

HALF-YEARLY FINANCIAL REPORT



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01 KEY FIGURES

REAL ESTATE PORTFOLIO		30/09/17	31/03/17
Total retail properties		724	668
Total lettable area in m ²		837,763	748,136
Estimated fair value in EUR		1,152,551,000	1,071,361,000
Estimated investment value in EUR		1,184,313,000	1,097,917,000
Average rent prices per m ²		93.91	95.45
Occupancy rate		98.21%	98.13%
BALANCE SHEET INFORMATION		30/09/17	31/03/17
Shareholders' equity		536,175,000	514,970,000
Debt ratio (RREC legislation*, max. 65%)		52.43%	50.26%
RESULTS		30/09/17	30/09/16
Net rental income		36,135,000	32,211,000
Property result		35,797,000	31,919,000
Property charges		-2,607,000	-2,390,000
General costs and other operating costs and income		-2,009,000	-1,453,000
Operating result before result on portfolio		31,180,000	28,076,000
Result on portfolio		1,023,000	5,531,000
Operating result		32,203,000	33,607,000
Financial result		-7,913,000	-13,827,000
Net result		23,637,000	19,368,000
EPRA earnings		21,983,000	18,533,000
INFORMATION PER SHARE		30/09/17	31/03/17
Number of shares		9,382,612	9,008,208
Net asset value IFRS		57.15	57.17
Net asset value EPRA		58.80	59.29
Net asset value (investment value) excl. dividend excl. IAS 39		60.50	58.96
Closing price on closing date		73.61	76.90
Over-/undervaluation compared to net asset value IFRS		28.80%	34.51%

* The Royal Decree of 13 July 2014 (the "RREC R.D.") in execution of the Law of 12 May 2014 (the "RREC Law") on regulated real estate companies (Belgian REITs).

REMARKABLE FACTS

Expansion in the Netherlands

Retail Estates is expanding its investments in **the Netherlands** through the acquisition of 5 retail parks.



Retail parks Belgium

Renovation retail park
Braine l'Alleud



Solitaire players

Project development **Nivelles** –
tailor-made project for aldi after
demolition and reconstruction.





MANAGEMENT REPORT

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“Over the past years, Retail Estates nv has concentrated on continuously improving the quality of its properties and the expansion of its real estate portfolio.”

00

INTRODUCTION

GENERAL

Retail Estates nv is a leading real estate company in Belgium specialised in out-of-town retail real estate. The real estate portfolio of Retail Estates nv consists of 724 properties located in Belgium and the Netherlands, accounting for a total retail area of 837,763 m² and a fair value of EUR 1,152.55 million.

Retail Estates nv is a listed company (Euronext Brussels). The company's stock market capitalisation amounted to EUR 690.65 million on 30 September 2017.

RISK MANAGEMENT

While management tries to minimise the risk factors, a number of risks must be carefully taken into account. For an overview of the risks, we refer to pages 12 through 23 of the 2016-2017 annual report.

01

ACTIVITY REPORT FOR
THE FIRST SEMESTER 2017-2018
ENDING 30 SEPTEMBER 2017

RENTAL INCOME AND OCCUPANCY RATE

Rental income in the first half of the financial year amounted to EUR 36.24 million, an increase of 11% with respect to the comparable semester in the 2016-2017 financial year. Rental income then was EUR 32.51 million. This increase is almost entirely attributable to the growth of the real estate portfolio.

The occupancy rate on 30 September 2017 was 98.21%, compared to 98.13% on 31 March 2017.

FAIR VALUE OF
THE REAL ESTATE PORTFOLIO¹

The fair value of the real estate portfolio is EUR 1,152.55 million. Based on the contractually owed

¹ Fair value: investment value as determined by an independent real estate expert, with hypothetical transfer costs deducted. The fair value is the carrying amount under IFRS (see also note 21 in the 2016-2017 Annual Report).

“

Retail Estates is expanding its investments in the Netherlands through the acquisition of 5 retail parks.

”

rent, rent return (versus investment value) on the portfolio as determined by the real estate experts amounts to 6.68%

The stability of the value of out-of-town retail property can be easily explained by the growing interest in investing in this type of real estate by wealthy individuals and institutional investors of domestic and foreign origin. Retail Estates nv itself experienced this in the realisation of its annual recurring disposal programme.

As of 30 September 2017, the real estate portfolio consists of 724 properties with a lettable surface area of 837,763 m².

INVESTMENTS² - RETAIL PARKS

Retail Estates is expanding its investments into the Netherlands through the purchase of 5 retail parks. These retail parks are intended for bulky items retail trade and are leased mainly to retail chains active in home furnishing. There are 51 retail spaces in total. Since Retail Estates foresees the same “hands-on” approach that is behind its success in Belgium, work is currently being done on the launch of a Dutch headquarters. In order to stay in touch with the market and close to the tenants, commercial activities will be directed by a Dutch property management team.

² The purchase and sale values of investments and disposals are in line with the estimated investment values made by the real estate experts.



Consumer spending has continued to increase over the last three years in the Netherlands. The low unemployment rate and the strong economic growth of the Dutch economy follow years of “draconian” austerity measures that brought government finances and social security in balance, but also sent retailers to unprecedented lows in the period 2008–2013. Today, according to the most recent quarterly report of public service CBS, consumer confidence is at its highest point in the last 10 years. In particular, the residential real estate market is reaping the benefits, causing purchases in home furnishing goods to peak. Investments in the out-of-town shopping market are recovering strongly as a result of the better prospects announced by retailers. For its 17 million inhabitants, the Netherlands counts around 200 out-of-town locations where bulky items retail is allowed. A strict urban planning framework limits the number of retail parks, but also the type of trade that is allowed. For example, in contrast to Belgium,

trade in foodstuffs, clothing and shoes was prohibited, but the fragmentation of shops linked to major roads was also prevented in time and guided into well-accessible retail parks. The entry of international institutional investors into the acquisition of this type of real estate is at an early stage.

The investment is spread over the following locations:

1. Apeldoorn (Province of Gelderland: city with 160,000 inhabitants)

The Rietveld retail park has 12 retail areas with a retail space of approximately 23,250m². The main tenants include retail chains such as Beter Bed, Kvik, Bruynzeel Kitchens and Swiss Sense.

2. Middelburg (Province of Zeeland: city with 48,000 inhabitants)

Retail Estates acquired 12 retail spaces (retail park de Mortiere) with retail area of 19,730m² in a retail park of approximately 40,000m²

that also contains a number of “big-box” shops. The retail spaces acquired by Retail Estates houses only retail chains including Kwantum, Leen Bakker, Swiss Sense, BCC, Beter Bed, Bruynzeel Kitchens and Perry Sport.

3. Veenendaal (Province of Utrecht: city with 64,000 inhabitants)

An 18,452m² retail park in the form of a “home decoration and interior design mall”, featuring dozens of store concepts including Trendhopper, Vtwonen, Auping, Xooon and others.

4. Roosendaal (Province of North Brabant: city with 77,000 inhabitants)

The Oostplein retail park has 10 retail spaces with a retail area of 10,233m². They have been leased to retail chains such as Roobol, Kwantum, Jysk, Carpetright and Better Bed. In the coming years this retail park will undergo a facelift and partial restructuring.

5. Alphen aan den Rijn (Province of South-Holland: city with 73,000 inhabitants)

The Euromarkt retail park has 13 retail spaces with a total retail area of 10,123m². The main tenants are Gamma, Aldi and Roobol. In contrast to other retail parks, it is located in the urban agglomeration (‘edge-of-town’ type).

The total investment in the purchase of these 5 retail parks amounts to EUR 75.61 million, including transfer taxes and notarial fees. Net rental income amounts to EUR 5.85 million. Net rent is calculated by deducting the Dutch equivalent of property tax and polder taxes to obtain a figure comparable to Belgian rent. The initial return on these net rents relative to the total investment is 7.74 percent (gross initial return 7.98 percent). The fair value of this investment amounts to EUR 70.66 million and corresponds to the estimate of real estate expert CBRE Netherlands. In the Netherlands, fair value corresponds to the costs-

“ A strict urban planning framework limits the number of retail parks, but also the type of trade that may be exploited. ”

to-buyer valuation (investment excluding transfer tax of 6 percent and 1 percent notarial fees).

In addition, in the margins of this transaction, 7 retail spaces were acquired in the retail park Meubelplein in Leiderdorp with a retail area of 5,898m² including a vacant 2,668m² shop and two precarious rentals that concerns 1,409m² of retail space. The net rental income from these retail outlets is now only EUR 0.17 million. After reletting, these non-strategic properties will be sold. The investment in this purchase amounts to EUR 2.10 million, including transfer taxes and notarial fees. According to real estate expert CBRE Netherlands, fair value amounts to EUR 1.96

million (cost-to-buyer valuation excluding transfer taxes). The difference between this valuation and the purchase price excluding transfer taxes is EUR 0.37 million, which is attributable to differences in valuation of the vacancies.

The purchase of the above-mentioned real estate was structured via a newly incorporated subsidiary, Retail Estates Nederland BV. The financing of this transaction was handled via the drawdown of bank loans and EUR 13 million through the issue of new shares.

DISPOSALS

In the past six months, properties were divested for a net sale price of EUR 1.89 million. A limited decrease

“ The purchase of the real estate was structured via a newly incorporated subsidiary, Retail Estates Nederland BV. The financing of this transaction was handled via the drawdown of bank loans and EUR 13 million through the issue of new shares. ”

in value of EUR -0.01 million was realised on these disposals.

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

IMPLEMENTATION OF THE FINANCING STRATEGY

Retail Estates combines bilateral credits obtained from different banking partners with private placements of bonds for institutional investors. The average maturity of the loan portfolio is 4.33 years. In the context of the financing of its activities, Retail Estates has been offering a commercial paper

programme of (up to) 50 million euro since September 2017. The commercial paper is fully covered by back-up lines and unused credit lines that serve as a guarantee for refinancing should the placement or renewal of the commercial paper prove infeasible or only partially possible.

The average interest rate on 30 September 2017 was 2.86%, compared to 3.42% on 31 March 2017.

For more information on financing, we refer to p 36 of the half-yearly report.

represented by 9,182,612 shares. The new shares will share in the company's profit from 1 April 2017.

As mentioned under 1.3, the acquisition of the Dutch real estate portfolio was partly realised through the issue of new shares. These shares were issued by the board of directors on 29 June 2017 in the context of the authorised capital at an issue price of EUR 65. They share in profit from 1 April 2017. As a result of this capital increase, 200,000 shares were issued, bringing the total number of shares on 30 September 2017 to 9,382,612.

