



Periodical press release – regulated information
Ternat, 19 May 2017

ANNOUNCEMENT OF ANNUAL RESULTS FOR FINANCIAL YEAR 2016– 2017

REAL ESTATE PORTFOLIO INCREASES TO EUR 1,071.36 MILLION
(+ 7.05%)

EPRA EARNINGS* INCREASE TO EUR 39.12 MILLION (+7.24%) -
PROPOSED DIVIDEND IS EUR 3.30 (+3.13% INCREASE OVER THE
PREVIOUS FINANCIAL YEAR)

OCCUPANCY RATE REMAINS HIGH (98.13%)

INCLUSION IN EPRA INDEX

*** Alternative performance measures and the term “EPRA earnings”**

Alternative performance measures are standards that Retail Estates nv uses to measure and track its financial performance. The measures are used in this annual report but are not defined in a law or generally accepted accounting principles (GAAP). The European Securities and Markets Authority (ESMA) has issued guidelines applicable from 3 July 2016 for the use and explanation of alternative performance measures. The terms considered by Retail Estates nv as an alternative performance measure are contained in the appendix to this press release. The definition, purpose and reconciliation of the alternative performance measures are foreseen as required by the ESMA Directive.

As a result of this directive, the previously used term “net current result” is no longer applicable. The designation has therefore been changed to “EPRA earnings”. There is no substantive difference with the previously used term “net current result”.

ANNUAL RESULTS FOR THE PERIOD 01.04.2016 THROUGH 31.12.2017

1. Summary

- Investments during the financial year of EUR 62.86 million in properties and projects. Disposals for a net sale price of EUR 9.72 million.
- A reorganisation of the loan portfolio and an issuance of bonds results in an extension of the maturity of the loans and a decrease in the weighted average interest cost.
- EPRA earnings are EUR 39.12 million (7.24%).
- The proposed dividend per share is maintained and amounts to EUR 3.30.

2. Operational Activities

2.1. Acquisitions and disposals

Investments – retail parks

Investments with a view to expanding the Wetteren retail park (Heerzele nv)

In 2014, Retail Estates nv acquired the retail park with 14 shops and a gross retail area of 10,423 m². The retail park that opened in 2008 is known as Frunpark Wetteren. It is very successful and attracts consumers from far and wide.

Retail Estates nv acquired controlling interest (51%) of real estate company Heerzele nv on 30 August 2016, which is owner of property in Wetteren on which, after obtaining the necessary permits, it wishes to expand its retail park in Wetteren.

The total operation consists of the creation of approximately 9,000 m² of gross retail space, a significant expansion of the car park, estimated annual rental income of EUR 0.90 million and an expected total investment of EUR 14.40 million.

Ideally, the completion time is 24 months, which means expected delivery by September 2018.

In accordance with the provisions of the relevant municipal spatial implementation plan, the shops are mainly for large-scale retail.

Wetteren (Blován bvba)

On 31 January 2017, Retail Estates nv acquired a stake (50%) in a second real estate company, Blován bvba, which owns a semi-logistics facility in Wetteren that is used for business-to-business trade.

The property is fully leased with an expected annual rental income of EUR 0.30 million until 2020. The investment value used as a reference for this transaction is EUR 4.74 million.

Westerlo (Oevel)

On 30 June 2015, Retail Estates nv acquired 9 properties in a retail park located at the Geel-West exit of the Antwerp-Liège motorway. This site includes 4 other properties belonging to third parties. The retail park has undergone a thorough renovation and will be commercialised in the course of 2017-2018.

With two consecutive transactions, Retail Estates nv acquired two of these four properties during the past financial year. This acquisition is intended to integrate these 2 retail properties into the retail park. On 25 October 2016, a shop in Westerlo of approx. 995 m² leased to bvba Merkkleding was purchased for EUR 1.98 million. Expected annual rental income amounts to EUR 0.12 million. Then on 14 December 2016, property located at Bell Telephonelaan 2/1, Westerlo, with an investment value of EUR 1.70 million, was acquired in the context of a contribution in kind. This comprises a shop leased to Action BVBA and a solar panel installation. Expected annual rental income amounts to EUR 0.11 million.

Hainaut

On 23 December 2016, Retail Estates nv acquired all shares of a real estate company that has 25 retail outlets spread across the province of Hainaut. All of these are leased to retail chains that mainly belong to the discount segment. Shop area has been leased for example to Lidl, Action, Chaussea, Trafic, Bel&Bo and Shoe Discount (Bristol).

