



Regulated information – inside information
Ternat, 11 April 2018 (before OOB)

Capital increase with irrevocable allocation right

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Investing in shares involves considerable risks. Before investing in the new shares, the irrevocable allocation rights or the Srips, investors are requested to read the Prospectus, in particular Chapter 2 "Risk factors" (pages 37 to 49) of the Prospectus and Section D. (pages 15 to 19) of the Summary. Any decision to invest in the new shares, the irrevocable allocation rights or the srips within the framework of the capital increase with irrevocable allocation right must be based on all information provided in the Prospectus. Potential investors must be capable of carrying the economic risk of an investment in shares and of taking a full or partial loss on their investment.

On 10 April 2018 the board of directors of Retail Estates decided on a capital increase up to EUR 123,365,580 through the issuance of up to 1.897,932 new shares at a subscription price of EUR 65 per share (inclusive of coupon no. 26 representing the right to the annual dividend for the financial year 2017/2018, for which a dividend prognosis of EUR 3.60 gross per share is made and with regard to which the annual meeting of the Company scheduled for 23 July 2018 will decide), on the basis of 1 new share for 5 existing shares. It concerns a capital increase within the limits of the authorised capital, with an irrevocable allocation right for the shareholders of Retail Estates.

REASONS FOR THE TRANSACTION AND USE OF THE PROCEEDS

Retail Estates regularly calls upon the financial markets to increase its capital. For the fifth time since its recognition as a fixed-capital real estate investment fund (currently regulated real estate company) and its listing on Euronext Brussels in March 1998, the company is giving all of its shareholders the opportunity to share in the growth of the company and its profitability.

Real Estates NV intends to use the net proceeds of the transaction to reduce its debt ratio to a level of ffl 50% (assuming that the total amount of the transaction is subscribed) and thus to

continue its growth strategy and further expand its real estate portfolio within the debt ratio range of 50 to 55% (provided that the total amount of the Transaction is subscribed to) which the board of directors of Retail Estates aims at (this does not exclude the possibility that this range may be exceeded during shorter periods). Reminder: as at 31 December 2017, the Group's debt ratio was 58.80%.

If the transaction is fully subscribed, the capital increase (including the issue premium) will amount to EUR 123,365,580 and the net proceeds will amount to approximately EUR 121,065,580 million (less the costs and expenses to be paid by Retail Estates within the context of the transaction). Retail Estates will invest the net proceeds of the transaction in announced and new real estate investments for an amount of approximately EUR 86.92 million and will, in a first stage, use the balance to decrease its financial debts by approximately EUR 36.48 million.

TERMS OF THE OFFER

Each existing shareholder will acquire one irrevocable allocation right for each existing share owned by him/her on 11 April 2018 COB. The irrevocable allocation right is represented by coupon no. 25 and will be tradable on Euronext Brussels and Euronext Amsterdam from 12 April 2018 through 23 April 2018. In this manner, non-shareholders of Retail Estates will also have the opportunity to acquire irrevocable allocation rights, not only privately but also via Euronext Brussels and Euronext Amsterdam, and to subscribe to the capital increase.

Holders of irrevocable allocation rights can subscribe for the new shares from 12 April 2018 (9:00 am) until 23 April 2018 (4:00 pm) under the conditions described in the Prospectus, at a subscription price of EUR 65 per new share and at a subscription ratio of 5 irrevocable allocation rights for 1 new share.

If the total amount of the transaction is subscribed, the capital increase (issue premium included) will amount to EUR 123,365,580 and a maximum of 1,897,932 new shares will be issued.

ENTITLEMENT TO DIVIDENDS

All Retail Estates shares (i.e. both the existing and the new shares in Retail Estates) share to the same degree in the results of Retail Estates and entitle their holders to any dividends granted by Retail Estates. This means that the holders of new shares will also be entitled to the full dividend (if any) for the financial year 2017/2018, which started on 1 April 2017 and ended on 31 March 2018 (and for which a dividend prognosis of EUR 3.60 gross per share is made), as well as for the current financial year 2018/2019, which started on 1 April 2018 and will end on 31 March 2019.

