdership of VRP1 from 51% to 70% through the investment of EUR 3.45 million. The leased retail surface area on 30 June 2013 increased to 91.1% of the total area.



## 1.4. Divestments

During the past quarter, 1 store (Wavre - Club) and 1 apartment (Kasterlee) were sold for net sales revenues of EUR 1.60 million.

These sales are part of an annual reoccurring sales programme concerning individual retail properties that, due to their location or retail size and/or the business activity practiced therein, do not fit within the core portfolio of Retail Estates NV.

## 1.5. Capital increases

### Capital increase in cash<sup>5</sup>

On 28 June, in total, 100% of the no. 18 coupons (or scrips representing them) were handed in for new shares. As a result, 1,453,280 new shares were issued today for a total amount of EUR 72,300,680 (in specific, EUR 32,699,368.05 in capital and EUR 39,601,311.95 in share issue premiums). The new shares can be traded since 28 June 2013 on the Euronext Brussels, under the same ISIN code as the existing shares (BE0003720340).

This capital increase leads (as further described in the Prospectus on the capital increase in cash with preferential subscription right) to the increase of the capital and reserves with resources that will be used to finance further growth as part of the strategic growth plan, with the limits of the target debt ratio range of 50% to 55% set by the board of directors.

### Capital increase through contributions in kind<sup>6</sup>

On 28 June 2013, the board of directors proceeded to issue 24,009 new shares within the powers granted to it with regard to the allowed capital, in compensation for the contribution in kind of 2 business properties located in Spa on Boulevard des Anglais. The total contribution value amounts to EUR 1,176,514 and represents an increase in the registered capital of EUR 540,202.50 (the balance of EUR 636,311.50 being allotted to the "share issue premiums" item). The shares were issued at an issue price of EUR 49.0012 and are dividend-bearing as of 1st April 2013.

<sup>5</sup> For more information, see the press release of 28 June 2013

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## 2. Key figures as per 30 June 2013

### 2.1. Net current result

The net current result had risen as per 30 June 2013 to EUR 5.42 million versus EUR 4.51 million for the comparable period in 2012-2013. For the calculation of the net current result per share, the weighted average of the number of outstanding shares as per 30 June 2013, or 5,845,589, was taken into account. The net current result per share (based on the weighted average of outstanding shares) was EUR 0.93 on 30 June 2013 compared to EUR 0.83 in the previous year.

### 2.2. Net result

The net result taking into account the results of the sale of investment properties and other non-financial assets (- EUR 0.014 million) and the variation of the fair value of investment properties (+ EUR 1.38 million) amounts to EUR 6.78 million as per 30 June 2013. The net result per share (based on the weighted average of outstanding shares) amounts to EUR 1.16 on 30 June 2013.

### 2.3. Net assets per share

	30/06/2013	31/03/2013
Net asset value based on the fair value (EUR 000) attributable to the shareholders of the parent company	48.36	46.38
Number of outstanding shares	7,290,411	5,813,122
Weighted average of outstanding shares	5,845,589	5,813,122
Net assets per share (fair value) ex. dividend	47.61	43.48
Net assets per share (investment value) ex. dividend	49.86	46.19
Net assets per share (fair value) ex. dividend ex. IAS 39	51.06	48.66



Net assets per share (investment value) ex. dividend ex. IAS 39	53.31	51.37
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#### 2.4. Debt ratio

As per 30 June 2013, the debt ratio was 49.88% compared to 55.75% on 31 March 2013.

#### 3. Prospects

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

With regard to the further evolution of the rental revenues, Retail Estates NV currently has no direct cause to revise its prospects. Both the occupancy rate and the rental revenues remain at historically high levels. Given its financial hedging policy which gives priority to fixed interest rates, a sudden change in the short-term interest rates would have no noticeable effect on the net current result.

The expected dividend is maintained at EUR 3.00 gross per share. With respect to the 2012-2013 fiscal year, this represents a dividend increase of 3.4%.

#### 4. Financial calendar

Announcement of the half-yearly financial report	29 November 2013
Announcement of the quarterly results for the 3 <sup>rd</sup> quarter 2013/2014	14 February 2014
Announcement of the annual results for the 2013/2014 fiscal year	29 May 2014



## ABOUT RETAIL ESTATES NV

Retail Estates NV is a public fixed-capital real estate investment fund and more specifically a niche investment fund 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 m<sup>2</sup> and 3,000 m<sup>2</sup>. A typical retail building has an average area of 1,000 m<sup>2</sup>.

As per 30 June 2013, Retail Estates NV has 501 properties in its portfolio, with a retail surface area of 522,247 m<sup>2</sup>. The occupancy rate of these buildings, expressed in leased m<sup>2</sup>, amounts to 98.14%.

The fair value of the consolidated real estate portfolio (including assets intended for sale) of Retail Estates NV at 30 June 2013 is estimated by independent real estate experts at EUR 689.38 million.

Retail Estates NV is listed on Euronext Brussels and is registered as a public fixed-capital real estate investment fund. On 30 June 2013, the stock market capitalisation of its listed shares amounted to EUR 390.69 million.

## FORWARD-LOOKING STATEMENTS

This press release contains a number of forward-looking 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 forward-looking statements in this statement. Significant factors that can influence such results include changes in the economic situation, and commercial, fiscal and influencing factors.

Ternat, 9 August 2013, Jan De Nys, managing director of Retail Estates NV.

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