The retail outlets have a total shop surface area of 25,738 m² and represent expected annual rental income of EUR 2.42 million. Gross initial return on the investment is 6.44%.

For more information, please see the press release of 23 December 2016, available on the Retail Estates nv website.

The purchase price of the shares of the real estate company in question was paid for half in cash, and an amount of EUR 11.33 million was paid by the issue on 5 April 2017 of 174,404 new shares that will share in profit from the financial year commencing on 1 April 2017.

Verviers (Foncière de la Station Vervietoise bvba)

On 6 January 2017, the Group acquired the grounds (property encumbered with a ground lease) of its retail park in Verviers by the acquisition of the real estate company Foncière de la Station Vervietoise bvba by Finsbury Properties nv (50%) and Retail Warehousing nv (50%) for an amount of EUR 0.37 million.

The above acquisitions were made at a valuation that corresponds to the fair value of the relevant shops or retail parks, as determined by real estate experts CBRE or Cushman & Wakefield or Stadim.

Project development

The project in Froyennes was completed on 30 September 2016. The new 1,500-m² retail building has been leased to Leen Bakker for an annual rent of EUR 0.13 million.

An existing shop in Sint-Stevens-Woluwe was renovated into two separate shops with surface areas of 1,027 m² and 1,042 m². This project was also completed on 30 September 2016. One unit was leased to Beter Bed, the other to Cool Blue, the market leader in online sales of electronics, and household and sporting goods, which is now also systematically opening physical shops. The total rent for both units is EUR 0.22 million.

In addition, the building in Verviers, a custom project of approximately 2,000 m² for chocolatier Darcis, was completed on 1 July 2016. This project is the object of a financial lease. The total investment amounts to EUR 1.03 million. This investment represents a strengthening of the retail park since an important hospitality sector function was added.

Finally, a building in Tienen (fair value EUR 3.95 million) and a shop in Westerlo (fair value EUR 1.74 million) were completed.

Optimisation of real estate portfolio

Retail Estates nv pays close attention to the changing needs of its tenants with respect to shop area. Several tenants are systematically expanding their product range and regularly request an expansion of their shop. This can take place through the acquisition of space from adjacent tenants who sometimes have too much, or by constructing a new addition to the shop. Sometimes a choice is even made for a combination of both.

Renovations sometimes include more than just an expansion of the retail area; Retail Estates nv makes regular use of renovation opportunities to also remove an existing shop façade and replace it with a contemporary version that better fits the tenant's image.

Such investments allow us to build “win-win” relationships with tenants. Available land is put to work, and revenue growth allows the tenant to pay the rent increase.

Disposals

In the past financial year, properties were divested for a net sale price of EUR 9.72 million. A net capital gain of EUR 0.28 million was realised on these disposals.

6 shop premises were sold for a net sales price of EUR 7.29 million. The sold properties are located in Aartselaar (1 property, 3,480 m²), Spa (1 property, 1,470 m²), Waregem (1 property, 999 m²), Mons (2 properties, 2,249 m²) and Eeklo (1 property, 104 m²). The fair value of these properties amounted to EUR 7.04 million at the time of sale.

In a notarial deed of 28 September 2016, the Distri-Land real estate certificate for the property located in Hasselt, leased to CarpetRight, was sold for a net sales price of EUR 2.41 million. The sales proceeds were paid to the depositary receipt holders on 30 September 2016. For this, Retail Estates nv received a net coupon of EUR 1.82 million.

In addition, 8 lots of the Westende site were sold for a net sales price of EUR 0.072 million per lot. A total capital gain of EUR 0.025 million per lot was realised on these 8 lots.

Finally, 3 car parks in Jette were sold for a net sales price of EUR 0.02 million.

These disposals find their context in an annual recurring sales programme of individual shops that do not belong to Retail Estates nv's core portfolio due to their location, shop size and/or commercial activity.

Investments: conclusion

Purchases and own developments in the 2016-2017 financial year, less disposals, resulted in an increase of EUR 67.11 million for the real estate portfolio. Total rental income increased by EUR 1.99 million in the 2016-2017 financial year due to these investments, and decreased by EUR 0.05 million in the past financial year due to the disposals. If the acquisitions and disposals would have taken place on 1 April 2016, rental income would have increased by EUR 4.23 million.

