Naamloze vennootschap (public limited company),
public regulated real estate company under Belgian law (BE-REIT),
with registered office at Industrielaan 6, 1740 Ternat (Belgium),
Brussels Register of Legal Entities: 0434.797.847

Periodical press release – regulated information
Ternat, 25 May 2016

ANNOUNCEMENT ANNUAL RESULTS FINANCIAL YEAR 2015-2016

Net rental income increases by 17.03% to EUR 61.68 million by expansion real estate portfolio by 19.55% to EUR 1,000.80 million

Net current result (excluding portfolio result) increases by 27.40% to EUR 36.47 million

Valuation of property portfolio: fair value increases in line with the evolution in the investment market: EUR 10.22 million changes in the fair value of investment properties

The proposed dividend amounts to EUR 3.20 (+3.23% compared to last financial year) – net current result amounts to EUR 4.23 per share

Occupancy rate remains high (98.22%)

Annual report 2015-2016 available

FINANCIAL YEAR 2015-2016 IN A NUTSHELL

This past financial year, the company enjoyed its strongest growth in the last 18 years. Not only was the capital base again strengthened by the issue of new shares for an amount of 76.21 million euro, a record amount of 166 million euro was also invested in expanding the portfolio. With this, the value of the real estate portfolio exceeds the milestone of 1 billion euro, and the market value of Retail Estates on the stock market regularly lists at a peak of 700 million euro. These transactions significantly increase the company's visibility and the prospects of shareholders. During the course of the financial year in which they were made, these investments already translated into an increase in current result. This growth supports the annual dividend increase that we are able to offer you for the 11nd/th year in a row.

The investments of the past year have also contributed qualitatively to the company's growth. The portfolio was expanded with a record number of 6 retail parks. This concerns not only 5 existing retail parks with a strong track record, but also a new retail park in Beringen that truly is a "state of the art" complex. Retail parks are sparse, especially in Flanders, and are a perfect complement to the already acquired retail properties.

As in previous years, the financing of the company remains based on steady growth in equity through systematic capital increases and reservation of profits, but also through the use of bank financing. The cost of bank financing is steadily decreasing, without Retail Estates changing its hedging policy. Since no one can give a definitive answer concerning whether the current low interest rate environment will continue, interest rates are now also being hedged significantly.

Operations again achieved good results. The occupancy rate continues being above 98% for the 18th year in a row, with no unpleasant surprises noted in the revenue or expenditure sides. The real estate experts have recorded an increase in the value of the portfolio. As in financial year 2014-2015, these gains were driven mainly by a falling yield and only to a limited degree by indexation of rents. Our confidence is boosted by the fact that, despite sluggish growth in rental prices, interest is on the rise on the part of diverse investors in the real estate segment in which we specialise - even for those who are unfamiliar with it - due to the shortage of supply in prime locations as well as the good occupancy rate.

The challenges remain unchanged. We seek to attract the right tenant mix in our buildings and to adapt these buildings where necessary to the changing needs of today's consumers. More than ever, we need to be listening to our tenants for the signals they give as consumer, however contradictory they may be. Thus we are increasingly leasing retail properties to shop formats that for many years were the darlings of city centre locations. During the past year, we leased among others to H&M, Standaard Boekhandel and Club, Kruidvat and Hunkemöller. These retailers are discovering the advantages of the easy accessibility of our retail properties in the periphery, and they appreciate the lower accommodation costs. The entire "out-of-town" phenomenon continues to gain momentum since the service sector too is beginning to find its way to our locations. Bank branches increasingly are concentrated in retail locations outside the city centre where they open a large branch to replace several smaller branches. Temporary employment agencies also appreciate our locations. This should come as no surprise: in the end, all of these players are in search of the same consumer.

The regionalisation of business location policy is now a fact. The Walloon and Brussels Capital regions have set up their own legislative framework. The Flemish Region is about to bid farewell to the familiar "Ikea Act". Local authorities and shop owners will need to make considerable efforts to comply with the new framework. At first sight, the discretionary decision-making power of local authorities is restricted, which is an important step toward limiting the proliferation that has characterised our sector for decades. However, it is too early to predict what the regional authorities intend with respect to the activities permitted in existing retail properties.