The new shares will therefore be issued with coupon no. 26 and the following numbers attached (coupon no. 25 represents the irrevocable allocation right).

OBLIGATIONS OF MAIN SHAREHOLDERS

Certain existing shareholders have irrevocably committed to subscribing for a specific number of new shares:

Existing shareholder	Number of irrevocable allocation rights exercised	Number of new shares
Leasinvest Real Estate Comm. VA	993,686	198,737
Belfius Insurance NV	560,000	112,000
KBC Verzekeringen NV	282,424	56,484
Axa Belgium NV	636,575	127,314
Federale Verzekeringen	479,387	95,877
TOTAAL	2,952,069	590,421

EUR 38,376,780 of the transaction's total amount, namely 31,11 % of the new shares offered, is therefore part of the subscription obligations for certain existing shareholders.

SUBSCRIPTION PRICE

The subscription price amounts to EUR 65. The subscription price was determined by the board of directors of the company, assisted by the Joint Global Coordinators, on 10 April 2018, on the basis, inter alia, of the market price of the Share on the Euronext Brussels regulated market and taking into account a discount generally granted for this type of transaction, in light of the market conditions and the requirements applicable at that time.

The subscription price is 10.34% lower than the closing price of the Retail Estates share on the Euronext Brussels regulated market on 10 April 2018 (which amounted to EUR 72.50). On the basis of that closing price, the theoretical ex-right price ("TERP") is EUR 71.25, the theoretical value of an irrevocable allocation right is EUR 1.25 and the discount of the subscription price with respect to TERP is 8.77%.

SUBSCRIPTIONS

The holders of registered shares of Retail Estates will receive a notification from the company, informing them of the number of irrevocable allocation rights held by them and of the procedure to be followed in order to exercise or trade their irrevocable allocation rights.

Existing Shareholders holding their Retail Estates shares on a securities account will be informed by their financial institution of the procedure to be followed in order to exercise or trade their irrevocable allocation rights.

Investors who intend to subscribe to the offer through the purchase of irrevocable allocation rights must submit a purchase order for irrevocable allocation rights and a simultaneous subscription order for new shares with their financial intermediary.

Subscriptions to the offer may be registered directly and without any costs for the existing shareholders or holders of irrevocable allocation rights with the offices of KBC Securities NV, Belfius Bank NV, ING Belgium NV and Kempen & Co N.V., if they have a client account there, or indirectly through another financial intermediary. Subscribers to the offer are requested to inform themselves as to the costs that may be charged by these other financial intermediaries. These expenses must be borne by the subscribers.

IRREVOCABLE ALLOCATION RIGHTS

The Irrevocable Allocation Rights (coupon no. 25) will be detached from the existing shares on 11 April 2018 after close of business and be tradable on the Euronext Brussels and Euronext Amsterdam regulated markets under ISIN code BE0970161643 during the entire Subscription period, i.e. from 12 April 2018 (9:00 am) to 23 April 2018 (4:00 pm).

PRIVATE PLACEMENT OF SCRIPS

The irrevocable allocation rights not exercised on the closing date of the subscription period (i.e. 23 April 2018) and the irrevocable allocation rights linked to registered shares which were exercised but for which the total subscription price was not paid in time will be qualified as irrevocable allocation rights that were not exercised and will automatically be converted into an equal number of scrips, which will be offered by the Managers (see below) to investors on 25 April 2018 within the context of an exempt private placement in the form of an “accelerated book building” or accelerated private placement with composition of an order book, implemented in Belgium, Switzerland and the European Economic Area in accordance with Regulation S of the US Securities Act of 1933.

The private placement of the scrips will take place as soon as possible after the closing date of the subscription period, and in principle on 25 April 2018.