The investments are financed by a mix of shareholder's equity (issue of new shares by contribution in kind or in the capital market) and borrowed capital (financing of working capital by the banks, issuance of a bond loan...).

2.2. Portfolio management

Occupancy rate

The occupancy rate of the Retail Estates nv real estate portfolio is 98.13%.

Of course the occupancy rate must be seen as a snapshot behind which are hidden a series of transactions that took place in the previous financial year. They do not imply a guarantee regarding the future since the legislation on commercial leasing is mandatory and allows for cancellation every three years for all tenants.

Average tenant turnover for the properties in the portfolio is 4.94%.

Rental income

In the past financial year, 4 smaller SME tenants and the retail company Charles Vögele (clothing stores declared bankrupt, 1 shop of which still leased from Retail Estates nv) filed for bankruptcy. The necessary depreciations have been set aside for these uncollectable debts.

At the end of this financial year, outstanding trade receivables amount to EUR 0.57 million. EUR 0.15 million concerns the operating and reserve fund. Taking into account the guarantees obtained – both rental guarantees and the requested bank guarantees – the credit risk on trade receivables is limited to approximately 45% (EUR 0.19 million) of the outstanding amount on 31 March 2017.

Damage claims

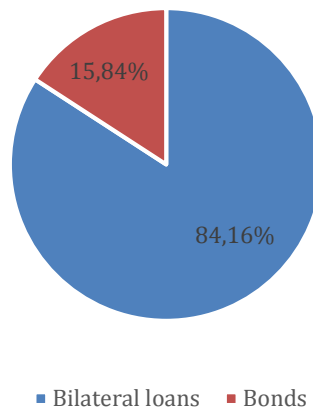
In the past financial year, no significant damage by fire or other major disaster took place. Unfortunately, vandalism is a recurring problem for shops located at the outskirts of large urban agglomerations.

2.3. Implementation of the financing strategy

The loan portfolio was restructured during the first semester of the past financial year. Credit extensions were obtained from all the major Belgian banks in which maturities and interest rates were renegotiated. In addition, in the second quarter of financial year 2016-2017, Retail Estates nv realised two private placements of securities to institutional investors for a total of EUR 55 million and a maturity of ten years. The combination of these credit rearrangements and bond issues resulted in an extension of the average maturity of the portfolio (to 5.08 years), diversification of financing sources and a decrease in the weighted average interest rate (from 3.42% on 31 March 2017 to 2.86% on 31 March 2018).



Debt structure



2.4. Inclusion in EPRA index

On 2 March 2017, the EPRA website announced that Retail Estates nv will be included in the “FTSE EPRA/NAREIT Developed Europe Index” from 20 March 2017, after market close. In the last quarterly review of the index, Retail Estates nv met all the criteria for inclusion set by the EPRA.

The inclusion of Retail Estates nv in the EPRA index contributes to the share’s visibility. We believe that this inclusion will promote the interests of new institutional investors and will increase the liquidity of the share.

2.5. Subsequent events

Appointment of new directors and change of date of the shareholders’ meeting

On 4 April 2017, the extraordinary shareholders’ meeting of Retail Estates nv approved the appointment of Mr. Vic Ragoen and Ms. Ann Gaeremynck as directors until the 2021 annual shareholders’ meeting. It is expected that on 22 May 2017, the extraordinary shareholders’ meeting will approve moving the shareholders’ meeting to the second to last Monday of July, and the extraordinary shareholders’ meeting decided to increase the number of colleagues that may represent a director at the meeting of the board of directors from two to three, and consequently to replace the sixth paragraph of Article 12 of the articles of association with the following text:

“Each director may authorise another member of the board by letter, by fax, by electronic mail or in another written manner to represent him at a specific meeting. A director may represent a maximum of three colleagues.”

Increase in capital and issue of new shares

On 5 April, 2017, 174,404 new shares were issued by contribution of the remaining debt claim relating to the purchase of the shares of the real estate company Hainaut Retail Invest, which has 25 retail outlets spread throughout the Province of Hainaut. Following this issue, the registered capital of Retail Estates was increased to EUR 206,612,347.44, represented by 9,182,612 shares. The new shares will share in the company's profit from 1 April 2017.

