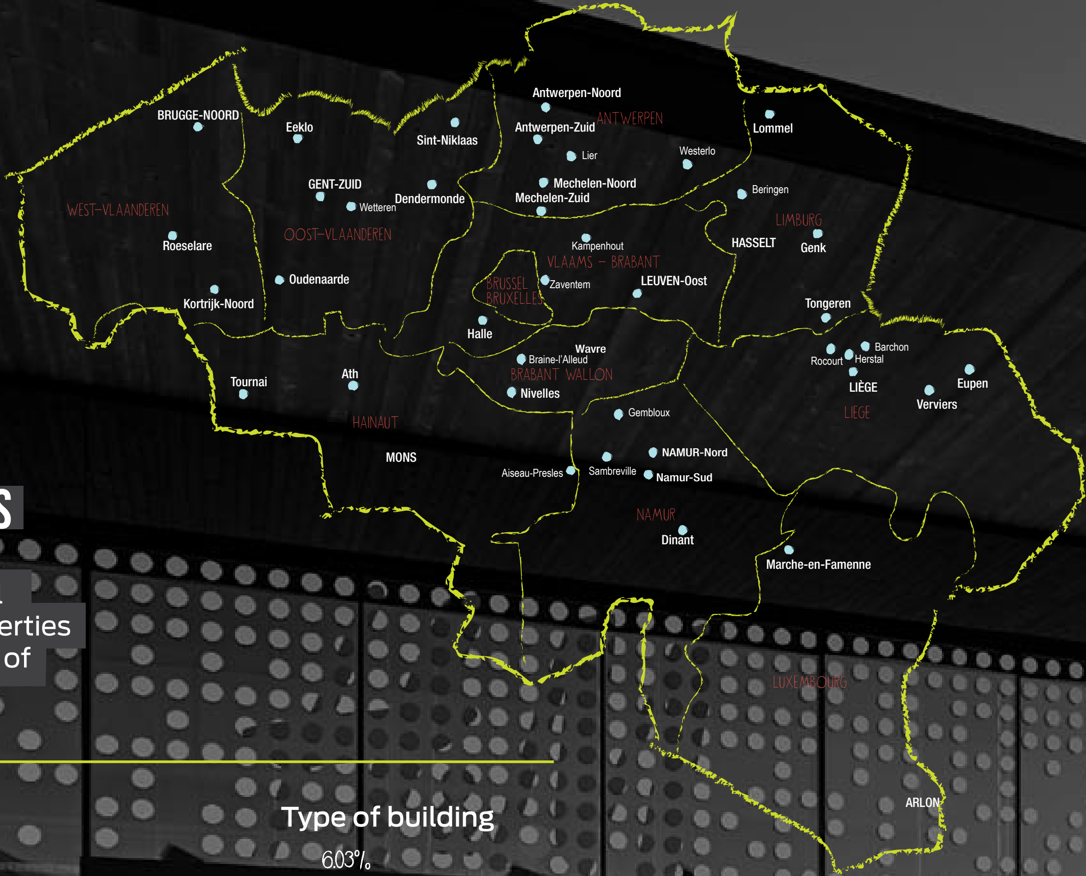
ANNUAL REPORT

16

KEY FIGURES

GEOGRAPHICAL SPREAD CLUSTERS

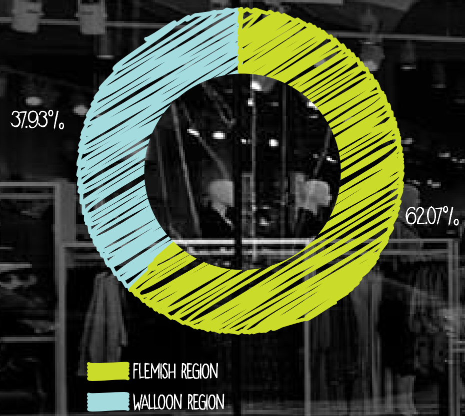


634

RETAIL PROPERTIES

The real estate portfolio of Retail Estates nv consists of retail properties located outside the largest cities of Belgium

Geographical spread



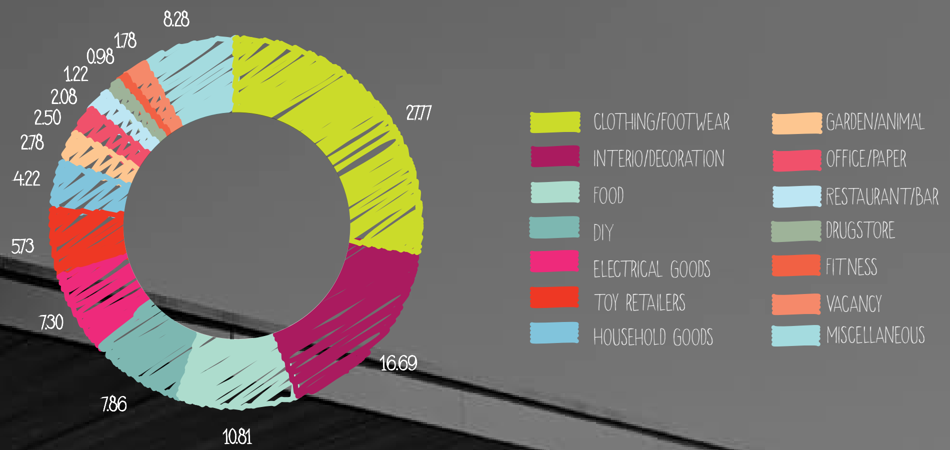
Type of building

FAIR VALUE

1,001
million EUR

Retail Estates invests in acquisitions, investments in project developments and investments in the optimisation of its real estate portfolio

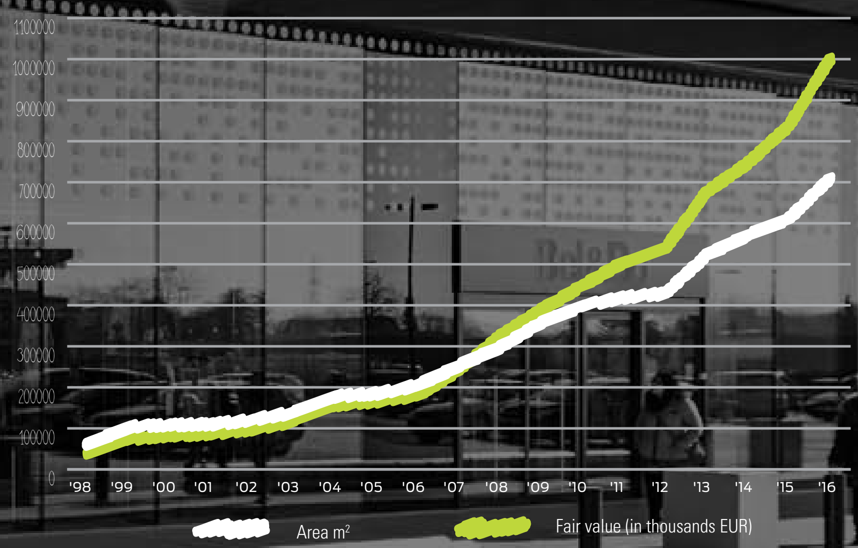
Commercial activities of tenants



708,879 M²
RETAIL AREA

98.22%
STABLE OCCUPANCY RATE

GROWTH PORTFOLIO RETAIL ESTATES NV BETWEEN 1998 AND 2016



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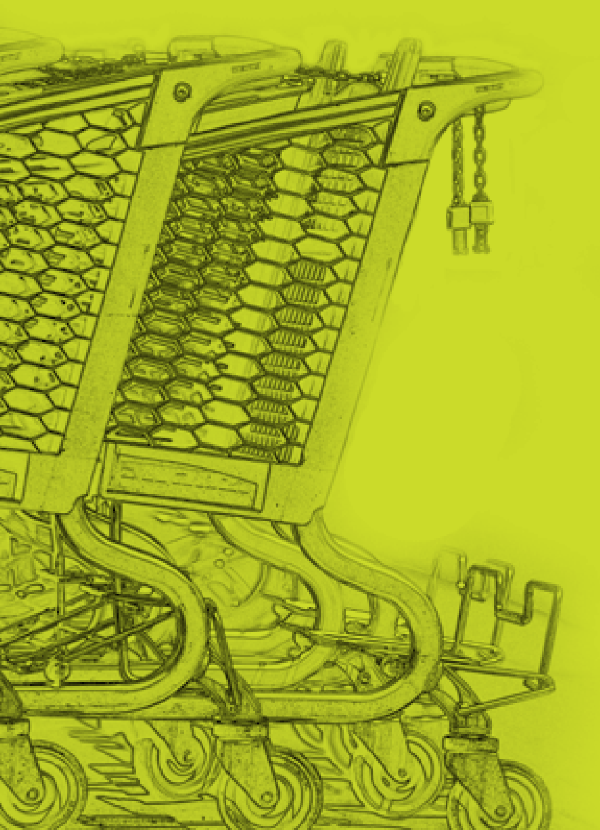


REMARKABLE FACTS

01

Retail parks

Acquisition of 5 retail parks at **Antwerpen, Rocourt, Braine l'Alleud, Eupen** and **Westerlo.**

Completion new retail park at **Beringen.**

02

Retail clusters

Expansion retail cluster at **Schoten - Bredabaan**.

Restructuring and expansion retail property customized to Orchestra.

03

Solitaire players

Project development at **Genk (Winterslag)**.

Project customized to Aldi after demolition and reconstruction.

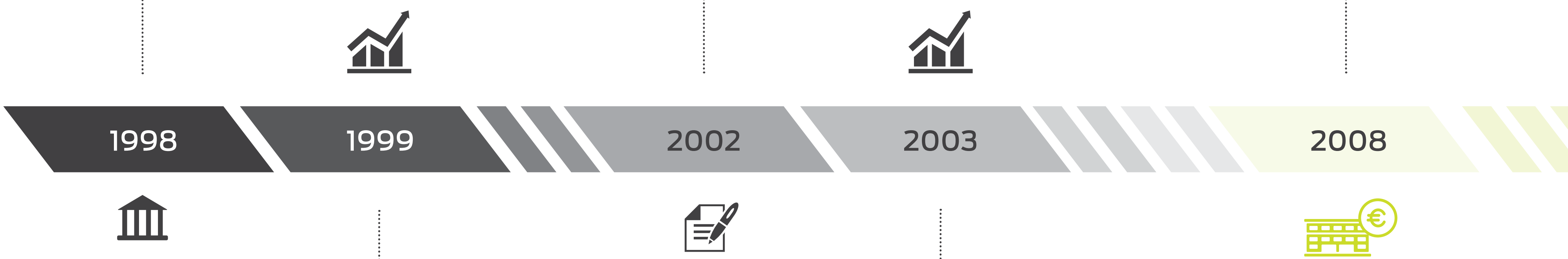
01

Key events 1998-2016

Retail Estates on the stock exchange
IPO and first listing on Euronext Brussels

Independant
Retail Estates becomes an independently managed investment company with fixed capital

Value property portfolio
Property portfolio reached the cape of EUR 250 million



Strengthening of the capital
1e public capital increase

Strengthening of the capital
2e public capital increase

2011

Value property portfolio
Property portfolio exceeds EUR 500 million

2012

Retail Estates on the stock exchange
Market capitalisation more than EUR 250 million
Optional stock dividend offered to the shareholders for the first time

2013

Strengthening of the capital
3e public capital increase

2014

Diversification by bond
bond issue - private placement

Amendment
of the articles of association
Sicaf becomes Belgian Reit
(regulated real estate company)

2015

Strengthening of the capital
4e public capital increase

Retail Estates on the stock exchange
Market capitalisation exceeds almost EUR 700 million

2016

Value property portfolio
Property portfolio reaches the cape of EUR 1 billion

Diversification by bond
bond issue - private placement

02

Key figures 2014-2016

The financial year of Retail Estates nv starts on 1 April and ends on 31 March. The key figures below are consolidated figures.