One single market price for the scrips will be determined on the basis of a book building procedure. In this respect, investors acquiring scrips irrevocably undertake to exercise them on the same day and hence to subscribe for the corresponding number of new shares at the subscription price and in accordance with the subscription ratio.

The net proceeds of the sale of the scrips, less costs, expenses and charges of any kind incurred by the company, will be divided proportionally among all holders of irrevocable allocation rights not exercised during the subscription period (or qualified as such). These net proceeds will be made available to the holders of coupon no. 25 as from 30 April 2018, upon presentation of coupon no. 25. If the net proceeds from the sale of scrips in the private placement, divided by the total number of scrips, is less than EUR 0.01, the amount will not be paid out to the holders of the irrevocable allocation rights not exercised (or qualified as such), but it will be transferred to and accrue to Retail Estates.

DISCLOSURE OF THE RESULTS OF THE TRANSACTION

The results of the offer with irrevocable allocation rights will be announced in a press release that will be published on 25 April 2018 (before OOB). On the date of publication of this press release, the company will request the suspension of trading of the Retail Estate share from the opening of business on 25 April 2018 until the time of publication of the press release relating to the results of the transaction (i.e. the results of the offer with irrevocable allocation rights combined with the results of the private placement of the scrips).

The results of the transaction, the subscription to new shares with irrevocable allocation rights and with scrips as well as the results of the sale of the scripts and the net proceeds from the sale of scrips in the private placement that goes to the holders of non-exercised irrevocable allocation rights will be published on 25 April 2018 by means of a press release.

PAYMENT AND DELIVERY OF THE NEW SHARES

The investors must pay the subscription price in full in euros together with any applicable stock market taxes and costs.

Payment of subscriptions for new shares following the exercise of irrevocable allocation rights attached to dematerialised shares or scrips will take place by debiting the bank account of the subscribers, with value date 27 April 2018.

The subscription terms and conditions and the payment deadline will be communicated to the existing shareholders whose shares are registered shares, by means of a letter addressed to them. In particular, the subscription price should have arrived in the bank account specified in the letters to the registered shareholders at the latest on 24 April 2018 at 9:00 am. (Belgian time). This is an absolute prerequisite for the issue and delivery of the new shares for which the shareholders whose Retail Estates shares are registered shares intend to subscribe. In order to ensure timely receipt of the subscription price, the company advises the shareholders whose Retail Estates shares are registered shares to give their financial institution the required instructions in time. Late payments received will in this case be reimbursed by the company at the latest on 30 April 2018. New shares issued on the basis of irrevocable allocation rights attached to registered Retail Estates shares will be included as registered shares in the company's shareholders' register on or around 27 April 2018.

LISTING OF THE NEW SHARES

The new shares are expected to be admitted to trading on Euronext Brussels and Euronext Amsterdam as from 27 April 2018, under the same ISIN code as the existing shares (BE0003720340).

PROSPECTUS

The Prospectus and the Summary are available in Dutch. The Summary is also available in French and in English. The Prospectus and the Summary will be made available to the investors free of charge as from 11 April 2018 (before OOB) at the registered office of the Company, Industrielaan 6, 1740 Ternat (Tel. +32 (0) 2 568 10 20) and on its website (www.retailstates.com/capitalincrease2018). The Prospectus will also be made available to the investors free of charge at (i) KBC Securities NV, upon request through telephone number +32 2 429 37 05 (NL, FR and EN), KBC Bank NV, upon request through telephone number +32 3 283 29 70 (NL, FR and EN), CBC Banque SA, upon request through telephone number +32 800 90 020 (FR and EN) and via Bolero, upon request through telephone number +32 800 628 16 (NL, FR and EN) and on its websites <https://www.kbcsecurities.com/prospectus-documents-overviews/prospectus-overview> (NL, FR and EN), www.kbc.be/retailstates (NL, FR and EN), <https://www.cbc.be/particuliers/fr/corporateactions> (FR), www.bolero.be/nl/retailstates (NL) and www.bolero.be/fr/retailstates; (FR)], (ii) Belfius Bank, upon request through telephone number +32 2 222 12 02 (NL) and +32 2 222 12 01 (FR) and on its website www.belfius.be/retail6estates2018, (iii) ING België, upon request through telephone number +32 (0)2 464 60 01 (NL), +32 (0)2 464 60 04 (EN) and +32 (0)2 464 60 02 (FR) and on its websites www.ing.be/equitytransactions, www.ing.be/transactionsdactions and