2.6. Merger by acquisition of subsidiaries

On 1 July 2016 and 3 October 2016, the mergers by acquisition of the companies PanEuropean Retail Properties nv and Vlaamse Leasing Maatschappij nv by Retail Estates nv were adopted by the board of directors of the respective companies, both with immediate effect.

On 23 December 2016, the mergers by acquisition of the companies PanEuropean Property Investments nv and Localiège nv by Retail Warehousing Invest nv (institutional REIT) were adopted by the board of directors of the respective companies, with immediate effect.

On 20 January 2017, the mergers by acquisition of the companies Fimitobel nv and Texas Management nv by Retail Estates nv were adopted by the board of directors of the respective companies, effective 31 January 2017.

On 31 March 2017, the merger by acquisition of the company TBK bvba by Retail Estates nv was adopted by the managers and the board of directors of the respective companies, with immediate effect.

Mergers of subsidiaries simplify administrative management and reduce the taxable income of the subsidiaries of Retail Estates nv.

3. Financial results

3.1. Explanation of the income statement of 31 March 2017

The net rental income increased by EUR 4.34 million, mainly due to the acquisition of additional properties and the completion of projects in the 2016-2017 financial year (EUR 1.08 million), and acquisition of the properties and completion of the projects in the previous financial year, which yielded a full year's rent for the first time (EUR 4.00 million). The sale of properties resulted in a decrease in net rental income of EUR 0.05 million. The sale of the properties during the previous financial year resulted in a decrease in net rental income in this financial year of EUR 0.54 million. The impact of contract renewals is EUR 0.11 million. Furthermore, there is the impact of discounts (EUR -0.05 million), vacancy (EUR -0.96 million) and indexation (EUR 1.01 million).

Property costs amounted to EUR 4.94 million and increased by EUR 0.44 million, mainly due to the increase in technical costs and commercial costs due to expansion of the portfolio and the increase in personnel expenses due to the expansion of staff. Operating corporate costs amount to EUR 2.94 million, a slight increase of EUR 0.10 million over last year, mainly due to higher taxes and legal costs.

The result on the sale of investment properties is EUR 0.28 million. This profit is the result of the sale of EUR 9.44 million in properties (investment value). We refer to the “Disposals” section in this chapter for more details.

The positive change in the fair value of investment properties amounts to EUR 13.75 million and is mainly explained by indexations, increases in yield at top locations, and the impact of rental renewals at retail parks. The other result on portfolio amounts to EUR -0.14 million.

The financial result (excluding variations in the fair value of financial assets and liabilities) amounts to EUR 18.20 million compared to EUR 16.78 million last year. The fall in the weighted average interest rate from 3.64% to 3.42% slightly offsets the increase in the interest charges due to taking additional loans to finance further expansion of the portfolio. The financial result is EUR 19.06 million, compared to EUR 21.77 million last year. The decrease in total charges is the result of the change in the fair values of the swaps that do not define cash flow (variations in the fair value of financial assets and liabilities). However, this result is an unrealised and non-cash item.

EPRA earnings (this is the net result without the result on portfolio) amounts to EUR 39.12 million, compared to EUR 36.47 million last year.

3.2. Explanation of the balance sheet of 31 March 2017

Investment properties (including project developments) increased from EUR 1,000.80 million to EUR 1,071.36 million. This is mainly due to expansion of the portfolio by EUR 62.86 million and the sale of investment properties amounting to EUR 5.37 million. The non-current assets held for sale decreased from EUR 8.22 million to EUR 5.69 million. The assets held for sale are booked at the end of each quarter for which the sales agreement was signed but for which the deed of sale has not yet been executed. EUR 1.26 million in assets was added to the assets held for sale in financial year 2016-2017, and EUR 3.81 million in assets were sold.

Current assets amount to EUR 11.95 million and consist of EUR 5.69 million from assets held for sale, EUR 0.94 million from trade receivables, EUR 3.16 million from tax assets and other current assets, EUR 0.98 million from cash and cash equivalents, and EUR 1.18 million from accrued charges and deferred income.