REAL ESTATE PORTFOLIO	31/03/16	31/03/15	31/03/14
Total retail properties	634	554	548
Total lettable area in m²	708,879	611,076	570,870
Estimated fair value in EUR	1,000,799,000	837,121,000	745,916,000
Estimated investment value in EUR	1,025,536,000	857,862,000	764,193,000
Average rent prices per m²	95.86	92.48	90.78
Occupancy rate	98.22%	98.78%	98.17%

BALANCE SHEET INFORMATION			
Shareholders' equity	474,170,000	381,212,000	356,524,000
Debt ratio (RREC legislation*, max. 65%)	49.95%	51.54%	49.10%

RESULTS			
Net rental income	61,680,000	52,706,000	47,024,000
Property result	61,386,000	52,334,000	46,761,000
Property charges	-4,504,000	-3,362,000	-3,044,000
General costs and other operating costs and income	-2,841,000	-2,888,000	-2,400,000
Operating result before result on the portfolio	54,041,000	46,084,000	41,316,000
Result on the portfolio	10,557,000	6,610,000	3,496,000
Operating result	64,598,000	52,694,000	44,812,000
Financial result	-21,774,000	-17,128,000	-15,787,000
Net result	42,035,000	35,238,000	28,568,000
Net current result (excl. result on the portfolio)	36,473,000	28,628,000	25,072,000

INFORMATION PER SHARE	31/03/16	31/03/15	31/03/14
Number of shares	8,866,320	7,559,473	7,290,411
Number of shares entitled to dividend	8,866,320	7,559,473	7,290,411
Net asset value IFRS	53.48	50.43	48.90
Net asset value EPRA	56.66	53.68	52.18
Net asset value (investment value) excl. dividend excl. IAS 39	56.27	53.34	51.70
Gross dividend per share	3.20	3.10	3.00
Net dividend per share	2.336	2.325	2.25
Gross dividend yield on closing price	4.28%	4.22%	5.36%
Net dividend yield on closing price	3.09%	3.16%	4.02%
Closing price on closing date	78.00	76.64	58.92
Average share price	73.53	64.91	56.35
Evolution of share price during the financial year	5.65%	30.01%	1.58%
Over-/undervaluation compared to net asset value IFRS	45.85%	51.97%	20.49%

* 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).

RISK MANAGEMENT

01

RISK MANAGE-MENT

RETAIL CLUSTER NAMUR-NORTH (CHAMPION) ->

01

Market value of the real estate

The value of the portfolio is assessed by independent real estate experts on a quarterly basis. A fall in value leads to a decrease in the company's equity and a rise in value leads to an increase in the company's equity.

The value of the out-of-town retail properties is mainly determined by the commercial value of the property locations. Owing to a shortage of sites in good locations, the supply and demand is exerting upward pressure, both in the market for private investors and among institutional investors. Values are generally inflation-proof due to rent indexation, but are also interest-sensitive because of the high level of debt with which many investors work. Institutional investors' willingness to invest can suffer sharp temporary falls, due to macro-economic factors influencing the availability and cost of credit. Experience shows that the private investor market, which continues to represent over 35 % of investments, is less sensitive in this respect.

02

Developments in the rental market

It goes without saying that there are various risks in this area. Risks may take the form of vacant properties, but can also pertain to rentability, tenant quality, building ageing, and the trend in supply and demand in the rental market. In the first instance, these risks are reflected in the evolutions of letting values. In this context, special attention should be given to the evolution of the relative importance of the various sales channels available in retail business. They consist of traditional channels such as stores in central locations and shopping malls, local shops, hypermarkets and supermarkets and large-scale peripheral stores, as well as distance selling through internet sales. The relative importance of each of these individual channels constantly changes. On balance, the peripheral retail business and particularly the store premises of the type Retail Estates nv invests in are part of the successful concepts of the past 25 years. Several of Retail Estates' tenants have integrated the trumps of distance selling in their shopping concept, sometimes even in their stores, which is good for their market position. If the sales channels where Retail Estates nv invests in would become less important, this will inevitably have an adverse impact on the profitability of its tenants and put the rental value under pressure. Of course there is also a bad debt risk, despite precautions taken by the management, which tries to do everything possible to review the creditworthiness and reliability of tenants in advance. However, the creditworthiness of tenants can change drastically during the course of the lease agreement, and the lessor cannot terminate the relationship unilaterally. A decline in the turnover of retail trade in one or several sectors may significantly harm the profitability of the tenants. In such cases, even the customary three to six month bank guarantee is insufficient to cushion all risks. The legislation on commercial lease

> " THE PERIPHERAL RETAIL BUSINESS AND PARTICULARLY THE STORE PREMISES OF THE TYPE RETAIL ESTATES NV INVESTS IN ARE PART OF THE SUCCESSFUL CONCEPTS OF THE PAST 25 YEARS "

agreements and the law on the continuity of companies provide tenants with extensive, long-term protection. In case of disputes, this legislation is often interpreted flexibly by judges, in favour of the tenant. In addition, tenants, contrary to the lessor, are legally entitled to terminate the lease agreement unilaterally, every three years.

03

Structural state of the buildings

The management does everything within its power to anticipate these risks. To this end, it implements a consistent policy on major repairs that fall under the lessor's responsibility. In practice, these repairs are mainly limited to the renovation of car parks and roofs.

04

Financial risks

Duration of the loans

Financing is concluded on a long-term basis in the form of "bullet loans", i.e. loans whose capital must be repaid in a single instalment after a period of five to eight years. During the duration of the loan, the public regulated real estate company (Belgian REIT, hereafter "public RREC") only pays the interest. As of 31 March 2016 the average term of its credit agreements is 4.17 years.

Use of financial instruments

Changing interest rates may expose the company to the risk of increased interest charges. The company implements a conservative policy, which keeps the interest risk to a minimum.

For covering the interest rate risk on long-term loans negotiated on a variable rate basis, Retail Estates nv uses Interest Rate Swaps. If the Euribor interest rate (the interest rate for short-term loans) falls sharply, the market value of these instruments goes down. These fluctuations in the fair value of hedging instruments, however, concern an unrealised and non-cash item insofar as the products are held to maturity. All derivatives are held purely for hedging purposes. No speculative instruments are held.

Developments of interest rates

Higher interest rates result in increased financial expenses and a decrease in net current result. In the current context of negative interest rates, the method used by some banks of demanding a floor for the Euribor rate (which is used as a reference in the financing contracts) of 0%, has a negative effect on the financial costs. For hedging the interest rate risk against rising rates, Retail Estates nv makes use of Interest

Rate Swaps as noted above. Under the interest rate policy conducted by the company, 75.63% of the current loans, have been hedged with a fixed interest rate. In addition, a large part of the loans to be renewed are forward hedged. The average interest rate of the public RREC is 3.64%

Counterparty risk in banking

Entering into bank loans and concluding hedging instruments with financial institutions will create a counterparty risk for the company if the financial institutions default. This risk can be limited by spreading these bank loans and hedging instruments across various banking institutions.

Covenant risk in banking

Due to its strong track record and based on a number of covenants, financial institutions grant loans to Retail Estates nv. Failure to fulfil the covenants may result in the premature cancellation of the loans. The loans carry particularly conventional covenants that mainly pertain to the retention of the status of a regulated real estate company and a maximum permissible indebtedness. The company satisfies all the covenants laid down by the banks. In addition to this, under Article 24 of the RREC R.D., Retail Estates nv will draw up a budget forecast that will be executed if, at any time, the consolidated debt ratio, within the meaning of the R.D., exceeds 50 %. The forecast will describe the measures to be taken in order to prevent the consolidated debt ratio rising above 65 % of the consolidated assets. The evolution of the debt ratio will be evaluated on a regular basis, and there will be a preliminary analysis of how every proposed investment operation would affect the company's debt ratio.

05

Technical risks relating to permits

The value of out-of-town retail properties largely depends on holding all the urban planning permits and licences required under the trade-premises legislation, depending on the intended purpose of the premises.

" THE VALUE OF THE OUT-OF-TOWN RETAIL PROPERTIES IS MAINLY DETERMINED BY THE COMMERCIAL VALUE OF THE PROPERTY LOCATIONS. "

The management pays the necessary attention to this issue when acquiring and developing retail premises.

Where external circumstances require a change in retail activity, it is necessary to apply for modifications to previously granted permits.

Obtaining such modifications is frequently time-consuming and hardly transparent, with properties lying temporarily vacant even though tenants have been found.

In such situations, the management tries to limit the risks by maintaining and budgeting realistic expectations of lease renewals.

06

Modification of the traffic infrastructure

By definition, out-of-town retail properties are mainly accessible by means of regional roads. For traffic safety reasons, these roads are regularly resurfaced or renewed in order to feature new roundabouts, bicycle lanes, tunnels, etc. Such reconstruction work usually benefits the commercial value of retail premises, as the traffic flow is often slowed down and the surroundings of the retail premises made safer. However, in exceptional cases, the possibility that the accessibility of some retail premises may consequently be limited cannot be excluded.

07

Risks linked to the acquisition of real estate by share transactions

A substantial portion of the real estate portfolio has been acquired by gaining control of real estate companies. These companies are absorbed by Retail Estates nv in order to enable the full transfer of their assets and liabilities. The management takes the necessary precautions to identify possible risks prior to the acquisition and to obtain the required contractual guarantees from the seller/contributor.

08

Soil pollution

Previously, activities of a potentially polluting nature had taken place at a number of locations where the company owns retail premises. In principle, Retail Estates nv is not responsible for this sort of pollution which is of a 'historical nature'.
In general tenant activities only entail a limited risk of pollution. Moreover, this risk falls under the responsibility of the tenant. However, the procedures under the current legislation in the three regions are complex and time-consuming, potentially leading to investigation and research costs. Earth-moving regulations also represent an additional cost, if the soil on the polluted sites needs to be handled during construction works.

09

Regulatory risks

Risk in connection with regulatory developments

Changes in the regulation, inter alia with respect to tax law, environment, town planning, mobility policy and sustainable development and new provisions regarding letting real estate and the prolongation of required permits to be held by the company may have an impact on its profitability and on the fair value of its assets.