CAPITAL INCREASES IN THE CONTEXT OF AUTHORISED CAPITAL

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 owns 25 retail buildings spread throughout the Province of Hainaut. Following this issue, the registered capital of Retail Estates was increased to EUR 206,612,347.44,

02

ANALYSIS OF THE RESULTS

HALF-YEAR RESULTS 30 SEPTEMBER

2017: EPRA EARNINGS FOR THE GROUP³ INCREASED BY 18.62% COMPARED TO 30 SEPTEMBER 2016 – FAIR VALUE OF THE REAL ESTATE PORTFOLIO INCREASED TO EUR 1,152.55 MILLION.

On 30 September 2017, **EPRA earnings** (this being the profit before the portfolio results and without the changes in fair value of financial assets and liabilities) amounted to EUR 21.98 million, an increase of 18.62% compared to the same period last year.

Net rental income rose from EUR 32.21 million to EUR 36.14 million. This is mainly due to the contribution of the retail buildings purchased during the previous financial year, which are contributing 100% for the first time this financial year. Compared to 30 September 2016, the real estate portfolio grew by EUR 136.24 million. Compared to 31 March

2017, the portfolio grew by EUR 81.19 million.

After deduction of property costs, this results in an operating property result of EUR 33.19 million compared to EUR 29.53 million last year.

Property costs amounted to EUR 2.61 million compared to EUR 2.39 million in the previous year, mainly due to the increase in technical and commercial costs. Operating corporate costs amounted to EUR 2.01 million, an increase of EUR 0.56 million compared to last year. After deduction of the operating corporate costs, Retail Estates nv achieved an operating result before result on portfolio of EUR 31.18 million. The operating margin was 86.29%.

The result from the **disposals of investment properties** was EUR -0.01 million on total sales of EUR 1.89 million. Changes in the fair value of investment properties amount to EUR 0.77 million and can be explained by the positive impact of indexations and contract renewals on the one hand, offset by the reduction in transfer taxes



³ Retail Estates nv and its subsidiaries.



for determining the fair value of investment properties on the other hand. The 'other' result on portfolio amounts to EUR 0.27 million and includes mainly deferred taxes relating to the Dutch portfolio.

The **financial result** amounted to EUR -7.91 million. Net interest costs were EUR -8.54 million, representing a decrease of EUR 0.58 million compared to last year. Interest charges increased due to the inclusion of additional financing. However, this impact was offset by the decrease in the average interest rate. The average interest rate decreased to 2.86% compared to 3.48% on 30 September 2016. The decrease in total charges is also the result of the change in the fair value of the swaps that are not defined as cash flow (variations in the fair value of financial assets and liabilities). However, this result is an unrealised and non-cash item.

The **net result** (Group share) for the first half of the year amounted to EUR 23.64 million, consisting of EPRA earnings of EUR 21.98

million, the result on portfolio of EUR 1.02 million, and variations in the fair value of financial assets and liabilities of EUR 0.63 million. Per share, this represents an EPRA profit for the first half of the year of EUR 2.37 (based on the weighted average number of shares).

The **fair value of the real estate portfolio**, including project developments, amounts to EUR 1,152.55 million on 30 September 2017, compared to EUR 1,071.36 million on 31 March 2017.

The share's **EPRA net asset value (NAV)** was EUR 58.80 on 30 September 2017. On 31 March 2017, the EPRA NAV was EUR 59.29.

The **debt ratio** was 52.43% on 30 September 2017 compared to 50.26% on 31 March 2017.

O3

PROSPECTS

Macroeconomic uncertainties do not allow predictions about the evolution of the fair value of immovable properties or the changes in the fair value of interest rate hedging instruments. The evolution of the share's intrinsic value, which is sensitive to this, is therefore uncertain.

The dividend forecast (EUR 3.40 gross per share) is confirmed. Compared to the 2016-2017 financial year, this represents a 3.03% dividend increase. This expectation was made under the hypothesis of stable consumer spending and a positive evolution in rents.

O4

FUTURE-ORIENTED STATEMENTS

This half-yearly report 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 in particular changes in the economic situation as well as commercial, fiscal and environmental factors.

O5

SUBSEQUENT EVENTS

LIBRAMONT & JEMEPPE-SUR-SAMBRE

On 31 October 2017, Retail Estates nv acquired exclusive control of the company Prometra BVBA. This company owns 2 retail spaces in Libramont and 1 in Jemeppe-sur-Sambre. The shops yield annual rental income of EUR 0.18 million. The investment in this transaction amounts to EUR 2.85 million.

The above mentioned acquisition was made at a valuation that corresponds to the fair value of the relevant shops or retail buildings, as determined by real estate experts CBRE or Cushman & Wakefield.

“

The fair value of the real estate portfolio, amounts to EUR 1,152.55 million on 30 September 2017, compared to EUR 1,071.36 million on 31 March 2017.

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FINANCIAL REPORT

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“Retail Estates was again included in the EPRA annual report Survey and received a gold award.”



1. A. CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

INCOME STATEMENT (in € 000)	30.09.17	30.09.16
Rental income	36,235	32,511
Rental related expenses	-100	-301
Net rental income	36,135	32,211
Recovery of property expenses		
Recovery of rental charges and taxes normally payable by tenants on let properties	3,262	3,176
Rental charges and taxes normally payable by tenants on let properties	-3,584	-3,400
Other rental related income and expenses	-17	-68
Property result	35,797	31,919
Technical costs	-1,274	-1,099
Commercial costs	-285	-188
Charges and taxes on unlet properties	-160	-140
Property management costs	-896	-967
Other property costs	8	5
Property costs	-2,607	-2,390
Operating property result	33,189	29,529
Operating corporate costs	-2,009	-1,453
Other current operating income and expenses		

INCOME STATEMENT (in € 000) (continuation)	30.09.17	30.09.16
Operating result before result on portfolio	31,180	28,076
Result on disposals of investment properties	-8	-16
Changes in fair value of investment properties	765	5,537
Other result on portfolio	266	10
Operating result	32,203	33,607
Financial income	30	19
Net interest charges	-8,544	-9,120
Authorised hedging instruments' costs	631	-4,695
Other financial charges	-30	-31
Financial result	-7,913	-13,827
Result before taxes	24,290	19,780
Taxes	-653	-412
Net result	23,637	19,368
Attributable to:		
Shareholders of the Group	23,637	19,368
Minority interests		
Note:		
EPRA earnings (share Group)⁴	21,983	18,533
Result on portfolio	1,023	5,531
Changes in fair value of financial assets and liabilities	631	-4,695

4 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.

RESULT PER SHARE	30.09.17	30.09.16
Number of ordinary shares in circulation	9,382,612	8,866,320
Weighted average number of shares	9,279,486	8,866,320
Net profit per ordinary share (in €) ⁵	2.55	2.18
Diluted net profit per share (in €)	2.55	2.18
EPRA earnings per share (in €) ⁶	2.37	2.09

⁵ The net profit per ordinary share is calculated as follows: the net result divided by the weighted average number of shares.

⁶ 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 2.34 at 30.09.2017 versus EUR 2.09 at 30.09.2016.

1. B. OVERVIEW OF THE STATEMENT OF OTHER COMPREHENSIVE INCOME

Statement of other comprehensive income (in € 000)	30.09.17	30.09.16
Net result	23,637	19,368
Other components of other comprehensive income, recyclable in income statements:		
Impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties		-343
Changes in the fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	2,980	4,692
OTHER COMPREHENSIVE INCOME	26,617	23,717

2. CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS (in € 000)	30.09.17	31.03.17
Non-current assets	1,156,367	1,075,389
Goodwill		
Intangible non-current assets	131	346
Investment properties ⁷	1,152,551	1,071,361
Other tangible non-current assets	2,137	2,134
Finance lease receivables	1,030	1,030
Trade receivables and other non-current assets	518	518
Current assets	17,910	11,948
Non-current assets or groups of assets held for sale	6,572	5,691
Trade receivables	3,101	938
Tax receivables and other current assets	2,915	3,160
Cash and cash equivalents	3,762	978
Deferred charges and accrued income	1,561	1,181
TOTAL ASSETS	1,174,278	1,087,338

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)	30.09.17	31.03.17
Shareholders' equity	536,175	514,970
Shareholders' equity attributable to the shareholders of the parent company	536,175	514,970
Capital	205,986	197,603
Issue premiums	173,441	157,529
Reserves	133,110	107,702
Net result of the financial year	23,637	52,136
Minority interests		

⁷ Including project developments (IAS 40).

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)	30.09.17	31.03.17
Liabilities	638.102	572.369
Non-current liabilities	562.678	511.226
Provisions		
Non-current financial debts	540.369	485.330
Credit institutions	455.907	400.910
Other	84.462	84.420
Other non-current financial liabilities	22.309	25.896
Current liabilities	75.425	61.143
Current financial debts	53.635	30.909
Credit institutions	38.635	30.909
Other	15.000	
Trade debts and other current debts	14.702	11.976
Exit tax	4.155	4.327
Other	10.547	7.649
Other current liabilities	235	11.504
Accrued charges and deferred income	6.852	6.754
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1.174.278	1.087.338
DEBT RATIO	30.09.17	31.03.17
Debt ratio ⁸	52.43%	50.26%
NET ASSET VALUE PER SHARE (in €) - SHARE GROUP	30.09.17	31.03.17
Net asset value per share IFRS ⁹	57.15	57.17
EPRA NAV per share ¹⁰	58.80	59.29
Net asset value per share (investment value) excl. dividend excl. the fair value of authorised hedging instruments	60.50	58.96

8 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).

9 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.

10 The net asset value per share EPRA (fair value) is calculated as follows: shareholders' equity (excluding changes of the fair value of authorised hedging instruments) divided by the number of shares.

3. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (in € 000)	Capital ordinary shares	Issue premiums	Reserves*	Net result of the financial year	TOTAL Shareholders' Equity
Balance according to IFRS on 31 March 2016	194,545	151,499	86,091	42,035	474,170
- Net appropriation of profits 2015-2016					
- Transfer of result on portfolio to reserves			10,216	-10,216	
- Transfer of EPRA earnings to reserves			3,447	-3,447	
- Reclassification between reserves					
- Dividends of the financial year 2015-2016				-28,372	-28,372
- Capital increase					
- Capital increase through contribution in kind					
- Costs of capital increase					
- Other			-155		-155
- Other comprehensive income 30/09/2016			4,349	19,368	23,717
Balance according to IFRS on 30 September 2016	194,545	151,499	103,948	19,368	469,360
Balance according to IFRS on 31 March 2017	197,603	157,529	107,702	52,136	514,970
- Net appropriation of profits 2016-2017					
- Transfer of result on portfolio to reserves			13,610	-13,610	
- Transfer of EPRA earnings to reserves			8,799	-8,799	
- Reclassification between reserves					
- Dividends of the financial year 2016-2017				-29,727	-29,727
- Capital increase					
- Capital increase through contribution in kind	8,424	15,912			24,336
- Costs of capital increase	-41				-41
- Other			19		19
- Other comprehensive income 30/09/2017			2,980	23,637	26,617
Balance according to IFRS on 30 September 2017	205,986	173,441	133,110	23,637	536,175

* Detail of the reserves (in € 000)	Legal reserve	Reserve for the positive/negative balance of changes in the fair value of real estate properties	Available reserves	Impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties	Changes in the fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	Changes in the fair value of authorised hedging instruments not qualifying for hedge accounting as defined by IFRS	Results carried forward from previous financial years	TOTAL
Balance according to IFRS on 31 March 2016	1,074	91,728	11,972	-24,940	-5,556	-17,604	29,419	86,091
- Net appropriation of profits 2015-2016								
- Transfer of result on portfolio to reserves		10,216						10,216
- Transfer of EPRA earnings to reserves							3,447	3,447
- Reclassification between reserves	-941	-498	1,439					0
- Capital increase through contribution in kind								0
- Costs of capital increase								0
- Other				-155		-4,995	4,995	-155
- Other comprehensive income 30/09/2016				-343	-553	5,245		4,349
Balance according to IFRS on 30 Sept. 2016	133	101,446	13,411	-25,438	-6,109	-17,354	37,861	103,948
Balance according to IFRS on 31 March 2017	133	101,285	13,413	-26,703	-4,032	-14,253	37,861	107,702
- Net appropriation of profits 2016-2017								
- Transfer of result on portfolio to reserves		13,610				-869	869	13,610
- Transfer of EPRA earnings to reserves							8,799	8,799
- Reclassification between reserves		-1,522	1,522					0
- Capital increase through contribution in kind								0
- Costs of capital increase								0
- Other	1			14			4	19
- Other comprehensive income 30/09/2017				-5,238	616	2,364	5,238	2,980
Balance according to IFRS on 30 Sept. 2017	134	113,373	14,935	-31,927	-3,416	-12,758	52,771	133,110

4. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Rounding out to thousands can result in rounding differences between the balance sheet and income statement and the attached details.

CASH-FLOW STATEMENT (in € 000)	30.09.17	30.09.16
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE SEMESTER	978	1,315
1. Cash-flow from operating activities	17,961	5,246
Operating result	32,203	33,606
Interest paid	-8,934	-9,154
Interest received	0	3
Corporate taxes paid	-253	-2,016
Corporate taxes received	697	340
Other	-76	-3,411
Non-cash elements to be added to / deducted from the result:	-6,273	-304
* Depreciations and write-downs		
- Depreciation / Write-downs (or write-backs) on tangible and intangible assets	170	121
- Depreciation / Write-downs (or write-backs) on trade receivables	-3	169
* Other non-cash elements		
- Changes in the fair value of investment properties	-5,817	-5,305
- Result on disposal of investment properties	8	16
- Other result on portfolio		
- Changes in fair value of financial assets and liabilities ¹¹	-631	4,695
* Other		
Change in working capital requirements:	597	-13,818
* Movement of assets		
- Trade receivables and other receivables	-2,159	-931
- Tax receivables and other current assets	245	-2,451
- Deferred charges and accrued income	-380	-488
- Long-term assets		-1,024

¹¹ we refer to page 36: hedging

CASH-FLOW STATEMENT (continuation) (in € 000)	30.09.17	30.09.16
* Movement of liabilities		
- Trade debts and other current debts	2,726	-9,345
- Other current liabilities	67	212
- Accrued charges and deferred income	98	209
2. Cash-flow from investment activities	-63,200	-3,707
Purchase of intangible assets	-36	-41
Purchase of investment properties	-64,944	-3,419
Disposal of investment properties and assets held for sale	1,898	4,701
Acquisition of shares of real estate companies		-4,834
Disposal of shares of real estate companies		
Purchase of other tangible assets	-127	-114
Disposal of other tangible assets	9	
Disposal of non-current financial assets		
Income from trade receivables and other non-current assets		
3. Cash-flow from financing activities	48,021	14
* Change in financial liabilities and financial debts		
- Increase in financial debts	85,500	224,088
- Decrease in financial debts	-7,735	-195,702
* Change in other liabilities		
- Increase (+) / Decrease (-) in other liabilities	25	
* Change in shareholders' equity		
- Capital increase and issue premiums		
- Costs of capital increase	-41	
- Other		
* Dividend		
- Dividend for the previous financial year	-29,728	-28,372
CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER	3,761	2,869

05. NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FIGURES

PRINCIPLES USED

The interim financial report for the first half year ending 30 September 2017 was prepared in accordance with accounting standards consistent with International Financial Reporting Standards as implemented by the REIT legislation and in accordance with IAS 34 'Interim Financial Reporting'.

In determining the fair value of investment properties in accordance with IAS 40 'Investment Property', an estimated amount of transfer fees and expenses is deducted by the independent real estate expert. The impact on the fair value of investment properties as a result of these estimated transfer fees and expenses in the case of a hypothetical disposal of investment properties was recognised until 31 March 2017 directly in shareholder's equity to the account 'Impact on the fair value of estimated transfer fees and expenses in the case of hypothetical disposal of investment properties'.

As of 1 April 2017, the impact on the fair value of investment properties as a result of the impairment of these estimated transfer taxes and expenses in the case of a hypothetical disposal of investment properties is immediately recognised in the result. As of 30 September 2017, EUR -5.24 million was included in the result.

With regard to the tax timing differences between local accounting and consolidated figures, deferred tax assets and liabilities are booked through "Other result on portfolio."

Apart from the former, the same accounting principles and calculation methods are used in these condensed interim financial statements as those used in the consolidated financial statements as at 31 March 2017.

APPLICATION IFRS 3 BUSINESS COMBINATIONS

The corporate transactions of the previous semester were not treated as a business combination as defined under IFRS 3, based on the fact that it does not apply given the nature and size of the companies over which

control was acquired. These are companies that have a limited number of properties and whose intention is not to hold them as an autonomous business. The companies are fully consolidated.

NEW OR AMENDED STANDARDS AND INTERPRETATIONS IN FORCE IN 2017

The following amended IASB standards and the interpretations issued by the IFRIC are applicable in the current period but do not materially affect the presentation, commentary or results of the company: IAS 7 Statement of cash flows – Amendments as result of the Disclosure initiative (1/1/2017); IAS 12 Income Taxes – Amendments regarding the recognition of deferred tax assets for unrealised losses (1/1/2017).

PUBLISHED STANDARDS AND INTERPRETATIONS THAT ARE NOT YET APPLICABLE IN 2017

Retail Estates has not applied the following new standards, changes to standards and interpretations, which are not yet in force but may be applied earlier: IFRS 9 Financial Instruments

and subsequent amendments (1/1/2018); IFRS 15 Revenue from Contracts with Customers (1/1/2018); IFRS 16 Leases (1/1/2019); Amendments resulting from Annual Improvements 2014-2016 Cycle (1/1/2018); IFRS 17 Insurance contracts (1/1/2021).

IFRS 9 – Financial Instruments (effective 1 January 2018)

IFRS 9 was finalised and published by IASB in July 2014 and endorsed by the EU in November 2016. IFRS 9 contains the requirements for the classification and measurement of financial assets and financial liabilities, the impairment of financial assets, and the general hedge accounting. IFRS 9 will replace most parts of IAS 39 – Financial Instruments: Recognition and Measurement.

Based on an analysis of the Retail Estates situation as of 30 September 2017, IFRS 9 is not expected to have a material impact on the consolidated financial statements. With respect to the impairment of financial assets measured at amortised

cost, including trade receivables and finance lease receivables, the initial application of the expected credit loss model under IFRS 9 will result in earlier recognition of credit losses compared to the incurred loss model currently applied under IAS 39. Considering the relatively limited amount of trade and finance lease receivables combined with the low associated credit risk, Retail Estates does however not anticipate a material impact on the consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers (effective 1 January 2018)

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Upon its effective date IFRS 15 will replace IAS 18 which covers revenue resulting from the sale of goods and the rendering of services and IAS 11 which covers construction contracts and the related interpretations.

IFRS 15 is not expected to have a

material impact on the consolidated financial statements of Retail Estates as lease contracts are excluded from the scope of the standard and represent the main source of income for Retail Estates. The principles of IFRS 15 are still applicable to the non-lease components that may be contained in lease contracts or in separate agreements, such as maintenance related services charged to the lessee. Considering however that such non-lease components are relatively limited in amount and mostly represent services recognised over time under both IFRS 15 and IAS 18, Retail Estates does not anticipate a material impact in that respect.

IFRS 16 – Leases (effective 1 January 2019)

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supersede IAS 17 – Leases and related interpretations upon its effective date. IFRS 16 has not yet been endorsed at the EU level.

Significant changes to lessee accounting are introduced by IFRS 16, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

As Retail Estates is almost exclusively acting as lessor and has chosen not to reassess whether a contract is or contain a lease compared to IAS 17, IFRS 16 is not expected to have a material impact on its consolidated financial statements. In the limited cases where Retail Estates is the lessee in contracts classified as operating leases under IAS 17 and not subject to the IFRS 16 exemptions, a right-of-use asset and related liability will be recognised on the consolidated balance sheet.



STATEMENT BY THE PERSON RESPONSIBLE WITHIN RETAIL ESTATES NV

In accordance with Article 13 § 2 of the Royal Decree of 14 November 2007, Jan De Nys, managing director, states that, to his knowledge,

- a) the condensed interim financial statements prepared on the basis of financial reporting principles in accordance with IFRS and in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union, give a true and fair view of the shareholders' equity, financial position and the results of Retail Estates nv and the companies included in the consolidation.
- b) the interim report gives a true and fair exposition of the main events occurred during the first six months of the current financial year, their impact on the condensed interim financial statements, the main risk factors and uncertainties regarding the months ahead of the financial year, as well as the main transactions between the related parties and their possible impact on the condensed interim financial statements if these

transactions are significant and were not concluded at arm's length.

SEGMENTED INFORMATION

IFRS 8 defines an operating segment as follows: an operating segment is a component of the entity (IFRS 8.2):

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

Starting with the present financial year, Retail Estates distinguishes 2 geographical segments: Belgium and the Netherlands.

Segmented information – results by segment (in € 000) 30.09.17	Belgium	The Netherlands	Total
Rental income	34,702	1,533	36,235
Rental related expenses	-100	0	-100
Net rental income	34,602	1,533	36,135
Recovery of property expenses			
Recovery of rental charges and taxes normally payable by tenants on let properties	3,182	80	3,262
Rental charges and taxes normally payable by tenants on let properties	-3,449	-135	-3,584
Other rental related income and expenses	-17	0	-17
Property result	34,319	1,478	35,797
Technical costs	-1,219	-55	-1,274
Commercial costs	-280	-5	-285
Charges and taxes on unlet properties	-151	-9	-160
Property management costs	-856	-40	-896
Other property costs	115	-107	8
Property costs	-2,392	-215	-2,607
Operating property result	31,926	1,263	33,189
Operating corporate costs	-1,983	-26	-2,009
Other current operating income and expenses			
Operating result before result on portfolio	29,944	1,236	31,180
Result on disposals of investment properties	-8	0	-8
Result on sales of other non-financial assets			
Changes in fair value of investment properties	5,912	-5,147	765
Other result on portfolio	-225	491	266
Operating result	35,623	-3,420	32,203

Segmented information – assets by segment (in € 000) 30.09.17	Belgium	The Netherlands	Total
Investment properties ¹²	1,080,613	71,938	1,152,551
Non-current assets or groups of assets held for sale	5,501	1,071	6,572

¹² Including project developments (IAS 40).