The shareholder's equity of the public REIT amounts to EUR 514.97 million. On 31 March 2017, registered capital amounted to EUR 202.69 million, an increase of EUR 3.19 million compared to last year due to the capital increases mentioned above. After deduction of capital increase costs, the capital on the balance sheet amounts to EUR 197.60 million. 141,888 new shares were created during financial year 2016-2017. Issue premiums also increased from EUR 151.50 million to EUR 157.53 million for the same reason. Reserves amount to EUR 107.71 million and consist of the reserve for the positive/negative balance of changes in the fair value of real estate properties (EUR 101.29 million), profit from previous financial years carried forward (EUR 37.86 million), available reserves (EUR 13.41 million), legal reserves (EUR 0.13 million), less the impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties (EUR -26.70 million) and less the variations in the fair value of financial assets and liabilities (EUR -18.29 million).

The Group uses financially derived products (interest rate swaps) to cover interest rate risks arising from a number of operational, financial and investment activities. Financial derivatives

are initially booked at cost and revalued to fair value on the subsequent reporting date. The derivatives currently used by Retail Estates nv qualify as accounting cash flow hedges only to a limited degree. Changes in the fair value of derivatives that do not qualify as cash flow hedges are booked immediately to the profit and loss account. Changes in the fair value of the swaps qualifying as cash flow hedge are recognised directly in shareholder's equity and are not included in the income statement. The negative value of these instruments is the result of the strong decline in interest rates that has continued since the end of 2008 under the influence of the US and European central banks.

The net result of the financial year amounted to EUR 52.14 million and consists of EUR 39.12 million from EPRA earnings, EUR 13.89 million in result on portfolio, and EUR -0.87 million in variations in the fair value of financial assets and liabilities.

Non-current liabilities amount to EUR 511.23 million and consist of EUR 485.33 million of non-current financial debts with an average maturity of 5.08 years. The remaining non-current liabilities relate to authorised cash flow hedges (interest rate swaps) and the debt with respect to the minority shareholders of Heerzele nv and Blovan nv.

Current liabilities amount to EUR 61.14 million and consist of EUR 11.98 million from trade debts and other current debts. These include in particular trade debts amounting to EUR 0.36 million, estimated tax liabilities for EUR 0.75 million, invoices to be received for EUR 6.21 million, and exit taxes amounting to EUR 4.33 million. Current financial debts amount to EUR 30.91 million.

Other current liabilities decreased from EUR 15.63 million to EUR 11.50 million and mainly consisted of the remaining debt for the acquisition of Hainaut Retail Invest nv shares. This debt was brought into the capital of Retail Estates nv on 5 April 2017. As of 31 March 2017, the weighted average interest rate is 3.42%.

4. Statutory Auditor's Report

The audit by the statutory auditor of the consolidated accounts and the accompanying statements was completed. The statutory auditor issued an unqualified opinion on 19 May 2017.

5. Outlook

For financial year 2017-2018, on the basis of the planned composition of the real estate portfolio and barring unforeseen events, the company expects rental income to amount to EUR 68,40 million. This figure only takes into account purchases and sales for which a sales contract was signed and investments that were granted and tendered.

As in previous years, Retail Estates nv expects that the dividend for the 2017-2018 financial year will grow in line with previous years so that it at least keeps up with inflation. Retail Estates nv is aiming at a dividend of EUR 3.40 gross (EUR 2.38 net) for financial year 2017-2018. This represents an increase of 3.03% compared with the dividend for financial year 2016-2017 (EUR 3.30 gross).

6. Financial calendar

Shareholder agenda

The shareholders' meeting and the announcement of the annual results for 2016-2017 will take place at the offices of Retail Estates nv, Industrielaan 6, Ternat on Friday 24 July 2017 at 10:00 am.

Publication annual report 2016	19 June 2017
General Meeting of Shareholders (subject to approval ESGM 22 May 2017)	24 July 2017 (10:00 am)
Dividend made available for payment	1 August 2017
Announcement half-yearly results	20 November 2017
Announcement of annual results for financial year 2017-2018	18 May 2018

ATTACHMENTS

KEY FIGURES

1. Geconsolidated income statement

1. A. INCOME STATEMENT (in € 000)

	31.03.17	31.03.16
Rental income	66.561	62.074
Rental related expenses	-537	-394
Net rental income	66.024	61.680
Recovery of property expenses		
Recovery of rental charges and taxes normally payable by tenants on let properties	6.400	5.882
Rental charges and taxes normally payable by tenants on let properties	-6.851	-6.134
Other rental related income and expenses	-108	-41
Property result	65.465	61.386
Technical costs	-2.237	-2.054
Commercial costs	-508	-427
Charges and taxes on unlet properties	-339	-338
Property management costs	-1.912	-1.683
Other property costs	56	-2
Property costs	-4.940	-4.504
Operating property result	60.525	56.882
Operating corporate costs	-2.941	-2.841
Other current operating income and expenses		
Operating result before result on portfolio	57.584	54.041
Result on disposals of investment properties	279	341
Result on sales of other non-financial assets		
Changes in fair value of investment properties	13.754	10.216
Other result on portfolio	-144	
Operating result	71.473	64.598
Financial income	61	144
Net interest charges	-18.274	-16.852
Authorised hedging instruments' costs	-869	-4.995
Other financial charges	18	-70
Financial result	-19.064	-21.774