Fiscal legislation

The exit tax, due by companies whose assets have been acquired by an RREC in case of (inter alia) a merger is calculated on the basis of Circular Letter Ci.RH.423/567.729 of the Belgian tax authorities dd. 23 December 2004, the interpretation or practical application of which may change anytime. The "actual tax value" stated in this Circular Letter is calculated less registration taxes or VAT (which would be applicable in case of a sale of the assets) any may differ from the fair value of the real estate as stated in the balance sheet of the public RREC in accordance with IAS 40.

Risks in connection with the public regulated real estate company status

As a public RREC, Retail Estates nv is exposed to the risk of future changes in the legislation on RRECs. In addition, there is also a risk that the public RREC will lose its permits as a RREC. In that case, Retail Estates nv will lose the privilege of the advantageous RREC tax regime. Moreover, the loss of the RREC-status will lead to a break of financial covenants resulting in an early termination of the credit facilty.

Risks in connection with the institutional regulated real estate company status

On the date of this annual report, Retail Estates nv controls one institutional RREC, i.e. Retail Warehousing Invest nv. Retail Warehousing Invest nv, just like Retail Estates nv, is subject, in its capacity of institutional RREC, to the provisions of the Law of 3 August 2012 and to the RREC R.D., that define limitations with regard to (among others) the activities, the processing of results, conflicts of interest, and corporate governance. Meeting these specific requirements on a permanent basis shall also depend on the ability of Retail Warehousing Invest nv to manage its assets successfully, and to respect strict internal audit procedures.

The risks related to this status are similar to those related to the status of public RREC of Retail Estates nv, with the main risk of losing the benefit of the special tax regime of an RREC. In addition, the loss of status is generally mentioned in the relevant credit facilities as an event of default that would result in the early termination of the credit facility and the loss of the RREC-status would have a negative impact on the activities, the results, the profitability, the financial situation and the prospects of Retail Warehousing Invest nv and the group as a whole.

LETTER TO THE SHARE-HOLDERS

02

LETTER TO THE SHARE-HOLDERS

MINE SHAFT RETAILPARK BE-MINE BOULEVARD, BERINGEN →

Dear shareholders,

" THE VALUE OF THE REAL ESTATE PORTFOLIO EXCEEDS THE MILESTONE OF EUR 1 BILLION, AND THE MARKET VALUE OF RETAIL ESTATES ON THE STOCK MARKET REGULARLY LISTS AT A PEAK OF EUR 700 MILLION. "

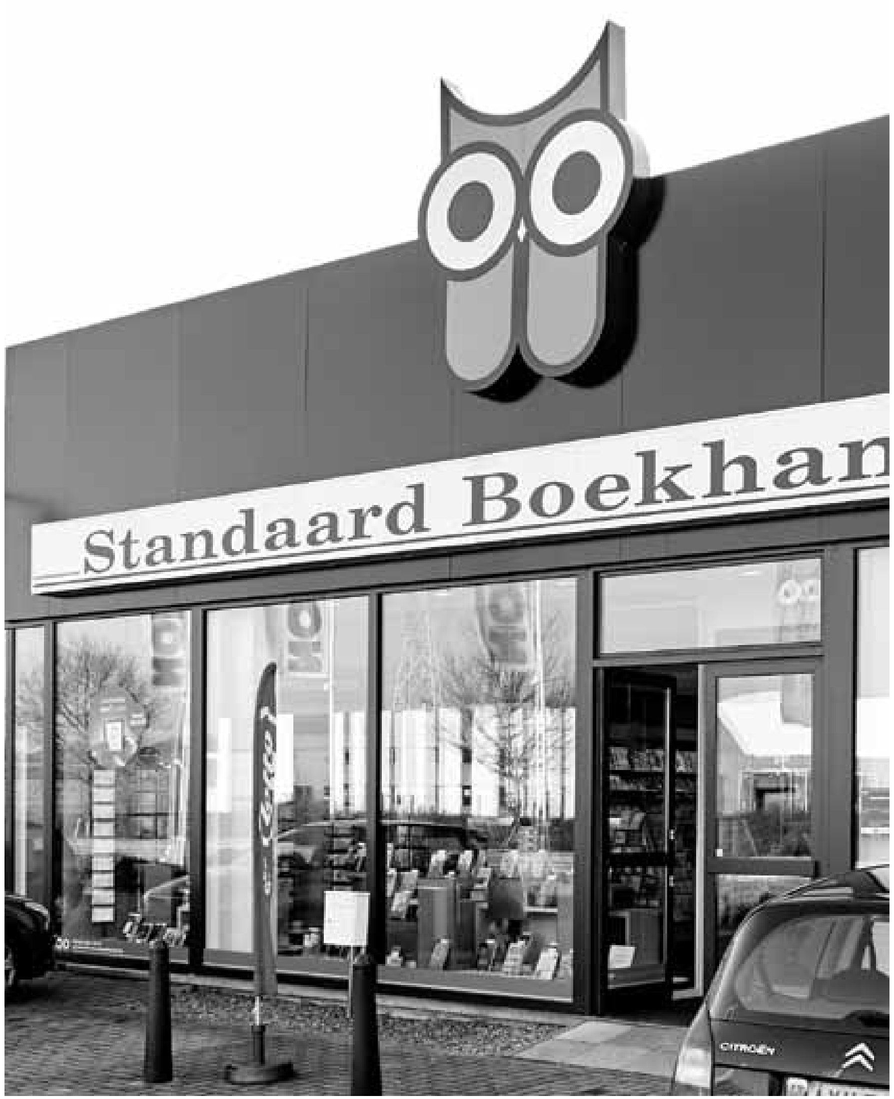
This past financial year, the company enjoyed its strongest growth in the last 18 years. Not only was the capital base again strengthened by the issue of new shares for an amount of EUR 76.21 million, a record amount of EUR 166 million was also invested in expanding the portfolio. With this, the value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

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

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

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

These results have been achieved through the daily commitment and loyalty of the eighteen employees who each in their domain convert "win-win" relationships with our tenants into a "win-win" relationship with all stakeholders, including in the first place you as a shareholder.



The commercial management of 634 retail properties and the follow-up of about 10 companies ensures that they have their work cut out. The integration of the investment wave of the past financial year is an achievement for which we would like to thank them.

The challenges remain unchanged. We seek to attract the right tenant mix in our buildings and to adapt these buildings where necessary to the changing needs of today's consumers. More than ever, we need to be listening to our tenants for the signals they give as consumer, however contradictory they may be. Thus we are increasingly leasing retail properties to shop formats that for many years were the darlings of city centre locations. During the past year, we leased among others to H&M, Standaard Boekhandel and Club, Kruidvat and Hunkemöller. These retailers are discovering the advantages of the easy accessibility of our retail properties in the periphery, and they appreciate the

" THE PORTFOLIO WAS EXPANDED WITH A RECORD NUMBER OF 6 RETAIL PARKS. THIS CONCERNS NOT ONLY 5 EXISTING RETAIL PARKS WITH A STRONG TRACK RECORD, BUT ALSO A NEW RETAIL PARK IN BERINGEN THAT TRULY IS A "STATE OF THE ART" COMPLEX. "

lower accommodation costs. The entire "out-of-town" phenomenon continues to gain momentum since the service sector too is beginning to find its way to our locations. Bank branches increasingly are concentrated in retail locations outside the city centre where they open a large branch to replace several smaller branches. Temporary employment agencies also appreciate our locations. This should come as no surprise: in the end, all of these players are in search of the same consumer.

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

The proposed dividend for the financial year of 2015-2016 which we will present at the next general meeting for your approval amounts to EUR 3.20 gross (EUR 2.336 net) and represents an increase of more than 3% compared to the dividend of the previous financial year, which is significantly more than the meager inflation that we have seen during the same period. Retail Estates thus pays out EUR 28.37 million of its current profit and invests the balance of the unpaid out profit in the growth of the company.

We hope that you will renew your faith in our company after reading our annual report. Along with our 18 employees our board of directors devotes itself to achieve a "sustainable growth" that optimally should benefit your investment. We do not invest in a risk free environment, but we do use our knowledge and experience to reduce the risks. Our customers and consumers who allow retailers to achieve their sales, are our primarily focus. Not coincidentally, we choose anew for the slogan "In retail, we trust."

" THESE RESULTS HAVE BEEN ACHIEVED THROUGH THE DAILY COMMITMENT AND LOYALTY OF THE EIGHTEEN EMPLOYEES WHO EACH IN THEIR DOMAIN CONVERT "WIN-WIN" RELATIONSHIPS WITH OUR TENANTS INTO A "WIN-WIN" RELATIONSHIP WITH ALL STAKEHOLDERS. "

Ternat, 25 May 2016

Paul Borghgraef Chairman of the board of directors	Jan De Nys Managing director

MANAGEMENT REPORT

REPORTING PERIOD 2015-2016

CORPORATE GOVERNANCE

MANAGEMENT REPORT

PROJECT DEVELOPMENT IN GENK (WINTERSLAG) →

RETAILPARKS 2009-2015

2009

> Krüger center - Eeklo

12,344m² store area

> Polis Center - Luik (Barchon)

11,871m² winkeloppervlakte

2010

> Ath Shopping Center

5,270m² store area

2012

> T-Forum - Tongeren

30,930m² store area

> V-Mart - Brugge

14,110m² store area

> Charleroi (Aiseau-Presles)

8,182m² store area

> Gembloux

8,237m² store area

> Lommel

6,938m² store area

2013

> Crescend'Eau - Verviers

21,711m² store area

2014

> Frunpark - Wetteren

10,423m² store area

> Frunpark - Oudenaarde

7,953m² store area

2015

> Antwerpen (Merksem)

16,078m² store area

> Rocourt

10,955m² store area

> Braine l'Alleud

7,331m² store area

> Eupen

7,533m² store area

> De watertoren - Westerlo

11,102m² store area

> Be-MINE Boulevard - Beringen

17,637m² store area

REPORTING PERIOD 2015-2016

01

STRATEGY- INVESTMENT IN PERIPHERAL RETAIL PROPERTIES

GOAL – INVESTMENT IN REPRESENTATIVE PORTFOLIO PERIPHERAL RETAIL PROPERTIES

Retail Estates nv is a public regulated real estate company ("RREC" – 'Belgian REIT') 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 property has an average area of 1,000m².

The most important long-term goal for Retail Estates nv is to assemble, manage and extend a portfolio of peripheral retail properties, which ensures steady, long-term growth, due to its location and the quality and diversification of its tenants. The predetermined growth results both from the value of the asset and the income generated from leasing.

In the short term, the above-mentioned goal is pursued by continuously monitoring the occupancy level of the portfolio, the rental income, and the maintenance and management costs.

The selective purchase and construction of shops at particular locations (so-called ' retail clusters and retail parks') are aimed at simplifying the management and boosting the value of the portfolio.

Retail Estates nv has currently identified 40 clusters, in which it is systematically increasing its investments. These represent 68.15% of its portfolio. The clusters are spread all over Belgium.