Retail Estates has been active in the Netherlands since June 2017. As a result, there is no segment reporting with respect to the previous financial year.

VALUATION OF PROJECTS

In accordance with the revised IAS 40 standard, project developments are included under investment properties. Upon purchase, they are valued at acquisition value including additional costs and non-deductible VAT.

After initial recognition, the projects are valued at fair value if they are put out to tender, granted permits and leased. This fair value valuation is based on the valuation by the real estate expert after deduction of work still to be performed.

A project can comprise a building site, property to be demolished or an existing building whose intended use needs to be changed and significant renovation work is required to give it the desired use.

FURTHER EXPLANATION OF DEBT RATIO EVOLUTION

Calculation debt ratio (in € 000)	30.09.17	31.03.17
Liabilities	638,102	572,368
To be excluded:	22,393	25,907
I. Non-current liabilities	15,541	19,153
Provisions		
Authorised hedging instruments	15,541	19,153
Deferred taxes		
II. Current liabilities	6,852	6,754
Provisions		
Authorised hedging instruments		
Accrued charges and deferred income	6,852	6,754
Total debt	615,709	546,461
Net reduction debt		
Total assets	1,174,278	1,087,338
DEBT RATIO	52.43%	50.26%

PRINCIPLE

In accordance with Article 24 of the Royal Decree on real estate investment trusts (REITs), the public REIT must draw up a financial plan with an implementation schedule when its consolidated debt ratio exceeds 50% of the consolidated assets.

The financial plan describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of consolidated assets.

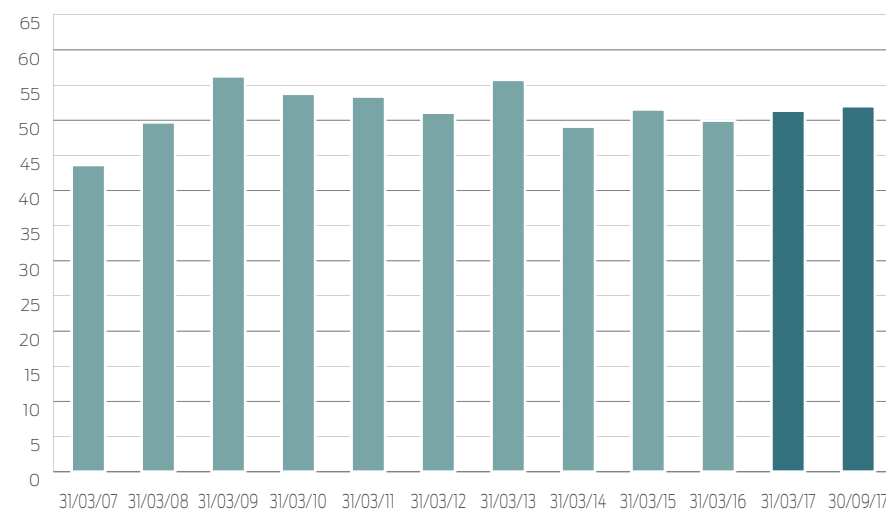
A special report on the financial plan is prepared by the auditor, confirming that the latter has verified the manner

in which the forecast has been drawn up, in particular as regards its economic principles, and that the figures contained in this forecast are in line with those in the accounting of the public REIT.

The general guidelines of the financial plan are included in the annual and half-yearly financial reports. The annual and half-yearly financial reports describe and justify how the financial plan was implemented during the relevant period and how the public REIT will implement the forecast in the future.

NOTES 2017-2018

Historical evolution of the debt ratio



Historically, the debt ratio of Retail Estates fluctuates between 50 - 55%. In the course of its history, the debt ratio of Retail Estates nv has never exceeded 60%.

Evolution of debt ratio in the long term

The board of directors considers a debt ratio of $\pm 55\%$ to be optimal for shareholders of the public REIT concerning return and current earnings per share. For each possible investment, the impact on the debt

ratio is reviewed and the investment possibly not pursued if it would adversely affect the debt ratio.

Based on the current debt ratio of 52.43%, Retail Estates nv has an investment potential of EUR 222.14 million, without exceeding a debt ratio of 60%.

Evolution of debt ratio in the short term

Each quarter, the board of directors presents the projection of the debt

ratio for the following quarter and discusses any deviations between the estimated and actual debt ratio of the previous quarter.

The projection of the debt ratio on 31 December 2017 takes into account the following assumptions:

• disposals third quarter 2017-2018

There are no disposals planned for the third quarter.

• result third quarter 2017-2018

The result of the third quarter as stated in the 2017-2018 budget, approved by the board of directors.

• planned investments third quarter 2017-2018

EUR 2.85 million in investments are planned for the third quarter of the 2017-2018 financial year.

Taking into account the assumptions mentioned above, the debt ratio on 31 December 2017 would be 51.45%.

A projection is also made of the debt ratio on 31 March 2018 (end of the financial year). This projection

takes into account the following assumptions:

• **disposals second semester 2017-2018**

There are no disposals planned for the second semester.

• **result second semester 2017-2018**

The result of the second semester as stated in the 2017-2018 budget, approved by the board of directors.

• **planned investments second semester 2017-2018**

EUR 11.84 million in investments are planned for the second semester of the 2017-2018 financial year, EUR 8.99 million of which in the fourth quarter.

Taking into account the additional planned investments and the profit forecast for the entire year, the debt ratio would be 50.85% on 31 March 2018.

The projection of the debt ratio only takes into account acquisitions and disposals for which a contract was signed (without suspensive conditions)

and investments that are planned and put out to tender. Loans that become payable are assumed to be refinanced for the same amount.

Other elements that affect the debt ratio

The valuation of the real estate portfolio also has an impact on the debt ratio. Taking into account the current capital base, in the event of a possible decrease in the fair value of investment properties of more than EUR 227.03 million, the maximum debt ratio of 65% would be exceeded. This decrease in value may be due to an increase in the yield (if rental values remain constant, yield would have to rise by 1.68% to exceed the debt ratio) or a decrease in rent (in the case of constant yields, rent would have to decrease by EUR 15.17 million). Historically, the fair value of the real estate portfolio has increased or at least remained stable since the incorporation of the company. Today, there are no indications in the market that an increase in yield is expected.

If substantial drops in value do take place that raise the debt ratio above

65%, Retail Estates nv can begin to dispose of some of its properties. Retail Estates nv has a solid track record of disposing of properties at their estimated investment value. In financial year 2014-2015, 9 retail buildings were sold for a net sale price of EUR 8.08 million, and the company Belgium Retail 1 Luxembourg sàrl was sold for EUR 8.22 million. In financial year 2015-2016, 11 retail buildings, 2 apartments, office space, a parking lot and 9 plots of the Westende site were sold for a net sale price of EUR 11.80 million. In financial year 2016-2017, 7 retail buildings, 3 parking lots and 8 plots of the Westende site were sold for a net sale price of EUR 9.72 million euro. As of 30 September 2017, properties were divested for a net sale price of EUR 1.89 million. On average, these properties were sold at their estimated investment value.

CONCLUSION

Retail Estates nv is of the opinion that based on

- the historical evolution of the public REIT and
- the track record regarding disposals,

no additional measures need to be taken to prevent the debt ratio from rising above 65%. It is the intention of the public REIT to maintain or rebuild the debt ratio to a level between 50% and 55%. This level is regularly evaluated and will be reviewed by the board of directors if deemed necessary due to a changing market or factors from the environment.

RENTAL INCOME

Rental income (in € 000)	30.09.17	30.09.16
Within one year	77,676	65,177
Between one and five year(s)	265,353	228,507
Within more than five years	369,750	360,812

The increase in rental income is mainly due to the acquisitions made during the previous financial year.

The table above shows by way of theoretical exercise how much rental income Retail Estates nv is certain to receive based on the current lease agreements. Concerning the Belgian retail leasing contracts, this does not prejudice the theoretical risk that all tenants will make use of their statutory possibility to terminate the contract at the end of the current three-year period. In this situation, all retail buildings are empty by definition within 3 years and 6 months.

TYPE OF LEASE

For its buildings in Belgium, the Group concludes retail leasing contracts for a period of at least 9 years, usually terminable by the tenant after the third and sixth year, subject to a notice period of six months before the anniversary date. The rents are usually paid in advance monthly (sometimes quarterly). They are indexed annually on the anniversary of the lease.

Dutch lease agreements are usually concluded for a period of 5 years with an additional option for another 5 years. The leases may be terminated by the tenant after 5 years, subject to a notice period of 1 year. The rent will be invoiced monthly in advance. It is indexed annually.

To ensure compliance with the obligations imposed on the tenant

under the agreement, the tenant must provide a rent guarantee, usually in the form of a bank guarantee for the amount of three months' rent.

At the start of the agreement, an inventory of fixtures is drawn up between the parties by an independent expert. Upon expiry of the agreement, the tenant must return the rented premises in the state as described in the inventory of fixtures when first occupied, subject to normal wear and tear. The tenant cannot transfer the lease nor sublet the spaces in whole or in part, unless it has received prior written approval from the lessor.

INVESTMENT PROPERTIES

For more information on acquisitions, we refer to chapter 1 of the activity report.

In the past six months, properties were divested for a net sale price of EUR 1.89 million. A limited decrease in value of EUR 0.01 million euro was realised on these disposals.