www.ing.be/aandelentransacties (NL, FR and EN) and (iv) Kempen & Co N.V., upon request by email to ecm@kempen.com.

EXPECTED TIMING OF THE TRANSACTION

Resolution in principle of the board of directors of the company to increase the registered capital of the Company and determination of the Subscription Price	10 April 2018
Approval of the Prospectus and the Summary by the FSMA and presentation by the FSMA of the Prospectus and the Summary as well as the approval statement to the competent authority in the Netherlands (Autoriteit Financiële Markten (AFM)) and ESMA pursuant to article 18 of the Prospectus Directive and article 36 of the Act of 16 June 2006.	10 April 2018
Press release announcing the transaction, the modalities of the transaction and the public availability of the Prospectus on the company's website	11 April 2018 (before OOB)
Detachment of coupon No. 25 representing the irrevocable allocation right	11 April 2018 after COB
Trading of the Retail Estates shares post irrevocable allocation right	12 April 2018
Opening of subscription period with irrevocable allocation right and start of listing of irrevocable allocation right	12 April 2018
Close of subscription period with irrevocable allocation right	23 April 2018
End of listing of irrevocable allocation right	23 April 2018
Press release with the results of the offer with irrevocable allocation right (announced on the company's website) and suspension of the listing of the Retail Estates share at the company's request until publication of the press release on the results of the transaction	25 April 2018 (before OOB)
Private placement of non-exercised irrevocable allocation rights in the form of scrips	25 April 2018
Allocation of the scrips and subscription to new shares through the exercise of scrips	25 April 2018
Press release with the results of the offer with irrevocable allocation right, the private placement of scrips and announcement of the sales proceeds of scrips and resumption of the listing of the Retail Estates shares	25 April 2018
Payment of the subscription price of the new shares subscribed to with irrevocable allocation rights in dematerialised form and scrips	27 April 2018
Establishment of the fact that the capital increase actually took place	27 April 2018
Delivery of the new shares subscribed for with irrevocable allocation rights and scrips	27 April 2018
Admission to trading of the new shares on the regulated markets of Euronext Brussels and Euronext Amsterdam	27 April 2018
Press release on the increase of the registered capital and the new denominator within the scope of the regulations on transparency	27 April 2018

Payment of irrevocable allocation rights not exercised (net proceeds of the sale of the scrips in the private placement of the scrips)	as from 30 April 2018
Publication of the results of financial year 2017/2018	18 May 2018

MANAGERS

KBC Securities and Belfius Bank will act as Joint Global Coordinators in this transaction. KBC Securities, Belfius Bank, ING België and Kempen will act as Joint Bookrunners and Underwriters.

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 December 2017, Retail Estates nv has 809 properties in its portfolio with a lettable surface of 978,328m². The occupancy rate of the portfolio was 98.32% on 31 December 2017, compared to 98.13% on 31 March 2017.

The fair value of the consolidated real estate portfolio of Retail Estates nv at 31 December 2017 is estimated by independent real estate experts at EUR 1,329.13 million.

Retail Estates nv is listed on Euronext Brussels and is registered as a public regulated real estate company. On 31 December 2017, the stock market capitalisation of its shares amounts to EUR 690.56 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, 11 April 2018

Jan De Nys, CEO of Retail Estates nv

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