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

In principle, Retail Estates nv rents its properties in a structural (i.e. shell) state, with the furnishings, fittings and maintenance left to the discretion of the tenants. Retail Estates nv's own maintenance costs are essentially limited to the maintenance of car parks and roofs, and can be planned in advance.

Most of its tenants are well-known retail chains.

As of the end of March 2016, Retail Estates nv has 634 premises in its portfolio. The retail lettable area amounts to 708,879m², while the occupancy rate measured in rented square metres is 98.22%.

A total of 6,552m² of retail area has received planning permission and is under development. This will be reflected in the calculation of the occupancy level upon provisional delivery of the buildings.

" OVER THE PAST YEARS, RETAIL ESTATES NV HAS CONCENTRATED ON CONTINUOUSLY IMPROVING THE QUALITY OF ITS PROPERTIES AND THE EXPANSION OF ITS PROPERTY PORTFOLIO."

On 31 March 2016, the fair value of the property portfolio of Retail Estates nv and its subsidiaries is estimated by the independent property experts at EUR 1,000.80 million (excluding transaction costs of 2.50%) and the investment value at EUR 1,025.54 million (including transaction costs).

Retail Estates nv has invested a total of EUR 14.72 million in "Distri-Land" real estate certificates. It currently holds 85.57% of the issued "Distri-Land" real estate certificates. The issuer of these real estate certificates owns 11 retail properties with a fair value of EUR 18.66 million. Due to the systematic sale of several retail properties the value of the property portfolio of Immobilière Distri-Land nv (the issuer of the certificates) has been falling for the last three years in a row. However, on 31 March 2016, this value increased exceptionally by the renewal of the leases with Carpetright which were concluded in 1989 for a term of 27 years.

Acquisition criteria

Retail Estates nv seeks to optimise its real estate portfolio, in terms of profitability and potential capital gains, by paying attention to a number of criteria which serve as guidelines when acquiring real estate:

Choice of location

Based on the insight that the management has acquired into the profitability of its tenants, the locations that are selected aim to offer Retail Estates nv's tenants the best chances of success. In this respect, the company seeks to achieve a healthy balance between the supply of retail properties and the demand from retailers. Moreover, the aim is to develop about forty cluster locations and retail parks.

Rental level and initial profitability

In order to reconcile the profitability expectation of Retail Estates nv and its tenants over the long term, special attention is paid to rental levels. Experience shows that the excessive rents charged by certain project developers produce a high level of rotation when sales do not rapidly meet the retailers' expectations.

Geographical distribution

Retail Estates nv spreads its investments over all major centres across Belgium. In practice, however, it hardly ever invests in the Brussels Region, due to the extremely low supply of out-of-town locations there. As a result, the public RREC prefers to concentrate its investments in Flanders and Wallonia and especially in sub-regions with strong purchasing power (mainly the Brussels – Ghent – Antwerp triangle, and the "green axis" of Brussels – Namur – Luxembourg).

Development and redevelopment of property for our own account

Retail Estates nv has significant experience in developing new shops for its tenants for its own account. Experience shows that such developments offer architecturally attractive retail properties which generate a higher initial income than shops offered on the investment market. The importance of redeveloping peripheral shopping clusters into large groups of modern, connected retail properties is increasing by the year. Such redevelopments generally allow one to increase the amount of lettable area and to better align the premises with the tenant's needs. Another distinct advantage of redevelopments is that parking and road infrastructure is improved, and retail properties are modernised.

Diversity of tenants

Retail Estates nv seeks to have as many different retail sectors as possible represented in its list of tenants, with a preference for sectors known to have valuable retail outlets. In times of economic hardship, not all retail sectors are equally affected by a possible fall in turnover. A good distribution over various sectors limits the risks attached to negative economic developments.

" RETAIL ESTATES NV HAS 634 PREMISES IN ITS PORTFOLIO. THE RETAIL LETTABLE AREA AMOUNTS TO 708,879M² "

02

An investment through the public regulated real estate company Retail Estates nv

Since 24 October 2014, Retail Estates nv is a public regulated real estate company. In its capacity of public RREC – and with a view to maintaining this status – the company is subject to the regulations of the RREC legislation, which contains restrictions relative to (among others) the activities, the debt ratio and the result affectation. As long as it respects the above-mentioned rules, the company benefits from an exceptional tax regime. This regime allows Retail Estates nv to pay virtually no corporate tax on its earnings, thereby ensuring that the result available for distribution is higher than for real estate companies that do not enjoy this status. Retail Estates nv, as a public RREC, also has additional assets, such as its strongly diversified real estate portfolio, and the fact that it has been incorporated for an indefinite period of time.

Investments in peripheral retail properties have, over the years, become more attractive, owning to a stricter permit policy adopted by the government, a very limited supply of high-quality shop locations, and the continuously high level of demand. The internationalisation of the retail property market, in conjunction with the shift from city centre to out-of-town shopping, has had a positive influence on the peripheral retail property market. This influence, as well as the tendency to further institutionalise the investment market for peripheral retail properties, not only explains the rise in rents, but also the increase in the fair value of this property in the longer term. Moreover, several tenants of the company incorporated the benefits of distance selling – by

means of online selling – in their retail concept. This tendency even extends to the points of sale, which is beneficial for these companies' market position.

With the share of Retail Estates nv, each shareholder has an investment instrument which can be traded freely and cashed in at any time via Euronext. The shares of Retail Estates nv are entirely held by the public and a number of institutional investors. On 31 March 2016, 5 shareholders have reported that, in accordance with the transparency legislation and Retail Estates nv's articles of association, they have stakes exceeding the statutory threshold of 3% and/or 5% (further explanation on page 45 of this annual report).

In the Euronext pricing lists, which are published in the daily press and on the Euronext website, shareholders can follow the evolution of their investments at all times. The company also has a website (www.retailestates.com) with relevant shareholder information.

The net asset value (NAV) of the share forms an important indication of its value. The net asset value is calculated by dividing the consolidated shareholders' equity by the number of shares. The NAV (IFRS) amounts to EUR 53.48 on 31 March 2016. This is an increase of 6.05% (EUR 50.43 in the previous year). On 31 March 2016, the stock market price of the share is EUR 78.00, representing a premium of 45.85%.

The NAV (EPRA) amounts to EUR 56.66 in the year under review compared to EUR 53.68 in the previous year. This increase is due to the positive variations in the value of the real estate investments, and the result of the financial year. Compared to the previous financial year, the number of shares of Retail Estates nv increased by 1,306,847. Hence, there is no dilution of the NAV per share.

03

Significant events in the past financial year (01/04/2015-31/03/2016)

Investments – retail parks

Completion framework agreement Orchestra

On 20 May 2015, Retail Estates nv acquired the exclusive control of Fimitobel nv, owner of a retail property in Aalst. This acquisition is part of the execution of the framework agreement concluded with Orchestra-Prémaman Belgium nv on 14 October 2014. The investment value on the property amounts to EUR 1.91 million. On 29 January 2016 the last part of the framework agreement, the acquisition of a retail property in Aartselaar, was completed. The acquisition was done via contribution in kind for an amount of EUR 2.85 million.

Acquisition retail properties through four real estate companies – Rockspring portfolio

With effect on 30 June 2015, 69 retail properties were acquired with an acquisition value of EUR 129 million, through the acquisition of the control of four real estate companies. The properties represent an expected annual rental income of EUR 7.94 million. The real estate portfolio of these companies consists of 9 retail parks and 2 individual retail properties. All locations have a proven positive track record of more than 25 years, with the exception of the retail park in Westerlo, which suffered from the opening of a retail park in its immediate vicinity, in Olen. Retail Estates has started restructuring the retail park to update the image of the park and eliminate the vacancy.

Two retail parks situated in Antwerp (Merksem) and Liège (Rocourt) are among the top 5 of best locations in the city periphery retail market. The other seven retail parks have a strong regional customer base. They are located in Bierbeek (Korbeek-Lo, municipality bordering Leuven), Braine l'Alleud, Eupen, Overijse, Verviers, Waregem and Westerlo (Oevel). The two individual retail properties are located in Sint-Pieters-Leeuw (Ruisbroek). With the exception of three properties in Westerlo that will be rebuilt, all retail properties have been leased, almost all to chain stores.

- The retail park in **Antwerp** (Merksem) is located along Bredabaan and consists of 13 retail properties with a total surface area of 15,892m², with an expected annual rental income of EUR 2.14 million. The park's tenants include C&A, Shoe Discount, Vanden Borre and Carpetright.

- The retail park in **Liège (Rocourt)** is part of a larger site that was created around the Cora hypermarket. 12 retail properties were acquired at this location with a total surface area of 10,992m² and an expected annual rental income of EUR 1.64 million. The main tenants are C&A, JBC, Quick, Krëfel and Chaussea.

- The retail park in **Eupen** has 10 retail properties with a total surface area of 7,532m² and an expected annual rental income of EUR 0.72 million. Its main tenants are Brantano, C&A, JBC and Veritas.

- The retail park in **Bierbeek (Korbeek-Lo, municipality bordering Leuven)** is located along Tiensesteenweg where a strongly developed peripheral shop location has developed around the Carrefour hypermarkt. The retail park contains 6 retail properties with a total surface area of 5,936m² and an expected annual rental income of EUR 0.68 million. Tenants of the retail park include Brantano, Torfs, Blokker and Leen Bakker.

– The retail park at **Braine l'Alleud**, where Retail Estates nv has been making investments for a number of years, is among the better locations in Walloon Brabant. The retail park consists of 7 retail properties representing a total surface area of 7,264m². Expected annual rental income is EUR 0.65 million. Almost all tenants have been present continuously since the opening of the retail park in 1990. The most important are Brantano, C&A, AVA and Maxi Toys.

– In **Overijse** 3 retail properties were acquired with a total surface area of 4,381m² and an expected annual rental income of EUR 0.58 million. Its tenants are Aldi, AVA and Krëfel.

– The retail park in **Westerlo** dates from 1989 and consists of 9 retail properties with a total surface area of 7,189m² and an expected annual rental income of EUR 0.58 million. Three non-leased retail properties with a total surface area of 4,250m² will be modernised before being offered for lease. Its main tenants are C&A, Avance, Shoe Discount, ZEB and Primo.

– 4 retail properties were acquired in **Waregem** along Gentsesteenweg. The properties have a total surface area of 5,000m² and an expected annual rental income of EUR 0.39 million.

– Lastly, 3 retail properties were acquired in **Verviers** along Boulevard de Gérardchamps. Total shop area is 4,770m² and expected annual rental income is EUR 0.32 million. Its main tenants are Brantano, Maxi Toys and Blokker.

Beringen (Mijn Retail nv)

On 10 April 2014, Retail Estates nv and be-MINE nv concluded a joint venture for the development of a retail park, with a total built-up area of 18,000m². On 27 May 2014, the partners established a special purpose company "Mijn Retail nv".