Investment and revaluation table (in € 000)	Investment properties		Assets held for sale		Total	
	30.09.17	31.03.17	30.09.17	31.03.17	30.09.17	31.03.17
Balance at the end of the previous financial year	1,071,360	1,000,799	5,691	8,222	1,077,051	1,009,021
Acquisition through purchase or contribution real estate companies	0	54,029			0	54,029
Capitalised interest cost	15	48			15	48
Acquisition and contribution of investment properties	77,374	8,785	763	2	78,137	8,787
Disposal through sale of real estate companies						
Disposal of investment properties		-5,374	-1,898	-3,806	-1,898	-9,180
Transfers to assets held for sale	-2,029	-1,261	2,029	1,261	0	
Other transfers						
Change in fair value (+/-)	5,831	14,334	-12	12	5,819	14,346
At the end of the semester/financial year	1,152,551	1,071,360	6,573	5,691	1,159,124	1,077,051
OTHER INFORMATIONS						
Investment value of the property	1,184,314	1,097,917	6,737	5,837	1,191,051	1,103,754

Project developments (in € 000)	30.09.17	31.03.17
Balance at the end of the previous financial year	18,825	11,328
Increase during the semester/financial year	5,049	17,115
Completion during the semester/financial year	-372	-9,618
At the end of the semester/financial year	23,502	18,825

NON-CURRENT AND CURRENT FINANCIAL DEBTS

Breakdown by due date of credit lines (in € 000)	30.09.17	31.03.17
Non-current		
Bilateral loans - variable or fixed rate	455,907	400,510
Bond loan	84,462	84,820
Subtotal	540,369	485,330
Current		
Bilateral loans - variable or fixed rate	38,635	30,909
Other	15,000	0
Subtotal	53,635	30,909
Total	594,004	516,239

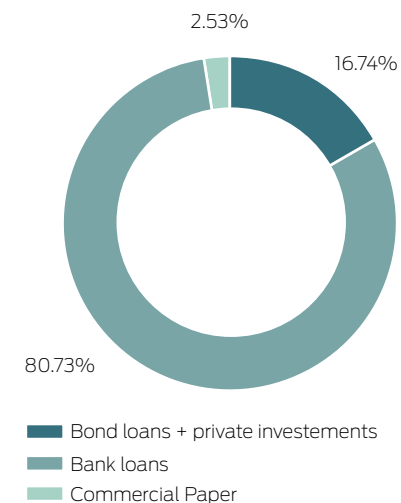
Breakdown by maturity of non-current financial debts (in € 000)	30.09.17	31.03.17
Between one and two year(s)	81,884	3,929
Between two and five years	221,230	247,755
More than five years	237,255	233,646

Structure of the financial debt:

On 30 September 2017, total consolidated financial debt amounted to EUR 594.00 million. This amount is composed of the following:

- EUR 494.54 million in traditional bilateral medium and long-term bank loans, spread over 7 banks
- EUR 84.46 million in bond loans
- EUR 15.00 million in commercial paper

FINANCIAL DEBT STRUCTURE



MATURITY DATES

The weighted average maturity of the outstanding financial debt of Retail Estates nv on 30 September 2017 was 4.33 years compared to 5.4 for the previous year. On 30 September 2017, the total of unused confirmed long-term credit lines was EUR 60.10 million.

HEDGING

78.84% of the outstanding credit has fixed financing. They are either loans with a variable interest rate that are hedged through interest rate swap contracts, or they are loans with fixed interest rates. With an interest rate swap, the variable interest rate is exchanged for a fixed interest rate. Interest rate swaps are derivative financial products

and are initially recognised at their cost price and revalued at fair value on the following reporting date. The derivatives currently used by Retail Estates nv qualify as 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. Revenue of EUR 0.63 million was recognised in the result with respect to the financial instruments. Of these EUR -2.36 million relates to the linear decrease in the value on 31 December 2015 of the financial instruments that no longer qualify as cash flow hedging transactions, and EUR +3.00 million on the change in fair value for the period 1 April 2017 to 30 September 2017.

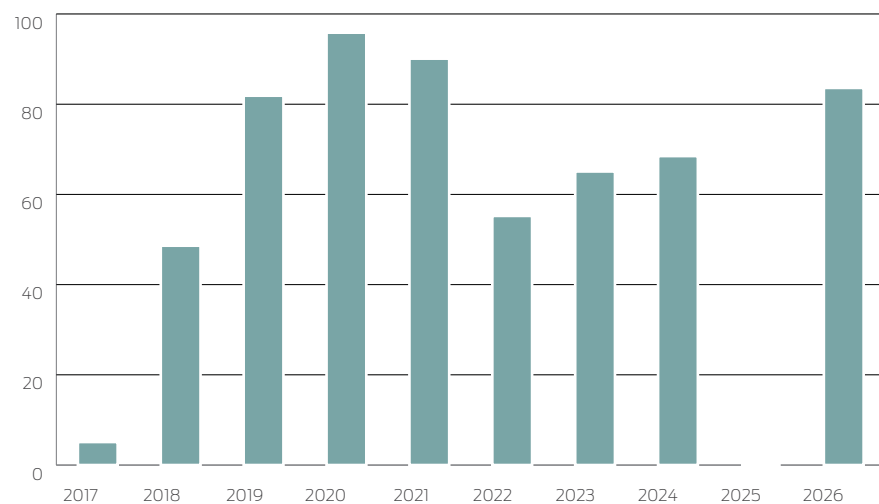
The weighted average cost of the debt of Retail Estates was 2.86% for the first half of 2017, including credit margins and the cost of hedging instruments. During financial year 2016-2017, the average cost of the debt was 3.42%.

DEBT RATIO

The debt ratio is 52.43%. In principle, Retail Estates nv concludes an agreement with its banks for 60% with respect to the debt ratio.

million EUR

MATURITY OF LOANS



FINANCIAL INSTRUMENTS

Summary of financial instruments as at closing date 30.09.17 (in € 000)	Categories	Book value	Fair value	Level
I. Non-current assets				
Finance lease receivables	C	1,030	1,030	2
Loans and receivables	A	518	518	2
II. Current assets				
Trade receivables and other receivables	A	6,016	6,016	2
Cash and cash equivalents	B	3,762	3,762	2
Total financial instruments on the assets side of the balance sheet		11,326	11,326	
I. Non-current liabilities				
Interest-bearing liabilities	A			2
Credit institutions	A	455,907	467,219	2
Other	A	84,462	94,286	2
Other non-current liabilities	A			2
Other financial liabilities	C	22,309	22,309	2
II. Current liabilities				
Interest-bearing liabilities	A	53,635	53,991	2
Current trade debts and other debts	A/C	14,937	14,937	2/3
Total financial instruments on the liabilities side of the balance sheet		631,250	652,742	



The categories correspond to the following financial instruments:

- A. Financial assets or liabilities (including accounts receivables and loans) held to the maturity date at the amortised cost price.
- B. Money investments held to the maturity date at the amortised cost.
- C. Assets or liabilities, held at fair value through the profit and loss account, except for financial instruments determined to be hedging instruments.

The totality of the Group's financial instruments corresponds to level 2 in the hierarchy of fair values. Valuation at fair value takes place on a regular basis.

Level 2 in the hierarchy of fair values relates to other financial assets and liabilities whose fair value is based on other data that can be determined directly or indirectly for the assets or liabilities concerned.

The valuation techniques for the fair value of the level-2 financial instruments are as follows:

- The items 'other financial liabilities' and 'financial non-current assets' refer to interest rate swaps whose fair value has been determined using interest rates applicable to active markets, generally provided by financial institutions.
- The fair value of the other level-2 financial assets and liabilities is virtually equal to their carrying amount:
 - either because they have a maturity date in the short term (such as the trade receivables and debts),
 - or because they carry a variable interest rate.

The fair value of debts with a fixed interest rate is estimated based on a discounting of their future cash flows taking into account the Group's credit risk.

LIST OF CONSOLIDATED COMPANIES AND CHANGES IN THE SCOPE OF CONSOLIDATION

Subsidiary	External financial debts ¹³ (in € 000)	Investment properties ¹³ (in € 000)	Rental income ¹⁴ (in € 000)	Participation percentage
Blovan nv	178	4,639	150	50%
Coöperatieve Leiderdorp Invest			10	100%
Finsbury Properties nv				100%
Foncière de la Station Vervietoise bvba		1,383		100% by Retail Warehousing Invest nv
Hainaut Retail Invest nv		39,205	1,217	100%
Heerzele nv		9,756	64	51%
Retail Warehousing Invest nv				78,23% by Retail Estates nv 21,15% by RWI Invest nv 0,62% by Finsbury Properties nv
	4,250	97,931	1,843	
Retail Estates Nederland		71,938	1,523	100%
RWI Invest nv				100%

¹³ Value at closing date of the consolidated figures (30.09.2017).

¹⁴ For the period the companies are part of the Group in the current financial year.



MINORITY INTERESTS

HEERZELE NV

On Tuesday 30 August 2016, Retail Estates nv acquired controlling interest (51%) of a real estate company that owns property in Wetteren on which, after obtaining the necessary permits, expansion of its retail park in Wetteren can take place.

In the case of a possible exit of its partner, the company can acquire all shares, no sooner than 12 months after acquisition of controlling interest. Due to the combination of the cooperation agreement and the put options (which Retail Estates nv intends to exercise) relating to the minority interest, Retail Estates nv has controlling interest of Heerzele nv and is applying the full consolidation method.

BLOVAN NV

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

In the case of a possible exit of its partner, the company can acquire all shares, no sooner than 12 months after acquisition of controlling interest. Due to the combination of the cooperation agreement and the put options (which Retail Estates nv intends to exercise) relating to the minority interest, Retail Estates nv has controlling interest of Blovan nv and is applying the full consolidation method.

ACCOUNTING TREATMENT

Since 31 December 2012, the balance sheet has been prepared on the basis of the full acquisition of all minority interests (in accordance with IFRS), regardless of the timing at which the acquisition takes place and assuming that they are paid out in cash. This gives an indication of the maximum debt ratio based on the available information and the stage of development of the projects. Impact on non-current liabilities amounts to EUR 6.77 million.

06. STATUTORY AUDITOR'S REVIEW REPORT ON

THE CONDENSED CONSOLIDATED INTERIM FIGURES FOR THE PERIOD OF SIX MONTHS ENDED 30 SEPTEMBER 2017

INTRODUCTION

We have reviewed the condensed consolidated interim figures of Retail Estates NV and its subsidiaries as of 30 September 2017, consisting of the condensed consolidated income statement, the statement of other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in shareholders' equity and the condensed consolidated cash flow statement for the 6-month period then ended, as well as the notes to the condensed consolidated half-yearly accounts (together: "condensed consolidated interim figures"). The board of directors is responsible for the preparation and presentation of these condensed consolidated interim figures in accordance with IAS 34, as adopted by the European Union and implemented by the royal decree of 13 July 2014, and with the legal and regulatory

requirements applicable in Belgium. Our responsibility is to express a conclusion on these condensed consolidated interim figures based on our review.

SCOPE OF THE REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and in applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly,

we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim figures on 30 September 2017 have not been prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union and implemented by the royal decree of 13 July 2014.

