

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’

CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS

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On 5 May 2015, the board of directors of Retail Estates nv decided on a capital increase up to EUR 76,224,676 through the issuance of up to 1,259,912 new shares at a subscription price of EUR 60.50 per share. The shares will participate in the result from 1 April 2015, this being the start of the current financial year 2015/2016. Barring unforeseen circumstances, the board of directors forecasts a gross dividend of EUR 3.20 for the financial year 2015/2016. This is a capital increase within the framework of the authorised capital, with preferential subscription right for the shareholders of Retail Estates nv.

Retail Estates nv regularly turns to the financial markets to increase its capital. For the fourth time since its recognition as a fixed-capital real estate investment fund (the current regulated real estate company) and its listing on Euronext in March 1998, the company is giving all of its shareholders the opportunity to share in the growth of the company and its profitability. The proceeds will be invested in the growth of the real estate portfolio and reducing debt. The value of the real estate portfolio (excluding project developments) was set by the surveyors at a fair value of EUR 802.95 million on 31 March 2015. The capital increase of up to EUR 76,224,676 offers an additional investment potential of approximately EUR



152 million if the proceeds from the capital increase are supplemented with a similar amount of bank financing.

More information is contained in the attached document. Reference is also made to the prospectus prepared in connection with the capital increase. References to the prospectus are also contained in the attached document.

On behalf of the board of directors,

Ternat, 6 May 2015,

Paul Borghgraef, chairman, and
Jan De Nys, managing director, of Retail Estates nv.

For more information, please contact:

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

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

Industrielaan 6, 1740 Ternat - RPR Brussels - VAT BE 434.797.847.



ATTACHMENT

On 5 May 2015, the board of directors of Retail Estates nv decided on a capital increase in cash with preferential subscription right within the framework of the authorised capital, with the following conditions:

- NATURE OF THE TRANSACTION: capital increase in cash with preferential subscription right.
- ISSUE AMOUNT: up to EUR 76,224,676.00 by issuing up to 1,259,912 new shares.
- SUBSCRIPTION PRICE: EUR 60.50 per new share; this represents a discount of 17.34% on the closing price of the existing shares on 4 May 2015, after deducting the estimated gross dividend of EUR 3.10 for the financial year 2014/2015, and a premium of 30.47% on the net value per share (IFRS) on 31 December 2014.
- SUBSCRIPTION RATIO: 6 Preferential subscription rights entitle the holder to subscribe to 1 new share.
- SUBSCRIPTION PERIOD: from 7 May 2015 (from 8:00 am) to 21 May 2015 (until 4:00 pm).
- PLACEMENT OF SCRIPS: on 26 May 2015, Private Placement of unexercised preferential subscription rights. Net proceeds (if any) from the scrip sale is then allocated to holders of coupons No. 22.
- PAYMENT DATE: the shares are payable on 28 May 2015.
- DIVIDEND ENTITLEMENT: the new shares share in the profit from the financial year beginning 1 April 2015.
- PREFERENTIAL SUBSCRIPTION RIGHT LISTING: the Preferential Subscription Rights, represented by coupon No. 22, are listed on Euronext Brussels during the Subscription Period.
- INTENTIONS OF CERTAIN SHAREHOLDERS: certain shareholders have irrevocably committed themselves to subscribing to the capital increase, for a total amount of EUR 25,930,360.50. This represents 34.02% of the maximum number of new shares.
- AUTHORISATION FOR LISTING OF NEW SHARES: it is expected that the new shares will be traded from 28 May 2015, under the same ISIN code as the existing shares (BE0003720340).
- KBC Securities and ING Belgium are acting as Joint Global Coordinators and Bookrunners (the "Managers").



Terms of the offer

Existing shareholders and investors who have acquired Preferential Subscription Rights during the Subscription Period can subscribe to the capital increase during the Subscription Period. The Preferential Subscription Right is represented by coupon No. 22 of the existing shares. The shareholders of Retail Estates nv will automatically receive one Preferential Subscription Right per existing share (the "Preferential Subscription Right") on 6 May 2015 after the closing of the regulated Euronext Brussels market.