The retail park has been delivered on 31 August 2015 and, all 12 units are let and opened to the public. The following retailers will rent a unit at the Beringen site: Brico, AVA, Albert Heijn, Chaussea, ZEB, Vanden Borre, Maxi Zoo, Bent, Lola&Liza, H&M and Bel&Bo.

On 30 September 2015, the interest of the minority shareholder in Mijn Retail nv has been acquired for an amount of EUR 11.77 million. The retail properties represent an expected annual rental income of EUR 1.85 million.

Beringen (Mijn Retail nv)

> Surface area	17,637m²
> Location	Limburg
> Investment	€ 29.91 million
> Annual rental income	€ 1.85 million

Nijvel (Texas Management nv)

> Surface area	5,779m²
> Location	Waals-Brabant
> Investment	€ 9.22 million
> Annual rental income	€ 0.58 million

Nijvel (Texas Management nv)

On 29 October 2015 Retail Estates nv acquired the exclusive control of the company Texas Management nv. This company is owner of a site in Nivelles, where a new retail park was constructed. This retail park consists of 4 retail properties with a total surface area of 5,779m² and generates an expected annual rental income of EUR 0.58 million. The investment in this transaction amounts to EUR 9.22 million.

This transaction reflects the intention of Retail Estates nv to increase its investments in Walloon Brabant.

Kontich (TBK bvba)

On 10 March 2016 Retail Estates nv acquired the exclusive control of the company TBK bvba. This company is owner of a site in Kontich. The property consists of 3 retail properties, a gym and a catering business, with a total surface area of 6,191m², and generates an expected annual rental income of EUR 0.67 million. The investment in this transaction amounts to EUR 10.31 million.

The above-mentioned acquisitions occurred at a valuation which corresponds with the fair value of the concerned retail properties or retail parks as determined by the property experts CBRE and Cushman & Wakefield.

Project developments

On 1 June 2015, the project in Erpent was delivered. A retail property of 951m², let to Eclipse sprl (dealer Auping), was opened. The expected annual rental income amounts to EUR 0.12 million.

On 1 January 2016, the project in Genk (Winterslag) was delivered. It concerns the extension of an existing Aldi branch. The expected annual rental income amounts to EUR 0.15 million.

Real estate portfolio optimization

Retail Estates nv pays close attention to the changing needs of its tenants with respect to retail area. Several tenants are systematically expanding their product range and regularly request an expansion of their shop. This can take place through the acquisition of space from adjacent tenants by extending the existing shop or by a combination of both.

Renovations sometimes include more than just an expansion of the retail area; Retail Estates nv makes regular use of renovation opportunities to also demolish a shop façade and replace it with a contemporary version that better fits the tenant’s image. In the past financial year, the building in Waregem received a new façade.

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

Divestments

In the past financial year, retail properties were sold for a net selling price of EUR 11.80 million. On these buildings, a net added value of EUR 0.34 million was realised.

The buildings sold are located in Bilzen (1 property, 990m²), Tienen (1 property, 1,080m²), Beyne-Heusay (1 property, 914m²), Bruges (1 property, 1,620m²) and Hannut (6 properties, 2,963m²). At the time of the sale, the fair value of these properties was EUR 8.63 million.

By notarial deed of 15 September 2015 the real estate certificate Distri-Land sold the property in Kuurne, let to Carpetland, for a net selling price of EUR 2.35 million. On 30 October 2015, the sale proceeds were paid to the certificate holders. On this sale, Retail Estates nv realised an added value of EUR 0.34 million.

On several notarial deeds past during the month of March 2016 2 apartments and one office area in casco state were sold for a net selling price of EUR 0.70 million. These areas were sold at cost price. As in many other communes, the local government of the city of Namur insisted on the creation of a property with mixed use to grant a license to Retail Estates nv for the establishment of retail property.

Furthermore, 9 plots of land of the Westende site have been sold, for a net selling price of EUR 0.072 million per plot of land. On these 9 plots of land an added value of EUR 0.026 million per plot of land was realised.

These divestments are part of an annual reoccurring sales programme concerning individual retail properties that, due to their location or retail size and/or the business activity practiced therein, do not fit within the core portfolio of Retail Estates nv.

Investments: conclusion

The purchases and own developments in the financial year 2015-2016, decreased by divestments, resulted in a real estate portfolio increase of EUR 155.06 million. As a result of these investments, the total rental income in the financial year 2015-2016 rose by EUR 6.90 million and decreased with EUR 0.23 million as a result of the divestments during the past financial year. If the acquisitions and sales had occurred on 1 April 2015, the rental income would have increased by EUR 10.86 million.

The investments are financed by a mix of equity capital (issue of new shares by contribution in kind or in the capital market) and debt (financing of working capital by the banks, a bond issue,...). The ratio of debt/equity used in new investments is between 50% and 55%, thus within the debt level limits set by the board of directors.

" RETAIL ESTATES NV PAYS CLOSE ATTENTION TO THE CHANGING NEEDS OF ITS TENANTS WITH RESPECT TO RETAIL AREA. "

Management of the real estate portfolio

Occupancy rate

The occupancy rate of the real estate portfolio of Retail Estates nv is 98.22%.

It goes without saying that the occupancy rate has to be viewed as a 'snapshot' taken at a particular point in time, and, thus, concealing a series of changes which occurred over the previous financial year. It does not offer any guarantee for the future, given that the imperative legislation governing commercial leases provides for a triennial termination option for all tenants.

Rental income

During the past financial year, 4 smaller tenants and the retailer Primo (sports shops whose 5 branches are leased from Retail Estates NV) filed for bankruptcy. For the non-recoverable receivables the necessary provisions were calculated.

At the end of this financial year, outstanding trade receivables amount to EUR 0.95 million. A total of EUR 0.25 million concerns the revolving fund and the reserve fund. Given the guarantees received – both rental guarantees and the requested bank guarantees – the credit risk on the trade receivables is limited to around 50% (EUR 0.35 million) of the outstanding amount on 31 March 2016.

Damage claims

In the past year, no buildings were damaged by fire or other major disaster. Unfortunately, vandalism is a recurring problem for stores located at the outskirts of large urban agglomerations.

Capital increases (within the framework of the authorised capital):

Capital increase in cash

On 5 May 2015 the board of directors of Retail Estates NV has decided to proceed with a capital increase. During the subscription period with preferential subscription rights, closed on 21 May 2015, 1,113,317 new shares have been subscribed, being 88.38% of the new shares.

The 878,538 non-exercised preferential subscription rights have been sold on 26 May 2015 in an accelerated private placement to investors, as described in the prospectus. Investors acquiring the scrips irrevocably undertook themselves to subscribe 146,423 new shares, at the same subscription price and in accordance with the same subscription rate, i.e. one new share at EUR 60.50 for six scrips. The realisation of the capital increase was established on 28 May 2015. The gross proceeds of the operation amounted to EUR 76,214,270 and were entirely reinvested (see "Investments" page 31). The new shares participate in the profits as of 1 April 2015, being the beginning of the year 2015-2016.

Capital increase through contribution in kind

On 29 January 2016, the last part of the framework agreement with Orchestra-Prémaman Belgium nv, the acquisition of a retail property in Aartselaar, was executed. The property was transferred by means of a contribution in kind into the capital of the company. For this contribution in kind, the board of directors of Retail Estates nv issued 47,107 new shares (issue price of EUR 60.50 per share) within the powers granted to it with regard to the authorised capital. The contribution value of this property amounts to EUR 2.85 million and represents an capital increase of EUR 1.06 million. The capital amounts to EUR 199.50 million and is assigned to the balance sheet item "issue premium") with EUR 1.79 million to EUR 151.50 million. After this capital increase the capital is represented by 8,866,320 shares.

Merger by absorption of subsidiaries

On 30 November 2015, 28 December 2015 and 19 February 2016 the merger by absorption of the companies Mijn Retail nv, Aalst Logitics nv and Frun Park Wetteren nv were established by the board of directors, respectively with effect on 30 November 2015, 31 December 2015 and 29 February 2016.

On 2 March 2016, the merger proposal regarding the merger by absorption of the company Paneuropean Retail Properties was submitted, and this with a view to a merger with effect on 30 June 2016.

Mergers of subsidiaries facilitate the administrative management and lead to a decrease of the taxable income of Retail Estates nv's subsidiaries.

Events after the balance sheet date

Private placement of bonds

On 29 April 2016, Retail Estates nv successfully proceeded to a private placement of a ten-year bond, for a total amount of EUR 30 million, with maturity on 29 April 2026. For an amount of EUR 26 million of the total placement, the bonds have been placed with a floating interest rate and for an amount of EUR 4 million with a fixed interest rate.

The net proceeds of the bond will be used for the financing of the working capital of Retail Estates nv. By means of this bond, funding resources are further diversified and the average maturity of the debt is prolonged.

04

Comments on the consolidated financial statements for the financial year 2015-2016

Balance sheet

Investment properties (including project developments) have increased from EUR 837.12 million to EUR 1,000.80 million. This is primarily explained by the extension of the portfolio by EUR 163.15 million and the sales of properties worth EUR 3.97 million. Assets held for sale have increased from EUR 4.82 million to EUR 8.22 million. Recorded under assets held for sale at the end of each quarter are those assets for which a sales agreement has been signed but the final deed of sale has not yet been enacted. In the financial year 2015-2016, assets were added to the assets held for sale in the amount of EUR 10.87 million, while assets in the amount of EUR 7.49 million were sold.

Current assets amount to EUR 13.10 million, consisting of EUR 8.22 million of assets held for sale, EUR 1.37 million of trade receivables, EUR 1.46 million of tax receivables and other current assets, EUR 1.31 million of cash and cash equivalents, and EUR 0.73 million of deferred charges and accrued income.

The shareholders' equity of the public RREC amounts to EUR 474.17 million. The registered capital amounts to EUR 199.50 million on 31 March 2016, an increase of EUR 29.40 million compared to last year, as a result of the capital increases mentioned above. After deducting the costs of the capital increases, the accounting capital amounts to EUR 194.54 million. In the financial year 2015-2016, 1,306,847 new shares were created. For the same reasons, the share premiums have increased from EUR 101.84 million to EUR 151.50 million. The company's reserves amount to EUR 86.09 million and consist of unrealised gains due to valuation of the real estate portfolio at fair value (EUR 91.73 million), the result carried forward from previous financial years (EUR 29.42 million), available reserves (EUR 11.97 million), legal reserves (EUR 1.07 million), minus the fair value impact of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties (EUR -24.94 million) and variances in the fair value of financial assets and liabilities (EUR -23.16 million). The group uses financial derivatives (interest rate swaps) to hedge against interest rate risks deriving from operational, financial and investment activities. Financial derivatives are initially recognised as costs and are revalued at fair value at subsequent reporting dates. The derivatives currently used by Retail Estates nv qualify (for accounting purposes) to a limited degree as cash flow hedges. The changes in the fair value of derivatives that do not qualify as cash flow hedges are recognized immediately in the income statement. The changes in fair value of the swaps that qualify as cash flow hedges are recognized directly in the equity and not in the income statement.