Sint-Stevens-Woluwe,
20 November 2017

The Statutory Auditor

**PwC Reviseurs d'Entreprises scrl /
Bedrijfsrevisoren bcvba**

Represented by

Damien Walgrave
Reviseur d'Entreprises /
Bedrijfsrevisor



REPORT ON THE SHARE

O4

O1	OVERVIEW OF STOCK MARKET PERFORMANCE	45
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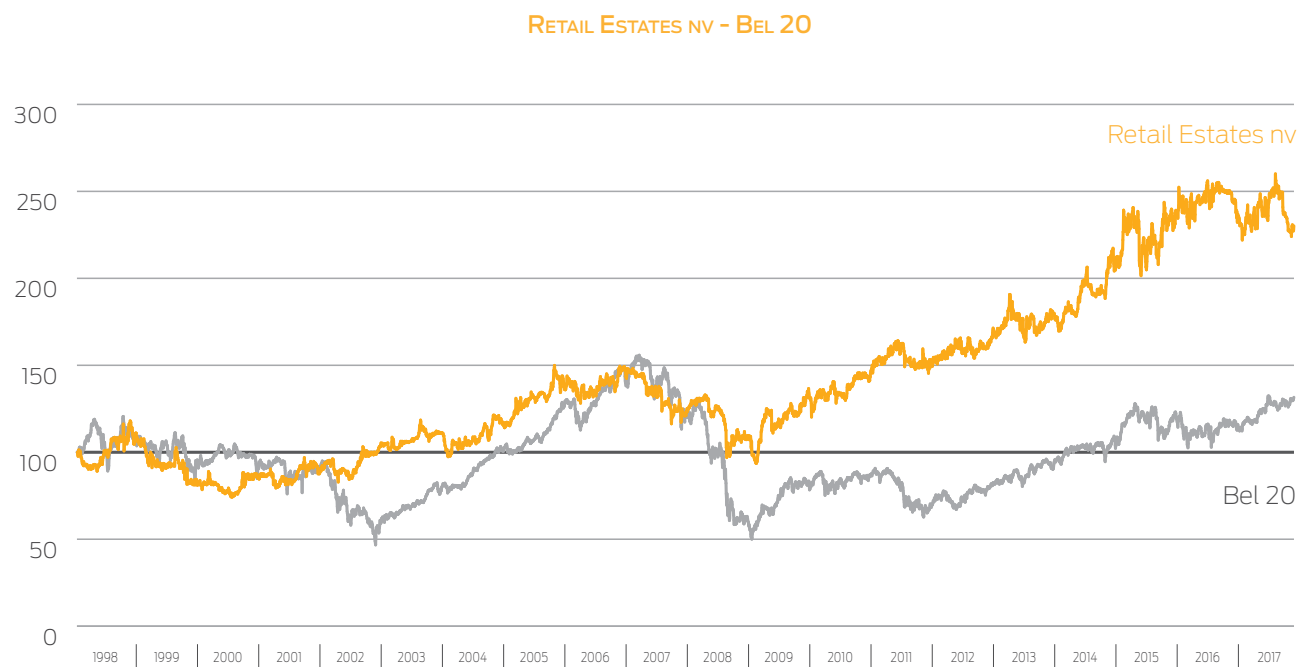
“ The Retail Estates share evolved over this period by 133.46% and the BEL 20 by 34.96%.”

01

OVERVIEW OF STOCK MARKET PERFORMANCE

During the first six months of the 2017-2018 financial year, the share's price on the stock market fluctuated between EUR 71.65 and EUR 83.17. The above chart shows the stock market performance of the Retail Estates share relative to the BEL 20 since the share's introduction on the stock exchange. The Retail Estates share has evolved over this period by 133.46% and the BEL 20 by 34.96%. The average closing price for the past semester is EUR 77.17.

“The average closing price for the past semester is EUR 77.17”



02

MARKET CAPITALISATION

Retail Estates nv is listed on the Euronext continuous market. Market capitalisation amounted to EUR 690.65 million on 30 September 2017.

03

DIVIDEND AND RETURN

The share's net asset value (EPRA NAV) in a real estate assessment at fair value is EUR 58.80.

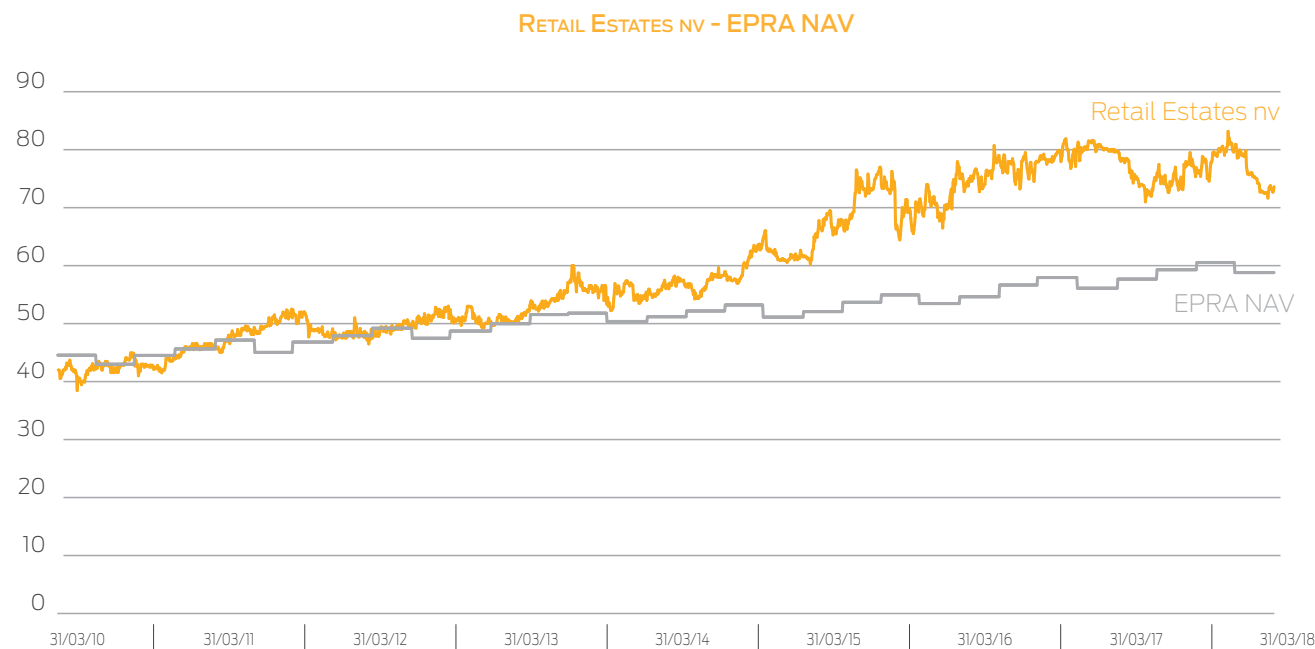
The evolution in the net asset value is explained by the decline in the result on portfolio on the one hand, and the distribution of the dividend over the financial year 2016-2017 on the other.

MARKET CAPITALISATION

(in million EUR)



NET ASSET VALUE PER SHARE (in €)	30.09.17	31.03.17	30.09.16
Net asset value per share IFRS	57.15	57.17	52.94
EPRA NAV per share	58.80	59.29	56.11
Net asset value per share (investment value) excl. dividend excl. the fair value of authorised hedging instruments	60.50	58.96	57.31
Gross dividend		3.30	
Net dividend		2.31	
Share price on closing date	73.61	76.90	79.59



O4

FINANCIAL CALENDAR

Announcement results third quarter 2017-2018	19 February 2018
Announcement results financial year 2017-2018	18 May 2018
General Assembly	23 July 2018
Ex-coupon date dividend	25 July 2018
Dividend made available for payment	27 July 2018



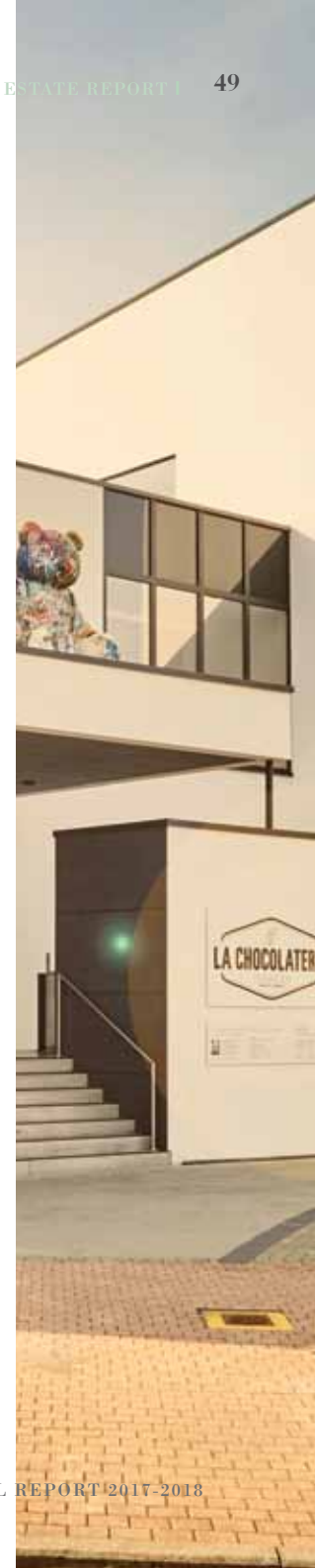
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CHOCOLATERIE

LA CHOCOLATERIE

REAL ESTATE REPORT

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“Today, the Belgian market of out-of-town retail properties is characterised by considerable stability among long-term investors and tenants.”



INCREASE IN VALUE OF PROPERTIES IN TOP LOCATIONS

Retail Estates has been investing since 1998 in retail property linked to major roads. A significant portfolio has been built up over 18 years that on 30 September 2017 consisted of 724 properties, representing a gross built-on lettable surface area of 837,763 m². Its fair value amounts to EUR 1,152.55 million.

VALUATION AS OF 30 SEPTEMBER 2017

01

REPORTS OF THE REAL ESTATE EXPERTS

Retail Estates nv calls upon the services of Cushman & Wakefield, CBRE and Stadim as real estate experts. In practice, therefore, they each assess a part of the real estate portfolio.

REPORT BY CUSHMAN & WAKEFIELD

The report by Cushman & Wakefield of 30 September 2017 relates to a part of the real estate of Retail Estates nv and its subsidiaries. This report lists among others the following

“We have the pleasure to give you our valuation update as at 30 september 2017 of the de Retail Estates portefeuille, Distri-Land and Hainaut Retail Invest NV portfolios.

We confirm that we carried out this task as an independent expert. We also confirm that our valuation was carried out in accordance with the national and international standards and their application procedures, amongst other in the valuation of “GVV” (Regulated Real Estate Companies – Belgian REITs) – (According to the present decisions. We preserve ourselves the right to review our valuation in case of modified decisions).

The fair value is defined as the estimated amount for which a property should exchange on

the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. This definition corresponds to our definition of the market value.

The sale of a building is in theory subject to transfer rights collected by the government. This amount depends amongst other on the transfer manner, the profile of the purchaser and the geographical situation of the building. The first two conditions and the amount to pay for the rights is only known when the sale has been concluded. On the basis of a representative sample of the market (period 2013 – Q1 2016) the weighted average of the rights (average transfer costs) equals 2,50% (for goods with a higher value than 2.500.000 EUR)

For goods with a value higher than 2.500.000 EURO we obtain a sales value excluding costs corresponding with the real value (“fair value”) as set by the international accounting

standard IAS 40, by subtracting 2,50% of the investment value. The properties are here considered as a portfolio.

