

# IN RETAIL WE TRUST



Regulated information  
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## RETAIL ESTATES ANNOUNCES THE MODALITIES OF THE OPTIONAL DIVIDEND 2018-2019

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**TERMS & CONDITIONS REGARDING THE INTERIM DIVIDEND**  
**IN THE FORM OF AN OPTIONAL DIVIDEND**

At its meeting of 29 May 2019, the Board of Directors of Retail Estates has decided to pay, in the form of an optional dividend, a gross interim dividend for financial year 2018/2019 (which started on 1 April 2018 and ended on 31 March 2019) amounting to € 4.25 (€ 2.975 net, i.e. the net dividend per share after deduction of withholding tax at the rate of 30%<sup>1</sup>) per share participating in the profits of financial year 2018/2019<sup>2</sup>.

In the context of its decision to distribute an interim dividend to the shareholders, the Board of Directors offers the shareholders the possibility to contribute their claim arising from the distribution of the interim dividend to the capital of the company in return for the issue of new shares (in addition to the option to receive the interim dividend in cash and the option to opt for a combination of the two preceding options). The new shares will participate in the profits as from 1 April 2019.

The total amount of the interim dividend will be in line with the amount Real Estates is required to pay to its shareholders in its capacity of a public BE-REIT pursuant to article 13 of the Royal Decree of 13 July 2014 relating to regulated real estate investment companies; consequently, the Board of Directors will advise against an additional dividend for financial year 2018-2019 at the annual general meeting of 22 July 2019.

The contribution in kind of claims against Retail Estates in the context of the optional interim dividend and the associated capital increase improve the equity of the company and therefore reduce its (legally capped) debt ratio. This opens up the possibility for Retail Estates to perform, as the case may be, additional debt-financed transactions in the future in order to further realise its growth strategy. The optional interim dividend also makes it possible to retain funds in the Company (in an amount equal to the net dividend rights contributed to the company's capital), which in turn reinforces the company's financial position. In addition, it strengthens the ties with the shareholders.

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<sup>1</sup> As far as the fiscal treatment of the dividends of the company is concerned, reference is made to the Memorandum of Information, which provides more insight into this fiscal treatment for purely informative purposes.

<sup>2</sup> The possibility to subscribe to the optional interim dividend does not apply to the 68,000 shares issued on 1 April 2019 within the scope of a contribution in kind of a receivable (admitted to trading on Euronext Brussels and Euronext Amsterdam on or around 29 July 2019, which is after the detachment of coupon No. 27) as these shares only participate in the profits of the financial year that started on 1 April 2019 (and therefore do not participate in the profits of financial year 2018/2019).

Shareholders participating in the profits for financial year 2018-2019 will have the following choice within the scope of the interim dividend in the form of an optional dividend:

- **Contribution of net dividend rights to the capital of the company in exchange for new Retail Estates shares:**

To subscribe to one new share, a shareholder needs to contribute net dividend rights, represented by No. 27 coupons, linked to 23 existing shares of the same form (each for a net dividend amount of € 2.975). This comes down to an issue price of € 68.425 per share (= 23 x € 2.975).

This issue price was determined in a conventional manner, taking into account the issue price used in recent transactions and the fact that the new shares will be eligible for dividends as from 1 April 2019, and is in line with the general policy of the Company, which puts forward the adjusted net asset value of the share (i.e. the net asset value without the dividend, taking into account the investment value of the real estate and not taking into account the negative value of the financial instruments) as point of departure in transactions for determining the issue price. The issue price is 17.66% lower than the closing price of the Retail Estates share on 29 May 2019, which amounted to € 83.10.

- **Payment of the interim dividend in cash:**

Coupon No. 27 yields an interim dividend of € 4.25 gross or € 2.975 net per share (after deduction of 30% withholding tax).

- **A combination of the two previous options:**

A mix between contribution in kind of net dividend rights in exchange for new shares and payment of the net dividend in cash.

The Retail Estates share will be listed including coupon No. 27 until Thursday 30 May 2019. As from Friday 31 May 2019 (the 'ex date'), the Retail Estates share will be listed excluding coupon No. 27.