The negative value of these instruments is due to the sharp fall in interest rates which has continued since the end of 2008 under the impetus of the US and European central banks.

The net result of the financial year is EUR 42.03 million, comprising EUR 36.47 million in net current profits, EUR 10.22 million in profit on the portfolio and EUR -4,99 million in IAS 39 results (changes in fair value of financial assets and liabilities).

Non-current liabilities amount to EUR 456.18 million, including EUR 428.02 million in non-current financial debts with an average term of 4.17 years. The remaining non-current liabilities pertain to accruals, authorised financial instruments (interest swaps) and deferred taxes.

Current liabilities amount to EUR 85.27 million, of which EUR 21.07 million in trade payables and other current debts. These mainly relate to trade accounts payable for an amount of EUR 0.81 million, estimated taxes for an amount of EUR 0.59 million, accounts receivable for an amount of EUR 6.17 million and exit taxes for an amount of EUR 13.22 million. The current financial liabilities amount to EUR 42.60 million.

Other current liabilities have increased, from EUR 15.37 million to EUR 15.63 million. This increase is explained by the debts for the further acquisition of the shares in Mijn Retail nv, which are not yet owned by Retail Estates nv.

On 31 March 2016, the average interest rate is 3.64%.

Income statement

Net rental income has risen by EUR 8.97 million. This can primarily be explained by the acquisition of additional properties during the 2015-2016 financial year (EUR 7.25 million) and the acquisition of properties in the previous financial year, which, for the first time, generated a full year's rental income (EUR 2.13 million). The sale of properties resulted in EUR 0.20 million fall in rental income. This financial year, the sale of properties resulted in a decrease of the net rental income of EUR 0.30 million. The impact of contract renewals amounts to EUR 0.12 million. Discounts, vacancy and indexation (EUR -0.02 million) also had an impact.

Property charges amount to EUR 4.50 million, and have increased by EUR 1.14 million, mainly due to an increase of technical and commercial costs due to the extension of the portfolio. Corporate operating costs amount to EUR 2.84 million, a small increase of EUR 0.04 million compared to the previous year.

The result of the disposal of investment properties amounts to EUR 0.34 million. This profit is the result of the sale of properties for EUR 11.46 million (fair value). For further details, we refer to the section "Divestments" in this chapter.

The positive variation in the fair value of real estate investments amounts to EUR 10.22 million, mainly due to the tightening of the yield on top locations and the impact of rent renewals.

The financial result is EUR 21.77 million compared to EUR 17.13 million the year before. The decrease of the average interest rate from 4.35% to 3.64% compensates the increase of the interest expense, relating to additional loans taken up to finance the further expansion of the portfolio. The increase of the total financial charges results from the change in the fair value of the swaps not qualifying for hedge accounting. These changes are however a non-realised and non-cash item.

The net current result (i.e., the net result, without the property portfolio result) is EUR 36.47 million, compared to EUR 28.63 million last year.

" THE POSITIVE VARIATION IN THE FAIR VALUE OF REAL ESTATE INVESTMENTS DUE TO THE TIGHTENING OF THE YIELD ON TOP LOCATIONS AND THE IMPACT OF RENT RENEWALS."

Prospects for the financial year 2016-2017

For the financial year 2016-2017, the company expects a rental income of EUR 63.50 million, on the basis of the expected composition of the real estate portfolio, and subject to unforeseeable circumstances. This number only takes into account the acquisitions and disposals for which an agreement has been signed, and the investments which are licensed and contracted.

Just like in the previous financial years, Retail Estates nv expects that the dividend for the financial year 2016-2017 will grow, in line with previous years, as a result of which it is minimally inflation resistant. For the financial year 2016-2017, Retail Estates nv's target is a dividend of EUR 3.30 gross (EUR 2.409 net). This would imply an increase of 3.12% compared to the dividend of the financial year 2015-2016 (EUR 3.20 gross).

Appropriation of the profit

The board of directors proposes to allocate the profit of the financial year, as shown in the statutory annual accounts, as follows:

	EUR
Result of the year	35,904
Transfer of result on portfolio and revaluation of participations to available reserves (portfolio result)	-11,787
IAS 39 result	5,006
Profit for the financial year	29,123
Result carried forward from the previous financial year (IFRS)	23,623
Increase in result carried forward due to merger and other	2,524
Other	
Payment of dividend 31 March 2016	-28,372
Result to be carried forward	26,898

The board of directors of the limited liability company Retail Estates will propose to the company's shareholders' meeting, to be held on 1 July 2016, a gross dividend for the financial year 2015-2016 (which began on 1 April 2015 to end on 31 March 2016) in the amount of EUR 3.20 (or EUR 2.336 net, i.e., the net dividend per share after the deduction of 27% in withholding tax) per share, which participates in the result of the financial year 2015-2016.

Miscellaneous items

Research and development

The company has not undertaken any activities or incurred any expenditure in the area of research and development.

Branches

The company does not have any branches

CORPORATE GOVERNANCE

05

Corporate Governance declaration

This declaration adheres to the provisions of the Belgian Corporate Governance Code 2009 and the law of 6 April 2010 amending the Belgian Companies Code.

Retail Estates nv applies the Code of 12 March 2009 as its reference code (hereinafter referred to as "the Code").

On 5 May 2015, an adjusted version of the Corporate Governance Charter – taking into account the relevant recent developments – was approved by the board of directors. The Charter can be found at the website: www.retailestates.com.

Remuneration report

Introduction and context

Retail Estates nv has prepared a remuneration report with regard to the remuneration policy for its directors. Retail Estates nv does not have a management committee ('directiecomité'/'comité de direction'). The board of directors has 11 non-executive and 2 executive directors, i.e. the executive chief financial officer (Mrs. Kara De Smet) and the managing director (Mr. Jan De Nys) who together assume the effective management of Retail Estates nv and its subsidiaries.

The report was prepared by the remuneration committee in accordance with Article 96 §3 of the Belgian Companies Code and was approved by the board of directors of 25 May 2016. It will be submitted to the annual shareholders' meeting of 1 July 2016 which is to approve or disapprove the report by a separate vote.

Remuneration policy

Principle

The remuneration policy of Retail Estates nv is prepared in such a way that it takes into account a market-compliant remuneration which enables the company to attract and retain talented directors, while also considering the size of the company and its financial prospects. Moreover, this remuneration must also be proportionate to the responsibilities associated with the capacity of a director in a listed company. On the other hand, the expectations of the shareholders must also be met.

The remuneration and nomination committee analyses the applied remuneration policy on a yearly basis and assesses whether an adjustment needs to be made and makes the necessary recommendations to the board of directors, which in turn must propose their recommendations to the shareholders' meeting.

Internal procedure – financial year 2015-2016

The remuneration committee met twice over the past financial year to verify and adjust where necessary the remuneration budgets of the directors individually and the personnel budget in its entirety, in accordance with the responsibilities of the persons in question and the medium and long-term objectives that the board of directors has established for the company. In this respect, the executive directors are analysed both in terms of the overall remuneration level and the distribution of the different components. In addition, the remuneration committee has defined, analysed and established the objectives for the level of the managing director's variable remuneration and the procedure for the realisation of the underlying objectives for the financial years 2015-2016 and 2016-2017.

In view of the foregoing, a limited benchmarking was carried out with executive director positions of comparable listed real estate companies.

A similar analysis and benchmarking is carried out every three years for the non-executive directors.

Remuneration of the directors

1. In the course of the financial year 2015-2016, the following remuneration (in EUR) was awarded to the Mr. Jan De Nys - managing director:

Jan De Nys - managing director	2015-2016
Fixed remuneration	234,000
Premiums group insurance	39,000
Variable remuneration	68,000
TOTAL	341,000

The remuneration of the position of managing director, assumed by Mr. Jan De Nys since the initial public offering of Retail Estates nv in March 1998, takes into account his experience and track record in terms of establishing and developing the company. It further relies on the foundation of his experience gained in the retail environment in Belgium and abroad, as well as his commercial, legal and financial knowledge which is necessary for the development of a portfolio of peripheral retail properties and the daily management of a listed company. He carries out his mandate personally as an independent manager.

The fixed remuneration is indexed annually on 1 April. The variable remuneration of the managing director is determined annually by the board of directors, and is based on a proposal made by the remuneration committee. This allowance shall not exceed 25% of the fixed remuneration. It is linked to the achievement of a number of qualitative and quantitative criteria for which for the financial year 2015-2016 concerned the following:

> Financial criteria (weighting 25%): Net current profits per share excluding all variations in fair value of the assets and interest rate hedging instruments and the results achieved on the realisation of assets;
> Portfolio management (weighting 25%): Collection management and occupancy level;
> Real estate portfolio optimisation (weighting 25%): Develop "clusters", improvement works and expansion of retail premises with a long-term focus, growth of rental value, updating of buildings and environmental elements;
> Implementation strategic objectives (weighting 10%): Buy and sell assets, growth of the company;
> Management skills (weighting 15%): Expansion of management team and staff, investor relations and "corporate identity".

The variable remuneration is paid annually in July after approval of the annual accounts and the remuneration report by the annual shareholders' meeting. There are no special provisions for the recovery of variable remuneration awarded on the basis of inaccurate financial data. The provisions of the Belgian Civil Code governing undue payments apply in full force.

The agreement relating to the managing director provides a notice period of eighteen months in the event of termination by Retail Estates nv. Any termination compensation which is paid if the public RREC waives performance during notice period, shall be calculated in accordance with the fixed remuneration and the annual premiums for group insurance policies. The notice period was approved, in accordance with legal provisions, by the board of directors upon the recommendation of the remuneration committee, and taking into account the contributions by the managing director to the growth of the company since its initial public offering in March 1998.

In the event of termination by the managing director, the notice period shall be six months.

If the managing director is unable to perform his duties because of disability (illness or accident), Retail Estates nv shall continue to pay him the fixed portion of his remuneration for a period of two months from the first day of disability. He shall subsequently receive a disability pension, guaranteed by an insurance company which is equal to 75% of the fixed remuneration.

No stock options are provided, nor any other benefits, except a computer and a mobile phone.

Besides the above mentioned remuneration, Mr Jan De Nys does not receive a separate remuneration for the exercise of his directors' mandate.

2. Remuneration of the chairman of the board of directors, Mr. Paul Borghgraef.

The fixed remuneration of the chairman was set at EUR 60,000, given the regular presence and involvement of Mr. Paul Borghgraef and given the fact that he is the daily interlocutor and sounding board of the managing director in between the board meetings. In addition, Mr Borghgraef is actively involved in the deal-making of the company, which he represents together with the Managing Director on all transactions that exceed an underlying property value of EUR 2.50. A variable remuneration and other benefits or severance payment are not provided.

Mr. Paul Borghgraef is non-executive director and chairman of the board of directors since 12 January 2016. He does not receive a separate remuneration for the exercise of his director's mandate.

