

RETAIL ESTATES



Naamloze vennootschap (public limited company)
public regulated real estate company organised and existing under Belgian law,
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 2015-2016¹ (closed on 30.06.2015)

**Extension of the property portfolio by the acquisition of additional retail parks,
to a fair value of EUR 972.75 million**

**Successful capital increase for an amount of EUR 76.21 million. The proceeds of this transaction
have been fully invested.**

**Net current result of the first quarter of financial year 2015-2016 up by 13.30% to
EUR 7.47 million on 30 June 2015**

High occupancy rate 98.52% confirms quality of the property portfolio

1. REAL ESTATE ACTIVITIES DURING THE FIRST QUARTER 2015-2016

1.1. Rental income and occupancy rate

The net rental income during the first quarter of the financial year amounts to EUR 13.57 million, 8.04% up on the figure for the comparable period of the financial year 2014-2015.

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



The occupancy rate² on 30 June 2015, 98.52%, remains at a high level. On 31 March 2015, the occupancy rate amounted to 98.78%.

1.2. Fair value³ of the real estate portfolio

The fair value of the real estate portfolio (including project developments) on 30 June 2015 amounts to EUR 972.75 million, an increase of EUR 135.63 million (16.20%) compared to the value on 31 March 2015 (EUR 837.12 million). This increase is primarily the result of the acquisition of new real estate portfolios minus the sale of individual properties. The variation in the fair value of investment properties amounts to EUR -0.02 million on 30 June 2015.

On 30 June 2015, the real estate portfolio consists of 622 properties with a lettable area of 686,745m².

1.3. Investments and disposals

Investments

Acquisition retail properties

With effect on 30 June 2015, 69 retail properties were acquired for an amount of EUR 129 million. The properties represent an expected annual rental income of EUR 7.94 million. For more detailed information, we refer to our press release of 30 June 2015.

Completion framework agreement

On 20 May 2015, Retail Estates nv acquired the exclusive control of Fimitobel nv, owner of the retail property in Aalst, part of the framework agreement concluded with Orchestra-Prémaman Belgium nv on 14 October 2014. The investment value of this property amounts to EUR 1.91 million and it will generate an annual gross rental income of EUR 0.13 million.

Disposals

On 2 June 2015, a 990m² retail property in Bilzen, let to JBC, was sold for a net capital gain of EUR 1.58 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

² The occupancy rate is calculated as the effective leased area versus the lettable area, expressed in m².

³ 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 note 21 in the 2014-2015 annual report).



the core portfolio of Retail Estates nv.

1.4. Capital increase within the framework of the authorised capital

During the subscription period with preferential subscription rights, closed on 21 May 2015, 1,113,317 new shares have been subscribed, being 88.38% of the new shares.

The 878,538 non-exercised preferential subscription rights have been sold on 26 May 2015 in an accelerated private placement to investors, as described in the prospectus. Investors acquiring the scrips irrevocably undertook themselves to subscribe 146,423 new shares, at the same subscription price and in accordance with the same subscription rate, i.e. one new share at EUR 60.50 for six scrips. The gross proceeds of the operation amounts to EUR 76,214,270.

2. KEY FIGURES AS AT 30 JUNE 2015

2.1 Net current result⁴

At 30 June 2015 the net current result amounts to EUR 7.47 million versus EUR 6.60 million for the comparable period in financial year 2014-2015. For the calculation of the net current result per share, the weighted average number of outstanding shares as per 30 June 2015, or 8,016,301, are taken into account. The net current result per share (based on the weighted average number of shares) is EUR 0.93 on 30 June 2015, compared to EUR 0.90 on 30 June 2014.

2.2 Net result

The net result, taken into account the results on the sale of investment properties (EUR 0.12 million) and the variation in the fair value of investment properties (EUR -0.02 million), amounts to EUR 7.58 million on 30 June 2015.

2.3 Information per share

	30.06.2015	31.03.2015
Number of outstanding shares	8,819,213	7,559,473
Weighted average of outstanding shares	8,016,301	7,381,081

⁴ Net current result or operating result: net result excluding the result on the real estate portfolio (code XV, XVI, XVII of the income statement).



Net asset value per share IFRS ⁵	52.52	50.43
Net asset value per share EPRA ⁵	54.95	53.68
Net asset value per share (investment value) ex. dividend ex. IAS 39	53.78	53.34
	30.06.2015	30.06.2014
Net current result (IFRS, taken into account the weighted average of outstanding shares)	0.93	0.90
Net current result (taken into account the number of shares entitled to dividend)	0.85	0.90

2.4 Debt ratio

At 30 June 2015, the debt ratio amounts to 51.97%, compared to 51.54% on 31 March 2015. 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.

3. PROSPECTS

The macro-economic uncertainties do not enable predictions to be made as to the evolution of the fair value of investment properties or the negative variations in the fair value of financial hedging instruments. The evolution of the net asset value of the share, which is sensitive to such variations and uncertainties, is therefore uncertain.

The expected dividend is maintained at EUR 3.20 gross per share. With respect to the financial year 2014-2015, this represents a dividend increase of 3.23%. These expectations were filled in the hypothesis of stable consumer spending and provided a positive evolution of rents. However, it has been identified that at the moment, contrary to previous financial years, the inflation by rent indexation hardly has its role in the rental increase.

4. FINANCIAL CALENDAR

Announcement half-yearly results financial year 2015-2016	27 November 2015
Announcement results 3 rd quarter financial year 2015-2016	19 February 2016
Announcement annual results financial year 2015-2016	27 May 2016

⁵ This net asset value is dividend included. It contains the dividend of the first quarter of financial year 2015-2016 as well as the dividend of financial year 2014-2015, paid on 10 July 2015.



ABOUT RETAIL ESTATES NV

Retail Estates nv is a public regulated real estate company and more specifically a niche company that specialises in investing 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 500m² and 3,000m². A typical retail building has an average area of 1,000m².

On 30 June 2015, Retail Estates nv has 622 properties in its portfolio with a lettable surface of 686,745m². The occupancy rate of these buildings, expressed in leased m², amounts to 98.52%.

The fair value of the consolidated real estate portfolio of Retail Estates nv at 30 June 2015 is estimated by independent real estate experts at EUR 972.75 million.

Retail Estates nv is listed on Euronext Brussels and is registered as a public regulated real estate company. On 30 June 2015, the stock market capitalisation of its shares amounts to EUR 610.64 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 interim statement. Significant factors that can influence such results include changes in the economic situation, commercial and fiscal factors.

Ternat, 18 September 2015,

Jan De Nys, managing director of Retail Estates nv.

For more information, please contact:

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Retail Estates NV – Public regulated real estate company governed by Belgian law

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