The holders of Preferential Subscription Rights are entitled to subscribe to the new shares during the Subscription Period running from 7 May 2015 (8:00 am) until 21 May 2015 (4:00 pm) (the "Subscription Period"). On payment of the Subscription Price of EUR 60.50 per new share (the "Subscription Price") and submission of 6 Preferential Subscription Rights, they may subscribe for one new share.

Shareholders, who do not wish to exercise their Preferential Subscription Right, may sell it on Euronext Brussels during the Subscription Period. Shareholders who do not have sufficient Preferential Subscription Rights or investors who have no Preferential Subscription Rights can buy Preferential Subscription Rights on Euronext Brussels.

On the closing date of the Subscription Period, the unexercised Preferential Subscription Rights will automatically be converted into an equal number of scrips ("Scrips"). The Scrips will be sold via a Private Placement of Scrips to investors without this resulting in a public offer to purchase Scrips or subscribe to the new underlying shares in accordance with applicable law (the "Private Placement"). Buyers of these Scrips undertake to irrevocably exercise the Scrips on the same day and thus to subscribe to the corresponding number of New Shares at the Subscription Price and in accordance with the subscription ratio (i.e. presentation of 6 Scrips).

The net proceeds from the sale of Scrips, after deducting costs (rounded down to the nearest cent per Scrip), will be distributed proportionally among all holders of unexercised Preferential Subscription Rights during the Subscription Period. The net proceeds of the Scrips will be published in the Belgian press on 27 May 2015, and will be made available to the holders of coupon No. 22 from 28 May 2015 after presentation of coupon No. 22. However, there is no guarantee that any or all Scrips will be sold during the Private Placement of the Scrips or that there will be any net proceeds from the sale of the Scrips. Neither Retail Estates nv nor the Managers nor any other person who sells the Scrips will be responsible for any lack of net proceeds from the Scrips via the sale of Scrips in the Private Placement.



If the net proceeds of the Scrips are less than EUR 0.01 per coupon No. 22, the holders of these coupons will not be entitled to receive any payment, and the total net proceeds of the Scrips will be transferred to Retail Estates nv.

The results of the Rights Offering, the Private Placement of the Scrips and the announcement of the proceeds from the sale of the Scrips will be published on or about 27 May 2015. The payment date is set at 28 May 2015.

The completion of the capital increase is expected to be adopted on 28 May 2015 for the subscribed amount of the capital increase.

Subscription price

All existing shareholders may expand at no cost their investment in Retail Estates nv at the Company, the Managers and the Selling Agents (KBC Bank NV, CBC Banque SA and ING Belgium NV), in proportion to the Preferential Subscription Rights they hold, at a Subscription Price of EUR 60.50. The Subscription Price represents a discount of 17.34% compared to the closing price of the Retail Estates share on Euronext Brussels on 4 May 2015, after deduction of the proposed gross dividend for financial year 2014/2015 of EUR 3.10 (see below). This is a premium of 30.47% compared to the net value per share (IFRS) on 31 December 2014.

Dividend

The new shares are issued with coupon No. 23 attached. The new shares are of the same nature and have the same rights as existing shares except that they participate in the results of the financial year beginning on 1 April 2015 and ending on 31 March 2016.

Retail Estates nv is aiming at a dividend of EUR 3.20 gross for the financial year 2015/2016. This would imply an increase of 3.23% compared with the proposed dividend for the financial year 2014/2015 (EUR 3.10 gross), upon which the annual shareholders' meeting of 3 July 2015 will decide. Coupon No. 21, which represents the right to a dividend for financial year 2014/2015, will be detached from the existing shares on 6 May 2015 after the close of trading on Euronext Brussels. The Company points out that the expected dividend does not involve a profit forecast.