Non-executive directors

The non-executive directors receive on the one hand a fixed annual remuneration of EUR 6,000. On the other hand, they receive attendance fees amounting to EUR 1,500 per meeting for attending meetings of the board of directors and its committee(s).

The non-executive directors do not receive performance-related remuneration such as bonuses or stock-related long-term incentive schemes or fringe benefits.

Based on the table on the following page, the following fees were paid to the non-executive directors in 2015-2016, pursuant to the meetings that took place at the registered office of the company:

Indemnification and insurance of directors

The company has an insurance policy to cover the liability of its directors.

Future developments

The board of directors, upon the recommendation of the remuneration committee, does not intend to make significant changes to the remuneration policy. This applies to both the executive and non-executive directors and for the financial years 2016-2017 and 2017-2018.

	Annual fixed remuneration (EUR)	Performance-related (EUR)	TOTAL (EUR)
	Board of directors / committee		
René Annaert	6,000	7,500	13,500
Jean-Louis Appelmans	6,000	7,500	13,500
Christophe Demain	6,000	6,000	12,000
Hubert De Peuter	6,000	6,000	12,000
Rudy De Smedt	6,000	4,500	10,500
Vic Ragoen	6,000	10,500	16,500
Jean Sterbelle	6,000	3,000	9,000
Marc Tinant	6,000	10,500	16,500
Leen Van den Neste (since 12/01/2016)	6,000	1,500	7,500
Herlinda Wouters (since 12/01/2016)	6,000	1,500	7,500
TOTAL non-executive directors	**60,000**	**58,500**	**118,500**

Corporate governance code (2009 version)

Retail Estates nv seeks to comply as much as possible with the provisions of the Corporate Governance Code. There are, however, deviations in several areas. Following the Code's "comply or explain" principle, it is authorised to consider the relatively small size and the own characteristics of the company.

Deviations from principle 2:

Item 2.9. The board of directors has not yet appointed a company secretary.

Deviations from principle 3:

Item 3.5. In view of the company's activities, and particularly considering the fact that negotiating and entering into specific contracts is part of the day-to-day management and falls within the CEO's powers (without the intervention of the board of directors being required in principle), rental agreements – with retail companies to which a non-executive director is connected – between the company and one of its non-executive directors could possibly fall under the conflict of interests regulation ('significant commercial relationships').

There could be a matter of significant commercial relationships with the company New Vanden Borre nv (16 retail properties) in which Mr. Vic Ragoen held the function of managing director until 31 January 2015. Since 1 February 2015, Mr. Vic Ragoen has no longer operational responsibilities in this company, but he still acts as advisor. The retail properties leased by this company, however, are usually the subject of long-term rental agreements, often concluded with external promoters prior to their acquisition by Retail Estates nv. The board of directors particularly values the presence of this former director of a rapidly expanding company. His experience of changing market conditions and the development potential of various locations offers considerable added value to Retail Estates nv when making investments decisions. The commercial lease legislation, which is mainly compulsory legislation, provides an adequate frame of reference for solving day-to-day problems that arise in relation to this company being tenant. In addition, Retail Estates nv also lets a considerable number of properties to competitors of New Vanden Borre nv. Transactions between the company and Retail Estates nv take place at conventional market conditions.

Deviations from principle 4:

Item 4.6. The recommended 4-year mandate for directors is viewed as too short, given the complexity of the type of property in which Retail Estates nv specialises. As a result, all mandates last for 6 years.

Shareholding structure

Based on the transparency declarations received and the information which Retail Estates nv possesses, the main shareholders are:

	% at date of registration[1]	Pro forma % at 31.03.2016[2]
Stichting Administratiekantoor 'Het Torentje' group and Leasinvest, acting in mutual consultation	10.03%	10.05%
FPIM nv (Belfius Insurance)	9.76%	9.49%
KBC Group nv	7.59%	7.55%
AXA nv	7.01%	7.18%
Federale Verzekering/Fédérale Assurance	7.99%	5.25%
General public	57.62%	60.48%

1 On the basis of the denominator at the time of registration.

2 On the basis of the number of voting rights, which appears from the information received from the company's shareholders, and taking into account the denominator applicable at 31.03.2016 (8,866,320 shares), this table shows, for information only, the (supposed) shareholding structure. It should be noted that this does not necessarily correspond with reality (not for all shareholders in any case), since the company is not necessarily aware of share transactions that did not result in the triggering of a notification threshold, and thus did not result in a transparency notification.

With the exception of the above-mentioned shareholders, no other shareholder has declared ownership of more than 3% of the issued shares of Retail Estates nv. According to the criteria applied by Euronext, Retail Estates nv has a free float of 100%.

The transparency declarations received are available for consultation on the company's website www.retailestates.com (under Investor Relations / The Share / Shareholding structure and notifications).

Internal control and risk management systems

In accordance with the Corporate Governance rules and the relevant legislation, Retail Estates nv has developed an internal control and risk management system, taking into account the nature, size and complexity of the company's activities and its environment.

Internal control is a process which aims to provide reasonable guarantees to ensure that the following objectives are met:

- effectiveness and improving the functioning of the enterprise;

- reliability and integrity of information;

- compliance with policies, procedures, laws and regulations.

For implementing its internal control system, Retail Estates nv has taken the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) as its reference. The components of this framework, and their application at Retail Estates nv are discussed below.

Internal control and risk management systems in general

Sound internal control and balanced risk management are an inherent part of Retail Estates nv's corporate culture and are disseminated throughout the organisation by means of:

- corporate governance rules and the existence of a remuneration committee and audit committe;

- the existence of a code of conduct (trading regulations), dealing in particular with such matters as conflicts of interest, confidentiality, buying and selling of shares, prevention of abuse of company property, and communication;

- a detailed human resource policy with rules for recruiting staff, periodic performance evaluation and the setting of annual goals;

- monitoring of procedures and formalisation of processes.

The board of directors regularly reviews the company's exposure to risks, the financial impact of these risks, and the actions to be undertaken to monitor these potential risks, to avoid the risks to happen and/or, as the case may be, to limit the impact of these risks.

In particular, the company elaborated internal control and risk management systems for the most important processes in the company, namely managing costs and expenses, repairs and maintenance, developments, and collecting rents.

Internal control and risk management systems relating to financial reporting

Control environment

The control environment, as regards financial reporting, consists of the following components:

- The accounting team is responsible for preparing and reporting financial information.

- The controller is responsible for reviewing the financial information and preparing the consolidated figures (in consultation with the CFO), and for the feedback of information to Retail Estates nv's operational activities.

- The CFO is responsible for the final review of the consolidated financial statements and for the correct application of the valuation rules, and reports back on these to the CEO.

- As part of his responsibility for the day-to-day management of the company the CEO regularly discusses the financial reporting with the CFO.

- The board of directors has detailed quarterly question and discussion sessions with the CEO and CFO, and oversees the proper application of the valuation rules. The chairman of the board of directors, the CEO and the CFO discuss in detail the principal strategic, operational and financial issues on a fortnightly basis.

Other factors also play a role in the company's control environment:

- As a listed company (and as a public RREC), Retail Estates nv falls under the supervision of the Financial Services and Markets Authority (FSMA), which also undertakes a specific review of the financial information. All published financial information is controlled (in advance or post facto) by the FSMA.
- The real estate expert also plays an important role: the entire real estate portfolio (which makes 98.50% of the balance sheet total) is valued by two internationally recognised independent real estate experts (Cushman & Wakefield and CBRE), each one evaluating one part of the real estate portfolio.

Risk analysis

Regular management and operational meetings serve to address issues in need of followed up, in order to ensure balanced risk awareness and management:

- the main events of the past period and their impact on the accounting figures;
- recent and planned transactions;
- the development of major key performance indicators; and
- any operational, legal and fiscal risks.

As a result of these meetings, the appropriate actions can be undertaken and measures can be adopted in order to implement the company's policy. These actions aim to achieve a balanced risk policy in line with the strategic objectives and 'risk appetite' of the company as preconceived by the board of directors.

Control activities

Control procedures are in effect with respect to the company's key activities, such as collecting rents, repairs and maintenance, project development, site supervision, etc. These procedures are evaluated on a regular basis by the management team.

An ERP system serves to track all aspects of the real estate business (overview of lease agreements, rent calls, settlement of costs, payment monitoring, etc.). This software system is linked to the accounting software.

Information and communication

Every quarter, a financial report is drawn up which contains the analyses of the figures, key performance indicators, the impact of purchases and sales on budgets, cash flow positions, etc.

Every quarter, an operational report is also drawn up in which the key performance indicators relating to the real estate department are included.

In the first and third quarter of the financial year, an intermediary press release is published. Every six months, a more comprehensive half-yearly financial report is published in accordance with IFRS standards. At the end of the financial year, all relevant financial information is published in the annual financial report, also disclosed on the company's website.

The limited size of the Retail Estates' team contributes

significantly to the smooth flow of information. The considerable involvement of the board of directors and its chairman promotes open communication and ensures that the management body is provided properly with all necessary information.

Monitoring

Every quarter, the financial team draws up the quarterly figures and balance sheets. These quarterly figures are always extensively analysed and checked. To limit the risk of errors in financial reporting, the figures are discussed with the management, and their accuracy and completeness are verified by analysing rental income, vacancies, technical costs, rental activity, developments regarding the value of the buildings, outstanding debtors, etc., in compliance with the "four-eyes" principle. Comparisons with forecasts and budgets are discussed. Every quarter, the management provides the board of directors with a comprehensive report on the financial statements, with a comparison of annual figures, budget and explanations for any deviations.

The auditor also reports to the board of directors on the main findings of its audit activities.

Appropriate risk management policy

The main risks the company faces relate to (i) the market value of the property, (ii) changes in the rental market, (iii) the structural condition of the buildings, (iv) financial risks, including liquidity risk, the use of financial instruments and banking counterparty and covenant risk, (v) permit-technical related risks, (vi) changes to the traffic infrastructure, (vii) soil contamination, (viii) risks associated with merger, demerger or acquisition transactions, and (ix) regulatory risks.

Measures and procedures are in place to identify and monitor each of the listed risks, to avoid these risks, and/or to minimize their impact, if any, and assess, control and monitor their consequences. This is the role of the risk manager.

Integrity policy

The integrity policy (overseen by the person entrusted with the "compliance function") covers various aspects, including the prevention of insider trading, conflicts of interest and incompatibility of mandates, non-corruption, professional secrecy, etc.

The effective management examines on a regular basis which other areas and activities should fall under the scope of the compliance function. The "independent compliance function" is treated as an independent function within an organisation, and focuses on investigating and promoting compliance by the company with the laws, regulations and rules of conduct applicable to the company, and in particular, the rules relating to the integrity of the company's activities. We discuss the most important of these below:

Prevention of insider trading

In accordance with the principles and values of the company and within the framework of the implementation of the Belgian Corporate Governance Code, Retail Estates nv has included rules in its code of conduct ("Dealing Code") that must be observed by the directors, employees and appointed persons who trade in financial instruments issued by Retail Estates nv. The rules of the Dealing Code were harmonised with the Belgian Royal Decree of 5 March 2006 on market abuse. The company's Dealing Code constitutes an integral part of the Corporate Governance Charter and can be consulted (separately) on the company website.