Result before taxes	52.409	42.824
Taxes	-273	-789
Net result	52.136	42.035
Attributable to:		
Shareholders of the Group	52.136	42.035
Minority interests		
Note:		
EPRA result (share Group) ¹	39.115	36.473
Result on portfolio	13.889	10.557
Changes in the fair value of financial instruments	-869	-4.995
RESULT PER SHARE	31.03.17	31.03.16
Number of ordinary shares in circulation	9.008.208	8.866.320
Weighted average number of shares	8.907.915	8.627.562
Net profit per ordinary share (in €) ²	5,85	4,87
Diluted net profit per share (in €)	5,85	4,87
EPRA result per share(in €) ³	4,39	4,23

1. B. STATEMENT OF OTHER COMPREHENSIVE INCOME (in € 000)

	31.03.17	31.03.16
Net result	52.136	42.035
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	-1.761	-4.080
Changes the fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	9.870	1.427
COMPREHENSIVE INCOME	60.245	39.382

¹ The EPRA earnings is calculated as follows: net result excluding changes in fair value of investment properties, exclusive the result on disposal of investment properties and exclusive changes in fair value of financial assets and liabilities

² The net profit per ordinary share is calculated as follows: the net result divided by the weighted average number of shares

³ The EPRA earnings 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 EPRA earnings per share amounts to EUR 4.34 at 31.03.2017 versus EUR 4.11 at 31.03.2016.

2. Consolidated balance sheet

ASSETS (in € 000)

	31.03.17	31.03.16
Non-current assets	1.075.389	1.002.510
Goodwill		
Intangible non-current assets	346	147
Investment properties ⁵	1.071.361	1.000.799
Other tangible non-current assets	2.134	1.554
Financial non-current assets	1.030	
Trade receivables and other non-current assets	518	10
Current assets	11.948	13.105
Non-current assets or groups of assets held for sale	5.691	8.222
Trade receivables	938	1.373
Tax receivables and other current assets	3.160	1.466
Cash and cash equivalents	978	1.315
Deferred charges and accrued income	1.181	729
TOTAL ASSETS	1.087.338	1.015.615

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)

	31.03.17	31.03.16
Shareholders' equity	514.970	474.170
Shareholders' equity attributable to the shareholders of the parent company	514.970	474.170
Capital	197.603	194.545
Issue premiums	157.529	151.499
Reserves	107.702	86.091
Net result of the financial year	52.136	42.035
Minority interests		
Liabilities	572.369	541.445
Non-current liabilities	511.226	456.178
Provisions		
Non-current financial debts	485.330	428.023
Credit institutions	400.910	398.225
Long term financial lease		10
Other	84.420	29.788
Other non-current financial liabilities	25.896	28.155
Current liabilities	61.143	85.267
Current financial debts	30.909	42.601
Credit institutions	30.909	42.597
Short term financial lease		4
Trad debts and other current debts	11.976	21.071

Exit tax	4.327	13.219
Other	7.649	7.852
Other current liabilities	11.504	15.633
Accrued charges and deferred income	6.754	5.963
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1.087.338	1.015.615
 DEBT RATIO	 31.03.17	 31.03.16
Debt ratio ⁶	50,26%	49,95%
 NET ASSET VALUE PER SHARE (in €) – SHARE GROUP	 31.03.17	 31.03.16
Net asset per share IFRS ⁷	57,17	53,48
EPRA NAV ⁸	59,29	56,66
Net asset value per share (investment value) excl. dividend excl. the fair value of financial instruments	58,96	56,27

⁵ Incl Including project developments (IAS 40).

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 hedging 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 EPRA NAV is calculated as follows: shareholders' equity (excluding the fair value of authorised hedging instruments) divided by the number of shares.