Our “investment value” is based on the capitalisation with a Gross Yield of the yearly rental income, taking into account possible corrections like vacancy, step-rents, rent-free periods, etc. The Gross yield is depending on current output on the investment market, taking into account the location, the suitability of the site, the quality of the tenant and the building on the moment of the valuation.

In order to calculate the investment value of the retail park in Tongeren and the Distri-Land portfolio, we have capitalised its adjusted market rent. It is standard market practice to take into account that no more than 60% of the gap between the actual passing rent and the estimated rental value (ERV) can be bridged in renegotiations. This is the case when the market rent is higher than the actual rent paid. This is mainly due to the high legal protection for sitting tenants under Belgian commerce law.



When now the market rent (ERV) is under the passing rent however, the highest rent a landlord should hope to achieve is the market rent. Since, being prudent, one should assume that the sitting tenant will use the break to negotiate his rent downward and bring it in line with the market.

The portfolio of **Retail Estates nv (Tongeren incl.)** has at 30.09.2017 an **investment value (corrections incl.)** of EUR 463,49 million and a **fair value** of EUR 452,19 million. The investment value, for an equal perimeter, increased with **0,24%**. This gives a yield of **6,65%** for **Retail Estates nv**.

The portfolio of **Immobilière Distri-Land nv** has at 30.09.2017 an **investment value (corrections incl.)** of EUR 18,11 million and a **fair value** of EUR 17,66 million. The investment value, in absolute terms, decreased with **0,06%**. This gives a yield of **7,05 %** for **Immobilière Distri-Land nv**.

The portfolio of **Hainaut Retail Invest nv** has at 30.09.2017 an

investment value (corrections incl.) of EUR 37,91 million and a **fair value** of EUR 36,98 million. The investment value, in absolute terms, increased with **0,19%**. This gives a yield of **6,43%** for **Hainaut Retail Invest nv**."

CBRE REPORT

The report by CBRE Belgium of 30 September 2017 relates to a part of the real estate of Retail Estates nv and its subsidiaries. This report lists among others the following:

When valuing the buildings, we used the following valuation methods:

Method 1: Valuation based on the capitalisation of rental income

For each of the buildings, an estimated market rental value (ERV) was determined and a market-based cap rate based on points of comparison.

A correction was made for the difference between the estimated market rental value and current rental income:

If the estimated market rental value is higher than current rental income, the correction consists of the realisation of the difference between the market rental value and the current rental income until the end of the current lease period.

If the estimated market rental value is lower than current rental income, the correction consists of the realisation of the difference between the market rental value and current rental income for the period until the end of the tenant's 3-year option to terminate.

Method 2: Valuation based on the realisation of rental income

This method is used for the properties for which the property rights are split into bare ownership and building rights or leasehold rights.

In this method, the value of the building rights or leasehold rights is determined by the realisation (discounted cash flow) of the net rental income, i.e. after deduction of the property rights or leasehold rights

fees due for the period until the end of this leasehold or building rights agreement.

The value of the bare ownership is determined by the realisation (discounted cash flow) of the periodic building rights fees or leasehold rights fees until the date of expiration of this agreement.

The **investment value** of these immovable properties is estimated at **EUR 566.29 million** and the **fair value** at **EUR 552.47 million**. These properties represent **rental income** of **EUR 37.11 million** or a **gross return** of **6.53%**.

STADIM REPORT

The report by Stadim of 30 September 2017 relates to a semi-logistics complex. The investment value of these immovable properties is estimated at EUR 4.75 million and the fair value at EUR 4.64 million. These properties represent rental income of EUR 0.33 million or a gross return of 6.80%.

REPORT BY CBRE NL

The report of CBRE Valuation & Advisory Services B.V. of 30th September 2017 relates to the real estate of Retail Estates Nederland B.V. in The Netherlands.

To determine the market value of the real estate of Retail Estates Nederland B.V. in The Netherlands we have capitalized the current rental income with a BAR (Goss Initial Yield). This calculation includes corrections such as vacancy periods and rent-free periods. When determining the BAR, we took into account the location, appearance of the building, average remaining lease term of the lease contracts and creditworthiness of tenants at the time of valuation. In case of an over- or under rental situation, we have capitalized the rental value with the BAR.

The market value of these the properties in this part of the portfolio is estimated at 73,035,000 EUR. The total rental income of these properties is 5,483,000 EUR, which represents a Gross Initial Yield of 7.51%.

02

NOTES

BELGIUM

The investment market is evolving in different directions under the influence of global economic uncertainties. On the one hand, a number of foreign institutional parties have left the market at an accelerated pace to realise their capital gain and to reinvest the capital in their home market where the credit crisis offers new acquisition opportunities. On the other hand, the private market in which wealthy private investors are showing sustained interest in transactions between EUR 1 and 5 million, remains active. The rental market remains active, but more so than previously is sensitive to the quality of the locations with a preference for retail buildings located on a site (retail parks) or properties located along a main artery with a strong concentration of similar properties (retail clusters). Solitary properties are in demand for food supermarkets

insofar as they are located in well-populated residential areas.

THE NETHERLANDS

We refer to page 7-8 of this half-yearly report.

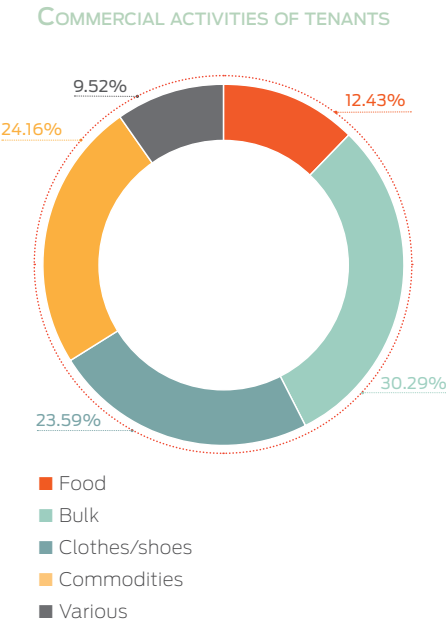
03

COMMERCIAL
ACTIVITY OF THE TENANTS¹⁶

The proportion of shoe and clothing shops (23.59%, versus 26.57% on 31 March 2017) together with retailers in consumables make up more than 50% of the leased surface area. Both provide a stable base because they are the least cyclically sensitive. In addition, the socio-economic permits for these activities are the most difficult to obtain, which increases the value of these properties on the one hand and facilitates strong loyalty to the location on the other.

¹⁶ The pie charts 'tenant trading activity' and 'building type' show percentages based on total surface area on 30 September 2017.

The large-scale retail sector, which works with larger margins, makes it possible to achieve significant rent increases in a favourable economic climate, but declining consumer confidence hits them hardest. This segment represents 30.29% (24.73% on 31 March 2017) of the real estate portfolio of Retail Estates nv.



04

SUBDIVISION
BY TYPE OF BUILDING

Individual retail buildings located along major roads: each sales outlet has its own parking area, an entry and exit onto the public road, and as such are clearly identifiable. There are not necessarily retail buildings of the same type in the immediate vicinity.

Retail clusters are a totality of shops located alongside the same major road, which form a totality for the consumer, although they do not have a shared infrastructure outside the major road on which they are located. This is the most common form of concentration of shops along major roads in Belgium.

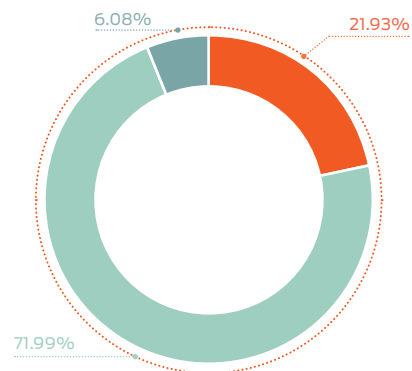
Retail parks consist of retail buildings that are part of an integrated commercial complex and thus are grouped with other retail buildings. All properties make use of a central parking area with

a common entry and exit. The consumer can thus visit several shops without moving his or her car. Such locations usually contain at least five properties.

Other real estate comprises mainly offices, residential real estate, restaurants, and a logistics complex in Erembodegem. The complex in Erembodegem has been leased in its entirety to Brantano nv via a lease agreement with a term of 10 years expiring on 31 May 2024. Retail Estates nv invests in real estate with other uses only if they are secondary to a retail building or are part of a real estate portfolio that can only be acquired as a whole.

Shop areas under development are properties that are being newly constructed or renovated.

TYPE OF BUILDING



- Individual peripheral retail properties
- Retail clusters and retail parks
- Other

SUMMARY OF KEY FIGURES

	RETAIL ESTATES	
	30.09.17	31.03.17
Estimated fair value ¹⁷ (in €)	1,152,551,000	1,071,361,000
Yield (investment value)	6.68%	6.60%
Contractual rents (in €)	77,139,726	70,522,410
Contractual rents incl. rental value of vacant buildings (in €)	78,677,852	71,406,658
Total m ² in portfolio	837,763	748,136
Number of properties	724	668
Occupancy rate	98.21%	98.13%
Total m ² under development	12,544	9,742

¹⁷ This fair value also contains the project developments, which are not included in the fair value as mentioned in the real estate experts' conclusions on 30 September 2017.





MISCELLA- NEOUS

06

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01

GLOSSARY

ACQUISITION VALUE

This is the term to be used for the purchase of a building. Any conveyance fees payable are included in the acquisition price.

BOOK VALUE OF A SHARE

NAV (Net Asset Value) means equity divided by the number of shares.

CHAIN STORES

These are companies that have a central purchasing department and operate at least five different retail outlets.

CONTRACTUAL RENTS

The index-linked basic rents as provided in the lease agreements as of 30 September 2017, before deduction of gratuities or other benefits granted to tenants.

DEBT RATIO

The debt ratio is calculated as follows: liabilities (excluding provisions, accrued charges and deferred income, hedging instruments and deferred taxes), divided by the total assets (excluding hedging instruments).

DIVIDEND YIELD

The ratio of the most recently paid gross dividend to the final share price of the financial year over which the dividend is payable.

EPRA

The European Public Real Estate Association was founded in 1999 to promote, develop and group European listed real estate companies. EPRA proposes codes of conduct with respect to accounting, reporting and corporate governance, and harmonises these rules in different countries, to provide quality and comparable information to investors. EPRA has also created indices that serve as a benchmark for the real estate industry.

All of this information is available at www.epra.com.

ESTIMATED INVESTMENT VALUE

This is the value of the real estate portfolio, including costs, registration charges, fees and VAT, as estimated each quarter by an independent expert.

EXIT TAX

The exit tax is a special corporate tax rate applied to the difference between the fair value of the registered capital of companies and the book value of its capital at the time that a company is recognised as a regulated real estate company, or merges with a regulated real estate company.