Listing

The Preferential Subscription Rights, represented by coupon No. 22, will be listed on Euronext Brussels under ISIN code BE0970141447 for the entire Subscription Period.



An application has been made for admission to trading on Euronext Brussels for all new shares that can be issued under the capital increase. It is expected that the new shares will be tradable from 28 May 2015, under the same ISIN code as the existing shares, i.e. BE0003720340.

Intentions of certain shareholders

Certain existing shareholders have irrevocably committed themselves to subscribing to the capital increase, for a total amount of EUR 25,930,360.50. This represents 34.02% of the maximum number of new shares.

Expected calendar

Barring unforeseen circumstances, the capital increase will proceed as shown below. Possible changes to this schedule will be announced through the press.

Detachment of coupon No. 21 representing the annual dividend for the financial year 2014/2015	6 May 2015 after COB
Detachment of coupon No. 22 representing the Preferential Subscription Right	6 May 2015 after COB
Trading of the shares post Preferential Subscription Right and post annual dividend	7 May 2015
Announcement of the Transaction and publication of the Prospectus	7 May 2015
Opening Subscription period with Preferential Subscription Right and start listing of Preferential Subscription Right	7 May 2015
End of listing Preferential Subscription Right	21 May 2015
Close of Subscription Period with Preferential Subscription Right	21 May 2015
Press release with results of the Offer with Preferential Subscription Right (prior to opening stock exchange)	26 May 2015
Private Placement of the non-exercised Preferential Subscription Rights in the form of Scrips	26 May 2015
Allocation of the Scrips and subscription to new shares by exercising the Scrips	26 May 2015



Announcement of the results of the Offer with Preferential Subscription Rights, Private Placement of Scrips and announcement sales proceeds Scrips	27 May 2015
Settlement: payment of the Subscription Price and delivery of the new shares	28 May 2015
Admission to trading of the new shares on Euronext Brussels	28 May 2015
Making sales proceeds Scrips payable	28 May 2015
Publication annual results financial year 2014/2015	29 May 2015

The prospectus is available in Dutch and a summary of the prospectus is available in French and English. The Prospectus has been approved by the FSMA.

The prospectus can be consulted from 7 May 2015 (before market opening) on the websites of Retail Estates (www.retailstates.com), KBC Group (www.kbc.be, www.kbcsecurities.be, www.bolero.be) and ING Belgium (www.ing.be/aandelentransacties, www.ing.be/transactionsdactions, www.ing.be/equitytransactions). As of 7 May 2015 (before market opening), the prospectus will also be made available to investors at the registered office of the Company, Industrielaan 6, 1740 Ternat (Tel. +32 (0) 2 568 10 20) and KBC after request via telephone number 32 (0) 3 283 29 70 (NL) or telephone number 32 (0) 800 920 20 (FR), and ING Belgium after request to telephone number 32 (0) 2 464 60 01 (NL) or telephone number 32 (0) 2 464 60 02 (FR).

Investing in the new shares, Preferential Subscription Rights and Scrips entails substantial risks. Investors are warned that they could lose all or a part of their investment. An investment decision should be based on a thorough reading of the prospectus, including the risk factors contained in chapter 2 of the prospectus.



ABOUT RETAIL ESTATES NV

Retail Estates nv is a public regulated real estate company and more specifically a niche company that specialises in making out-of-town retail properties which are located on the periphery of residential areas or along main access roads into urban centres available to users. 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 31 December 2014, Retail Estates nv has 553 properties in its portfolio with a lettable surface of 606,369m². The occupancy rate of these buildings, expressed in leased m², amounts to 98.61%.

The fair value of the consolidated real estate portfolio of Retail Estates nv at 31 December 2014 is estimated by independent real estate experts at EUR 801.06 million.

Retail Estates nv is listed on Euronext Brussels and is registered as a public regulated real estate company. On 31 December 2014, the stock market capitalisation of its shares amounts to EUR 512.46 million.