ALTERNATIVE PERFORMANCE MEASURES

<u>Alternative Performance Measure</u>	<u>Definition</u>	<u>Purpose</u>
Operating margin	The 'Operating result before result of the portfolio' divided by the 'Net rental income'.	Allows measuring the operational performance of the company.
Financial result (excluding changes in fair value of authorized hedging instruments)	The 'Financial result' minus the 'Changes in fair value of authorized hedging instruments'	Allows to measure realised and unrealised financial result.
Result on the portfolio	The 'Result on the portfolio' consists of the following items: <ul style="list-style-type: none"> - 'Result on disposals of investment properties'; - 'Result on sales of other non-financial assets'; - 'Changes in fair value of investment properties'; - 'Other result on portfolio'. 	Allows to measure realised and unrealised gains and losses related to the portfolio, compared to the last valuation by independent real estate experts.
Weighted average interest rate	The interest charges (including the credit margin and the cost of the hedging instruments) divided by the weighted average financial debt of the current period.	To measure the average interest rate of the debt.
Net asset value per share (investment value) excl. dividend excl. the fair value of authorized hedging instruments	Shareholders' equity (excluding the impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties, excluding the fair value of authorized hedging instruments and excluding dividend) divided by the number of shares.	Reflects the net asset value per share adjusting for some material IFRS-adjustments to enable comparison with its stock market value.

RECONCILIATION TABLES

Operating margin

(in € 000)	31.03.17	31.03.16
Operating result before result on portfolio (A)	57.584	54.041
Net rental income (B)	66.024	61.680
Operating margin (A/B)	87,22%	87,62%

Financial result (excluding changes in fair value of financial assets and liabilities)

(in € 000)	31.03.17	31.03.16
Financial result (A)	-19.064	-21.774
Changes in fair value of financial assets and liabilities (B)	-869	-4.995
Financial result (excluding changes in fair value of financial assets and liabilities) (A-B)	-18.195	-16.779

Result on portfolio

(in € 000)	31.03.17	31.03.16
Result on disposals of investment properties (A)	279	341
Result on sales of other non-financial assets (B)	0	0
Changes in fair value of investment properties (C)	13.754	10.216
Other result on portfolio (D)	-144	0
Result on portfolio (A+B+C+D)	13.889	10.557

Weighted average interest rate

(in € 000)	31.03.17	31.03.16
Interest charges (including the credit margin and the cost of the hedging instruments) (A)	17.404	16.268
Weighted average financial debt of the period (B)	501.328	439.081
Weighted average interest rate (A/B)	3,42%	3,64%

Net asset value per share (investment value) excluding dividend excluding the fair value of authorised hedging instruments

(in € 000)	31.03.17	31.03.16
Shareholders' equity attributable to the shareholders of the parent company (A)	514.970	474.170
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties (B)	-26.703	-24.942
The fair value of authorised hedging instruments qualifying for hedge accounting (C)	-19.153	-28.155
Proposed gross dividend (D)	29.727	28.372
Number of ordinary shares in circulation (E)	9.008.208	8.866.320
Net asset value per share (investment value) excluding dividend excluding the fair value of authorised hedging instruments ((A-B-C-D)/E)	58,96	56,27

EPRA INDICATOR TABLES¹

These data are not required by the legislation on Belgian REITs and are not subject to verification by public authorities. The statutory auditor considered whether the ratios "EPRA Earnings", "EPRA NAV" and "EPRA NNNAV" were calculated according to the definition resumed in the "EPRA Best Practices Recommendations" and whether the financial data used in the calculation of these ratios correspond with the accounting data included in the activated consolidated financial statements.