Shareholders who wish to contribute their net dividend rights (in whole or in part) to the capital of the company in exchange for new shares must contact the following during the option period (Wednesday 5 June 2019 (9am CET) until Thursday 20 June 2019 (3pm CET)):

- Retail Estates, as far as the registered shares are concerned (the registered shareholders will receive a letter with instructions from Retail Estates in this regard);

- the financial institution where they hold their shares through a securities account, as far as the dematerialised shares are concerned.

Shareholders who do not express a choice during the option period in the appropriate manner will automatically and exclusively be paid the interim dividend in cash. The Memorandum of Information, which will be available on the company's website (<https://www.retailstates.com>) under certain customary restrictions as from Wednesday 29 May 2019, will contain more detailed information about the optional interim dividend. Please read this Memorandum of Information before making a decision.

The actual distribution of the optional interim dividend will take place on 24 June 2019 (before start of trading) in line with the choice of the shareholders: (i) in the form of the issuance of new shares in exchange for a contribution of net dividend rights; (ii) in the form of payment of the interim dividend in cash; or (iii) a combination of the two previous options.

Retail Estates will also send an application to Euronext Brussels and Euronext Amsterdam for the additional listing of the new shares and intends to have the new shares admitted to trading on Euronext Brussels and Euronext Amsterdam as from 24 June 2019. The results of the interim dividend in the form of an optional dividend will be announced on 24 June 2019 by means of a press release on the website of the company.

The financial service is provided by KBC Bank NV (principal paying agent).

## **SHAREHOLDER AGENDA**

Wednesday 29 May 2019	Publication of Memorandum of Information regarding the interim dividend in the form of an optional dividend
Friday 31 May 2019	Ex-date of interim dividend in the form of an optional dividend
Monday 3 June 2019	Record date of interim dividend in the form of an optional dividend
Wednesday 5 June 2019 (9am CET) until Thursday 20 June 2019 (3pm CET)	Option period for shareholder
Monday 24 June 2019	Payment of the interim dividend in the form of an optional dividend
Monday 24 June 2019	Announcement of the results of the interim dividend in the form of an optional dividend
Monday 24 June 2019	(Anticipated) trading of new shares on Euronext Brussels and Euronext Amsterdam

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*The securities of Retail Estates have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act"), or with any other securities regulatory authority of a state or other jurisdiction in the United States of America. The securities may not be offered or sold in the United States of America without prior registration within the scope of the Securities Act except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable state legislation. Retail Estates NV will not register any part of the offer in the United States of America or make a public offer of securities in the United States of America.*

*The relevant investors are requested to take note of the Memorandum of Information, which is available on the website of Retail Estates (<https://www.retailstates.com>) under certain customary restrictions.*

## 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. Real Estates NV acquires these real properties from third parties or builds and commercialises retail buildings for its own account. The buildings have useful areas ranging between 500m<sup>2</sup> and 3,000m<sup>2</sup>. A typical retail property has an average area of 1,000 m<sup>2</sup>.

As of 31 March 2019, Retail Estates nv has 906 premises in its portfolio with a total retail area of 1,049,101 m<sup>2</sup>. The occupancy rate of the portfolio was 98.28% on 31 March 2019, compared to 98.11% on 31 March 2018.

The fair value of the consolidated real estate portfolio of Retail Estates NV as at 31 March 2019 is estimated at EUR 1,529,629 million by independent real estate experts.

Retail Estates NV is listed on Euronext Brussels and Euronext Amsterdam and is registered as a public regulated real estate company. As at 31 March 2019, the stock market capitalisation of the shares amounts to EUR 927.52 million.

Ternat, 29 May 2019

Jan De Nys, CEO of Retail Estates nv

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### For more information, please contact:

Retail Estates nv, Jan De Nys – CEO, tel. +32 2/568 10 20 – +32 475/27 84 12

Retail Estates nv, Kara De Smet – CFO, tel. +32 2/568 10 20 – +32 496/57 83 58



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## RETAIL ESTATES NV

Openbare GVV naar Belgisch recht

Industrielaan 6 - B-1740 Ternat

RPR Brussel

BTW BE 0434.797.847

T: +32 2 568 10 20

[info@retailestates.com](mailto:info@retailestates.com)

[www.retailestates.com](http://www.retailestates.com)