FAIR VALUE

This value is equal to the amount for which a building could be swapped between properly informed parties, consenting and acting under normal competitive conditions. From the point of view of the seller, it must be construed minus the registration charges.

GROSS DIVIDEND

The gross dividend per share is the operating profit distributed.

IFRS STANDARDS

The International Financial Reporting Standards are a set of accounting principles and valuation rules prepared by the International Accounting Standards Board. The aim is to simplify international comparison between European listed companies.

Listed companies are required to prepare their consolidated accounts according to these standards starting from the first financial year beginning after 1 January 2005.

INSTITUTIONAL INVESTOR INTEREST

An enterprise that professionally invests funds entrusted to it by third parties for various reasons. Examples include pension funds, investment funds,...

RATE SWAP (IRS)

An Interest Rate Swap is an agreement between parties to exchange interest rate cash flows

during a predetermined period of time on an amount agreed beforehand. This concerns only the interest rate cash flows. The amount itself is not swapped. IRS is often used to hedge interest rate increases. In this case, a variable interest rate will be swapped for a fixed one.

NET DIVIDEND

The net dividend is equal to the gross dividend after retention of 30% withholding tax.

OCCUPANCY RATE

The occupancy rate is calculated as the ratio of the surface area actually leased out to the surface area available for leasing, expressed in m².

PERIPHERAL RETAIL PROPERTIES

Retail properties grouped along roads leading into and out of cities and towns. Each peripheral retail property has its own car park and an entrance and exit road connecting to the public highway.

REAL ESTATE CERTIFICATE

A real estate certificate is a security that entitles the holder to a proportionate part of the income obtained from a building. The holder also shares in the proceeds if the building is sold.

RESULT ON PORTFOLIO

Achieved and unachieved higher or lower values relative to the most recent valuation by the expert.

RETAIL CLUSTER

A collection of peripheral retail properties, located along the same traffic axis and, from the consumer's point of view, they form a self-contained whole, although they do not possess a joint infrastructure other than the traffic axis.

RETAIL PARK

Retail properties that form part of an integrated commercial complex and are grouped together with other retail properties. All properties use a central car park with a shared entrance and exit road.

RREC LEGISLATION

The Royal Decree of 13 July 2014 in execution of the Law of 12 May 2014 on regulated real estate companies (Belgian REITs).

STOCK MARKET CAPITALISATION

This is the total number of shares at the closing date multiplied by the closing price at the closing date.

02

ALTERNATIVE PERFORMANCE MEASURES

ALTERNATIVE PERFORMANCE MEASURE

OPERATING MARGIN

Definition:

The 'Operating result before result of the portfolio' divided by the 'Net rental income'.

Purpose:

Allows measuring the operational performance of the company.

FINANCIAL RESULT (EXCLUDING CHANGES IN FAIR VALUE OF AUTHORIZED HEDGING INSTRUMENTS)

Definition:

The 'Financial result' minus the 'Changes in fair value of authorized hedging instruments'

Purpose:

Allows to measure realised and unrealised financial result.

RESULT ON THE PORTFOLIO**Definition:**

The 'Result on the portfolio' consists of the following items:

- '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'.

Purpose:

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**Definition:**

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.

Purpose:

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**Definition:**

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.

Purpose:

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)	30.09.17	30.09.16
Operating result before result on portfolio (A)	31,180	28,076
Net rental income (B)	36,135	32,211
Operating margin (A/B)	86.29%	87.16%

FINANCIAL RESULT**(EXCLUDING VARIATIONS IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES)**

(in € 000)	30.09.17	30.09.16
Financial result (A)	-7,913	-13,827
Changes in fair value of financial assets and liabilities (B)	631	-4,695
Financial result (excluding changes in fair value of financial assets and liabilities) (A-B)	-8,544	-9,132

RESULT ON PORTFOLIO

(in € 000)	30.09.17	30.09.16
Result on disposals of investment properties (A)	-8	-16
Result on sales of other non-financial assets (B)	0	0
Changes in fair value of investment properties (C)	765	5,537
Other result on portfolio (D)	266	10
Result on portfolio (A+B+C+D)	1,023	5,531



WEIGHTED AVERAGE INTEREST COST

(in € 000)	30.09.17	30.09.16
Interest charges (including the credit margin and the cost of the hedging instruments) (A)	8,054	8,623
Weighted average financial debt of the period (B)	554,343	489,517
Weighted average interest rate (A/B)	2.86%	3.47%

NET ASSET VALUE PER SHARE (INVESTMENT VALUE) EXCLUDING DIVIDEND, EXCLUDING THE FAIR VALUE OF AUTHORISED HEDGING INSTRUMENTS

(in € 000)	30.09.17	31.03.17
Shareholders' equity attributable to the shareholders of the parent company (A)	536,175	514,970
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties (B)	-31,927	-26,703
The fair value of authorised hedging instruments qualifying for hedge accounting (C)	-15,541	-19,153
Proposed gross dividend (D)	15,950	29,727
Number of ordinary shares in circulation (E)	9,382,612	9,008,208
Net asset value per share (investment value) excluding dividend excluding the fair value of authorised hedging instruments ((A-B-C-D)/E)	60.50	58.96

O3

EPRA KEY PERFORMANCE INDICATORS

	Definitions	EUR/1000	EUR per share
EPRA earnings	Current result from adjusted core operational activities.	21,983	2.37
EPRA NAV	Net Asset Value (NAV) adjusted to take the fair value of the property investments into account and excluding certain elements not expected to crystallise in a long-term investment property business model.	551,716	58.80
EPRA NNNNAV	EPRA NAV adjusted to take the fair value of (i) the financial instruments, (ii) the debts and (iii) the deferred taxes into account.	536,175	57.15
	Definitions		%
EPRA Net Initial Yield (NIY)	Annualised gross rental income based on current rents ('passing rents') at balance sheet closing dates, excluding property costs, divided by the market value of the portfolio, plus estimated transfer rights and costs resulting from the hypothetical disposal of investment properties.		6.73%
EPRA topped-up Net Initial Yield (topped-up NIY)	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of the rent-free periods or other unexpired lease incentives as step up rents.		6.73%
EPRA Vacancy	Estimated market Rental Value (ERV) of vacant surfaces divided by the ERV of the portfolio as a whole.		1.95%
EPRA Cost Ratio (incl. vacancy costs)	EPRA costs (including vacancy costs) divided by the gross rental income less ground rent costs		12.77%
EPRA Cost Ratio (excl. vacancy costs)	EPRA Costs (excluding vacancy costs) divided by the gross rental income less ground rent costs		12.32%

EPRA earnings	EUR/1000
IFRS Net Result (attributable to the shareholders of the parent company)	23,637
Adjustments to calculate EPRA earnings	
Excluding:	
Variations in the fair value of investment properties (IAS 40)	1,031
Result on disposal of investment properties	-8
Changes in the fair value of financial assets and liabilities	631
Result on disposal of investment properties	
EPRA earnings (attributable to the shareholders of the parent company)	21,983
EPRA earnings (EUR/share) (attributable to the shareholders of the parent company)	2.37

EPRA Net Asset Value (NAV)	EUR/1000
Net Asset Value (attributable to the shareholders of the parent company) according to the annual accounts	536,175
Net Assets (EUR/share) (attributable to the shareholders of the parent company)	57.15
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	536,175
Excluding:	
Fair value of the financial instruments	-15,541
EPRA NAV (attributable to the shareholders of the parent company)	551,716
EPRA NAV (EUR/share) (attributable to the shareholders of the parent company)	58.80

EPRA Triple Net Asset Value (attributable to the shareholders of the parent company)	EUR/1000
EPRA NAV (attributable to the shareholders of the parent company)	551,716
Including:	
Fair value of the financial instruments	-15,541
EPRA Triple Net Asset Value (attributable to the shareholders of the parent company)	536,175
EPRA NNAV (EUR/share) (attributable to the shareholders of the parent company)	57.15

EPRA Net Initial Yield		EUR/1000
Investment properties (excluding assets held for sale) fair value		1,152,551
Transfer taxes		31,763
Investment value		1,184,314
Project developments		23,502
Investment value of the properties, available for rent	B	1,160,812
Annualised gross rental income		78,678
Property costs		-584
Annualised net rental income	A	78,093
Notional rent expiration of rent free period or other lease incentives		
Topped-up net annualised rent	C	78,093
EPRA Net Initial Yield (NIY)	A/B	6.73%
EPRA topped-up Net Initial Yield (topped-up NIY)	C/B	6.73%

EPRA Vacancy Rate	EUR/1000
Estimated rental value of vacant surfaces	1,538
Estimated rental value of total portfolio	78,678
EPRA Vacancy Rate	1.95%

EPRA Cost Ratio	EUR/1000
Operating corporate costs	2,009
Impairments on trade receivables	-3
Ground rent costs	103
Property costs	2,607
Less:	
Ground rent costs	-103
EPRA costs (incl. vacancy costs)	4,613
Vacancy costs	-160
EPRA costs (excl. vacancy costs)	4,453
Rental income less ground rent costs	36,132

	%
EPRA Cost Ratio (incl. vacancy costs)	12.77%
EPRA Cost Ratio (excl. vacancy costs)	12.32%

Information sheet

Name:	Retail Estates nv
Status:	Public Belgian Real Estate Investment Trust ("Belgian REIT") organised and existing under the laws of Belgium
Address:	Industrielaan 6, 1740 Ternat, Belgium
Tel:	+32 (0)2 568 10 20
Fax:	+32 (0)2 581 09 42
E-mail:	info@retailestates.com
Website:	www.retailestates.com
Register of legal entities:	Brussels
VAT:	BE 0434.797.847
Enterprise number:	0434.797.847
Date of incorporation:	12 July 1988
Status as fixed-capital real estate investment fund granted:	27 March 1998 (until 23 October 2014)
Status as Belgian real estate investment trust (BE-REIT) granted:	24 October 2014
Duration:	Unlimited
Management:	Internal
Statutory auditor:	PwC Bedrijfsrevisoren bcvba - Woluwegarden-Woluwedael 18 at B-1932 Brussels, represented by Mr. Damien Walgrave
Financial year closing:	31 March
Capital at 30.09.2017	211,112,425.36 EUR
Number of shares at 30.09.2017:	9,382,612
Annual shareholders' meeting:	Penultimate Monday of July
Share listing:	Euronext – continuous market
Financial services:	KBC Bank
Value of real estate portfolio as of 30.09.2017:	Investment value EUR 1,184.31 million – fair value EUR 1,152.55 million (incl. value of "Immobilière Distri-Land nv" real estate certificates)
Real estate experts:	Cushman & Wakefield, CBRE and Stadim
Number of properties as of 30.09.2017:	724
Type of properties:	Out-of-town retail real estate
Liquidity provider:	KBC Securities and De Groef Petercam

RETAIL ESTATES



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