	31.03.17 EUR/1000	31.03.16 EUR/1000
EPRA earnings		
IFRS Net Result (attributable to the shareholders of the parent company)	52.136	42.035
Adjustments to calculate EPRA earnings		
Excluding:		
Variations in the fair value of investment properties (IAS 40)	13.610	10.216
Result on disposal of investment properties	279	341
Changes in the fair value of financial assets and liabilities	-869	-4.995
Adaptations to minority interests		
EPRA earnings (attributable to the shareholders of the parent company)	39.115	36.473
EPRA earnings (EUR/share) (attributable to the shareholders of the parent company)	4,34	4,11
EPRA Net Asset Value (NAV)	31.03.17 EUR/1000	31.03.16 EUR/1000
Net Asset Value (attributable to the shareholders of the parent company) according to the annual accounts	514.970	474.170
Net Assets (EUR/share) (attributable to the shareholders of the parent company)	57,17	53,48
Effect of exercise of options, convertibles and other equity interests		
Diluted net asset value after effect of exercise of options, convertibles and other equity interests	514.970	474.170
Excluding:		
Fair value of the financial instruments	-19.153	-28.155
EPRA NAV (attributable to the shareholders of the parent company)	534.123	502.325
EPRA NAV (EUR/share) (attributable to the shareholders of the parent company)	59,29	56.66
EPRA Triple Net Asset Value (attributable to the shareholders of the parent company)	31.03.17 EUR/1000	31.03.16 EUR/1000
EPRA NAV (attributable to the shareholders of the parent company)	534.123	502.325
Including:		
Fair value of the financial instruments	-19.153	-28.155
EPRA Triple Net Asset Value (attributable to the shareholders of the parent company)	514.970	474.170
EPRA NNNAV (EUR/share) (attributable to the shareholders of the parent company)	57,17	53,48

¹ For EPRA definitions key performance indicators we refer to the annual report 2016 page 72. Source : EPRA Best Practices www.epra.com.

EPRA Net Initial Yield		31.03.17 EUR/1000	31.03.16 EUR/1000
Investment properties (excluding assets held for sale) fair value		1.071.361	1.000.799
Transfer taxes		26.556	24.737
Investment value		1.097.917	1.025.536
Project developments		18.825	11.328
Investment value of the properties, available for rent	B	1.079.092	1.014.208
Annualised gross rental income		71.407	67.956
Property costs		-1.039	-882
Annualised net rental income	A	70.368	67.074
Notional rent expiration of rent free period or other lease incentives			
Topped-up net annualised rent	C	70.368	67.074
EPRA Net Initial Yield (NIY)	A/B	6,52%	6,61%
EPRA topped-up Net Initial Yield (topped-up NIY)	C/B	6,52%	6,61%

EPRA Vacancy Rate		31.03.17 EUR/1000	31.03.16 EUR/1000
Estimated rental value of vacant surfaces		884	1.355
Estimated rental value of total portfolio		71.407	67.956
EPRA Vacancy Rate		1,24%	1,99%

EPRA Cost Ratio		31.03.17 EUR/1000	31.03.16 EUR/1000
Operating corporate costs		2.941	2.841
Impairments on trade receivables		288	102
Ground rent costs		249	292
Property costs		4.940	4.504
Less:			
Ground rent costs		-249	-292
EPRA costs (incl. vacancy costs)		8.169	7.447
Vacancy costs		-204	-173
EPRA costs (excl. vacancy costs)		7.965	7.274
Rental income less ground rent costs		66.312	61.782
		%	%
EPRA Cost Ratio (incl. vacancy costs)		12,32%	12,05%
EPRA Cost Ratio (excl. vacancy costs)		12,01%	11,77%

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 2017, Retail Estates nv has 668 properties in its portfolio with a lettable surface of 748,136m². The occupancy rate of these buildings, expressed in leased m², amounts to 98.13%.

The fair value of the consolidated real estate portfolio of Retail Estates nv at 31 March 2017 is estimated by independent real estate experts at EUR 1,071.36 million.

Retail Estates nv is listed on Euronext Brussels and is registered as a public regulated real estate company. On 31 March 2017, the stock market capitalisation of its shares amounts to EUR 692.73 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, 19 May 2017


Jan De Nys, managing director of Retail Estates nv.

For more information, please contact:

Retail Estates nv, Jan De Nys - CEO, tel. 02/568 10 20 - 0475/27 84 12

Retail Estates nv, Kara De Smet - CFO, tel. 02/568 10 20 - 0496/57 83 58

Retail Estates nv, Paul Borghgraef - Chairman, tel. 02/568 10 20 - 0475/42 98 03

The image shows a modern retail building with large glass windows and a dark facade. The text "IN RETAIL WE TRUST" is prominently displayed in the upper left corner. The Retail Estates logo, featuring a stylized figure, is visible in the bottom right corner of the image area.

Retail Estates nv
Openbare GVV naar Belgisch recht
Industrielaan 6 - B-1740 Ternat
RPR Brussel
BTW BE 0434.797.847
T: + 32 2 568 10 20
info@retailestates.com
www.retailestates.com