PROSPECTS FOR THE FINANCIAL YEAR 2015-2016

Retail Estates hopes to be able to pursue last year's strategy, which consists of enabling the company to grow both with respect to its share capital and through external financing, and accomplish a steady growth while at the same time protecting the current returns and the net asset value of the shares.

DIVIDEND

The board of directors shall propose to the next general shareholders' meeting to approve a gross dividend per share of EUR 3.20 (EUR 2.336 net). This represents an increase of 3.23% compared to last year's dividend, which is significantly more than the very low inflation we experienced during the same period. Retail Estates will thus distribute EUR 28.37 million of its current profit, and invest the balance of the undistributed profit in the growth of the company.

For the financial year 2016-2017, Retail Estates aims at a gross dividend of EUR 3.30. This represents an increase of 3.12% compared to the dividend aimed at the previous financial year 2015-2016 and is in accordance with the policy conducted the previous years.

The dividend 2015-2016 is payable on 8 July 2016.

STATUTORY AUDITOR'S REPORT

The statutory auditor has confirmed that the audit of the consolidated financial statements adopted by the board of directors has been completed, without revealing any material misstatement. The statutory auditor has also confirmed that the accounting data reported in the accompanying press release is consistent, in all material respects, with the aforementioned consolidated financial statements.

CALENDER

The annual report is available for the shareholders on Retail Estates' website from 25 May 2016 (after the stock exchange closing).

KEY FIGURES

1. Consolidated income statement

1. A. INCOME STATEMENT (in € 000)	31.03.16	31.03.15
Rental income	62,074	53,191
Rental related expenses	-394	-485
Net rental income	**61,680**	**52,706**
Recovery of property expenses		
Recovery of rental charges and taxes normally payable by tenants on let properties	5,882	5,312
Rental charges and taxes normally payable by tenants on let properties	-6,134	-5,632
Other rental related income and expenses	-41	-51
Property result	**61,386**	**52,334**
Technical costs	-2,054	-1,466
Commercial costs	-427	-239
Charges and taxes on unlet properties	-338	-135
Property management costs	-1,683	-1,518
Other property costs	-2	-4
Property costs	**-4,504**	**-3,362**
Operating property result	**56,882**	**48,972**
Operating corporate costs	-2,841	-2,888
Other current operating income and expenses		
Operating result before result on portfolio	**54,041**	**46,084**
Result on disposals of investment properties	341	479
Result on sales of other non-financial assets		
Changes in fair value of investment properties	10,216	6,131
Other result on portfolio		
Operating result	**64,598**	**52,694**
Financial income	144	181
Net interest charges	-16.852	-17,269
Authorised hedging instruments' costs	-4,995	

Other financial charges	-70	-39
Financial result	**-21,774**	**-17,128**
Result before taxes	**42,824**	**35,566**
Taxes	-789	-328
Net result	**42,035**	**35,238**
Attributable to:		
Shareholders of the Group	42,035	35,238
Minority interests		
Note:		
Net current result (share Group)[1]	**36,473**	**28,628**
Result on portfolio	10,557	6,610
IAS 39 result	-4,995	

RESULT PER SHARE	31.03.16	31.03.15
Number of ordinary shares in circulation	8,866,320	7,559,473
Weighted average number of shares	8,627,562	7,381,081
Net profit per ordinary share (in €)[2]	4.87	4.77
Diluted net profit per share (in €)	4.87	4.77
Profit available for distribution per share (in €)[3]	4.15	3.82
Net current result per share (in €)[4]	4.23	3.88
Dividend	3.20	3.10

1. B. STATEMENT OF OTHER COMPREHENSIVE INCOME (in € 000)	31.03.16	31.03.15
Net result	42,035	35,238
Other components of other comprehensive income, recyclable in income statements:		
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-4,080	-2,474
Changes the fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	1,427	-705
COMPREHENSIVE INCOME	**39,382**	**32,059**

[1] The net current result is calculated as follows: net result excluding changes in fair value of investment properties, exclusive the result on disposal of investment properties and exclusive authorised hedging instruments costs.
[2] The net profit per ordinary share is calculated as follows: the net result divided by the weighted average number of shares.
[3] The profit available for distribution per share is calculated as follows: adjusted net operating result divided by the total number of shares. The adjusted net operating result is the consolidated net profit adjusted for a number of elements of a non-current nature, the result on the disposal of investment properties and the changes in fair value of investment properties and project developments.
[4] The net current result per share is calculated from the weighted average number of shares, counted from the time of issue (which does not necessarily coincide with first dividend entitlement date). Calculated on the number of dividend-entitled shares, the net current result per share amounts to EUR 4.11 at 31.03.2016 versus EUR 3.79 at 31.03.2015.

2. Consolidated balance sheet

ASSETS (in € 000)	31.03.16	31.03.15
Non-current assets	**1,002,510**	**837,602**
Goodwill		
Intangible non-current assets	147	120
Investment properties[5]	1,000,799	837,121
Other tangible non-current assets	1,554	357
Financial non-current assets		
Trade receivables and other non-current assets	10	5
Current assets	**13,105**	**9,837**
Non-current assets or groups of assets held for sale	8,222	4,819
Trade receivables	1,373	1,168
Tax receivables and other current assets	1,466	1,399
Cash and cash equivalents	1,315	1,469
Deferred charges and accrued income	729	982
TOTAL ASSETS	**1,015,615**	**847,439**

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)	31.03.16	31.03.15
Shareholders' equity	**474,170**	**381,212**
Shareholders' equity attributable to the shareholders of the parent company	**474,170**	**381,212**
Capital	194,545	166,902
Issue premiums	151,499	101,839
Reserves	86,091	77,233
Net result of the financial year	42,035	35,238
Minority interests		
Liabilities	**541,445**	**466,227**
Non-current liabilities	456,178	379,217
Provisions		82
Non-current financial debts	428,023	340,379
Credit institutions	398,225	310,631
Long term financial lease	10	
Other	29,788	29,748
Other non-current financial liabilities	28,155	38,401

[5] Including project developments (IAS 40).

Deferred taxes		355
Other		355
Current liabilities	85,267	87,010
Current financial debts	42,601	57,209
Credit institutions	42,597	57,209
Short term financial lease	4	
Trade debts and other current debts	7,315	5,435
Deferred taxes	13,755	4,589
Exit tax	13,219	4,077
Other	536	512
Other current liabilities	15,633	15,367
Accrued charges and deferred income	5,963	4,410
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,015,615**	**847,439**
DEBT RATIO	31.03.16	31.03.15
Debt ratio[6]	49.95%	51.54%
NET ASSET VALUE PER SHARE (in €) - SHARE GROUP	31.03.16	31.03.15
Net asset value per share IFRS[7]	53.48	50.43
Net asset value per share EPRA[8]	56.66	53.68
Net asset value per share (investment value) excl. dividend excl. IAS 39[9]	56.27	53.34

[6] The debt ratio is calculated as follows: liabilities (excluding provisions, accrued charges and deferred income, financial instruments and deferred taxes), divided by the total assets (excluding financial instruments).
[7] The net asset value per share IFRS (fair value) is calculated as follows: shareholders' equity (attributable to the shareholders of the parent company) divided by the number of shares.
[8] The net asset value per share EPRA (fair value) is calculated as follows: shareholders' equity (excluding the fair value of authorised hedging instruments) divided by the number of shares.
[9] The net asset value per share excl. dividend excl. IAS 39 (investment value) is calculated as follows: shareholders' equity (excluding the impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties, exclusive changes in the effective part of the fair value of the permitted hedging instruments in a cash flow hedge as defined in IFRS and exclusive dividend) divided by the number of shares.

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 31 March 2016, Retail Estates nv has 634 properties in its portfolio with a lettable surface of 708,879m². The occupancy rate of these buildings, expressed in leased m², amounts to 98.22%.

The fair value of the consolidated real estate portfolio of Retail Estates nv at 31 March 2016 is estimated by independent real estate experts at EUR 1,000.80 million.

Retail Estates nv is listed on Euronext Brussels and is registered as a public regulated real estate company. On 31 March 2016, the stock market capitalisation of its shares amounts to EUR 691.57 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, 25 May 2016,

Jan De Nys, managing director of Retail Estates nv.

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