The Dealing Code among others concerns the disclosure of information relevant to such transactions and stipulates among others:

- restrictions on the execution of transactions in financial instruments of the company during specific periods before publication of the financial results ("closed periods") or during any other period considered sensitive ("prohibited periods");

- the appointment of a compliance officer to oversee compliance with the Dealing Code by directors and other designated persons;

- prior notification of all transactions in financial instruments of the company to the compliance officer; and

- the disclosure of each transaction.

Conflicts of interest and incompatibility of mandates

Reference is made to the passage listed under 'Handling conflicts of interest' on page 55 of this report.

> " THE LIMITED SIZE OF THE RETAIL ESTATES' TEAM CONTRIBUTES SIGNIFICANTLY TO THE SMOOTH FLOW OF INFORMATION. "

Non-corruption

Retail Estates nv strongly emphasises the principles of honesty and integrity, and expects a similar attitude on the part of third parties with which the company does business.

Professional secrecy
It is expressly forbidden for members of the bodies of the company and for personnel to use or reveal confidential information for improper purposes during the course of their duties.

Political activities
In pursing legitimate commercial objectives, Retail Estates nv acts in a socially responsible manner according to the laws of the country in which the company is active.

Independent supervisory functions

Risk management function
Measures and procedures are in place to identify and monitor the risks that the company faces, to avoid these risks, and/or to minimise their impact, if any, and assess, control and monitor their consequences. This is the role of the risk manager.

The risk manager is appointed for a 3-year term.

Independent compliance function
The board of directors has appointed Mr. Paul Borghgraef as compliance officer. He is also chairman of the board of directors. He is responsible in particular for compliance with the integrity policy as described above.

The term of Paul Borghgraef's mandate as compliance officer is the same as for his board mandate (which expires at the 2016 annual meeting).

Independent internal audit function
The person in charge of the internal audit is responsible for the independent and ongoing assessment of the activities of the company, and analyses the quality and efficiency of existing procedures and methods of internal control.

The internal auditor will present his findings yearly.

The internal audit function is performed by an external consultant, in this case VMB, represented by Mr. Luc Martens. This function is performed under the supervision and responsibility of the finance and reporting analyst of the company, who has the necessary professional integrity and appropriate expertise.

Internal control functions within Retail Warehousing Invest nv

Taking into account the principle of proportionality, the internal audit functions as described above are exercised by the same people at the level of Retail Warehousing Invest nv (the subsidiary of Retail Estates nv with the status of institutional regulated real estate company).

Mutatis mutandis (and insofar as relevant), these functions may be implemented at the level of Retail Warehousing Invest nv according to the same policy as Retail Estates nv.

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Management of the company

Composition

On 31 March 2016, the board of directors of Retail Estates nv consists of 13 directors: 11 non-executive directors and 2 executive directors, being the managing director and the chief financial officer. Notwithstanding the provisions of the Code, the terms of office of all directors were renewed at the 3 July 2015 annual shareholders' meeting for a new, 1-year term, until the shareholders' meeting of 2016.

Out of the 13 directors, 4 directors (Messrs. Tinant, Ragoen and Annaert and Mrs. Van den Neste) qualify as being independent, pursuant to Article 526ter of the Belgian Companies Code. These directors also meet the criteria of independence set out in annexe A to the Code. The independent directors strictly comply with the following criteria of independence:

- not to be a salaried employee, manager, executive committee member, managing director, executive director or member of the executive personnel of Retail Estates nv, or an affiliated company, and not having occupied a similar position during the five years preceding their appointment;

- not to receive, or have received in the past, from Retail Estates nv or a related enterprise, any remuneration or significant financial benefits other than those associated with their mandates;

- not to be a dominant shareholder or having a shareholding stake of more than 10% in Retail Estates nv – either alone or jointly with a company controlled by the director – or be a director or member of the managerial personnel of such a shareholder, or represent it. Directors with a shareholding stake of less than 10% may not subject the acts of disposal relating to their shares, or exercise the rights pertaining to them, to contractual stipulations or to unilateral commitments to which they have subscribed. Directors may under no circumstances represent such a shareholder;

- not to have, or to have had during the preceding year, or to expect to have in the future, a significant commercial relationship with Retail Estates nv or with a related enterprise, either directly or as a partner, shareholder, director, or as member of the senior or executive management of an organisation related to it in such a way;

- not to be, and not to have been during the past three years, a partner or salaried employee of the present or a former external company auditor of Retail Estates nv or a related company;

- not to be an executive member of the management body of another company in which an executive director of the company holds the function of a non-executive member of the management or supervisory body;

- not to have other significant links with the executive directors of Retail Estates nv by virtue of an involvement in other enterprises or bodies;

-not to have held more than three terms of office as a non-executive director within Retail Estates nv, with an overall limit of 12 years;

- not to be a close relative of a managerial employee, a member of the executive committee, or a person who is covered by one of the above-mentioned situations.

The composition of the board of directors intends to ensure that the decisions taken are in the interests of the company. The composition of the board of directors is determined on the basis of diversity in general, as well as on the basis of complementarity of skills, experience, and know-how. It is of particular importance to have a strong representation of directors who are well versed in the management of retail businesses in the type of property in which Retail Estates nv invests and/or have experience in the financial aspects of the management of a listed company, and of an RREC in particular. Therefore, it is pivotal that members of the board of directors are complementary in terms of knowledge and experience. To enable the board of directors to operate efficiently, it is intended that the number of board members will be restricted to a maximum of 12.

A number of directors represent a reference shareholder: Messrs. Borghgraef and De Peuter and Mrs. Wouters (on behalf of the KBC Group), Mr. Appelmans (on behalf of Het Torentje (Leasinvest)), Mr. Sterbelle (on behalf of AXA), Mr. Demain (on behalf of the Belfius-group) and Mr. De Smedt (on behalf of Federale Verzekering).

Messrs. De Nys, Borghgraef, Annaert and Tinant have declared that they hold shares in the company for their personal account.

Functioning of the board of directors

The Retail Estates nv's board of directors determines the company's strategy, investments, budgets, disposals and acquisitions and funding.

The board of directors prepares the annual and interim financial statements and the annual report of the company for the shareholders' meeting. The board of directors also approves merger and split reports. It decides on the use of the authorised capital and convenes the annual and extraordinary shareholders' meeting. It supervises the accuracy and transparency of communications to shareholders, financial analysts, and the general public, as communicated through prospectuses, annual and interim reports and press releases. It delegates the day-to-day management to the managing director, who in turn regularly reports back on the management and the annual budget, and who presents a quarterly financial and operational report.

During the financial year of 2015-2016 the board of directors met ten times. A number of meetings were held by conference call or in the office of notary Tim Carnewal. The remuneration committee met twice and the audit committee met for the first time during the financial year 2015-2016.

The board of directors may validly deliberate and resolve only if at least half of its members are present or represented. If this condition is not met, a new meeting can be convened, which will validly deliberate and resolve on the agenda items of the previous meeting, providing that at least two directors are present or represented. Every resolution of the board of directors is adopted by an absolute majority of the votes cast of directors that are present or represented, and, in the event of abstention of one or more of them, by the majority of the other directors. In the event of a tie, the director chairing the meeting has the casting vote. In exceptional cases, pursuant to Article 521 of the Belgian Companies Code, resolutions of the board of directors may be adopted by unanimous written agreement by the directors, whenever the urgency of the matter and the interest of Retail Estates nv so require. This procedure, however, may not be applied for the drawing up of the annual accounts, or the use of the authorised capital.

In addition to its legal mandate, the board of directors, bearing in mind the company's interests, also determines the strategy and outlines the policy lines. More specifically, it takes all the fundamental decisions concerning the investments in and disposals of properties, as well as those regarding their funding. Retail Estates nv has no executive committee.

A clear distinction is made between the responsibilities of the managing director and those of the chairman of the board of directors. The chairman leads the board of directors and ensures that the agenda for the meetings of the board of directors is prepared, and that the directors promptly receive the relevant information.

The managing director is responsible for the operational tasks, relating to the management of the property portfolio and the functioning of the company. The board of directors will make sure that sufficient powers are given to ensure that these responsibilities and duties are met.

Ten directors' mandates expire this year, without prejudice to the right of reappointment.

Report on the activities

Among others, the board of directors took the following decisions during the past financial year:

- sale of EUR 11.60 million in real estate properties;

- enlargement of the portfolio by EUR 166.52 million in real estate properties through purchases or contributions in kind;

- merger by absorption of Mijn Retail nv, Aalst Logistics nv en Frun Park Wetteren nv;

- acquisition of control over Fimitobel nv, Paneuropean Retail Properties nv, Paneuropean Property Investments nv, Localiège nv, Vlaamse Leasing Maatschappij nv, Texas Management nv en TBK bvba;

- financing of the above-mentioned acquisitions.

In order to constantly improve its effectiveness within the company, the board of directors systematically and regularly (at least every three years) evaluates its size, composition and performance and that of its committees, and its interaction with the executive management.

This assessment focuses on:

- the functioning of the board of directors and its committees;

- the effective contribution of each director through their attendance of the meetings of the board of directors and committees, and their contribution to the discussions and the decision-making.

Various committees can be established within the board of directors for specific matters.

Currently, the board of directors of Retail Estates nv has set up two committees, a remuneration and nomination committee and an audit committee.

Remuneration and nomination committee

The remuneration an nomination committee exist of three independent directors and Mr. Vic Ragoen is the chairman of the committee. The committee met twice in 2015-2016, i.e., on 27 November 2015 and on 22 January 2016, in order to discuss the setting of the budget for 2016-2017. During these meetings the staff remuneration policy was discussed and the recurrent fees paid to external providers were inventoried.

The role of the remuneration and nomination committee consists of supporting the board of directors by:

- making recommendations on the composition of the board of directors and its committees;

- assisting in the selection, evaluation and appointment of members of the board of directors;

- assisting in determining the remuneration of the members of the board of directors;

- drawing up the remuneration report.

Audit committee

The audit committee exist of four non-executive directors, including three independent directors and is chaired by Mr Tinant until the general meeting of 1 July 2016 and subsequently by Ms Van den Neste. The committee met once in 2015-2016.

The tasks of this audit committee consist mainly of monitoring the financial reporting process, assessing the appropriateness of the internal control and risk management systems, monitoring the internal audit and the statutory audit of unconsolidated and consolidated annual accounts, and assessing and monitoring the independence of the auditor.

Evaluation of the performance of directors

Under the supervision of its chairman, the board of directors regularly evaluates its size, composition, performance and relationships with management, shareholders and other stakeholders.

The purpose of this evaluation is to:

- appraise the functioning of the board of directors and its committees on one hand;

- audit the composition of the board of directors on the other hand.

Another matter that is discussed is the timely provision of information prior to meetings of the board of directors.

The evaluation itself takes the form of a written procedure, using a questionnaire that must be answered individually and anonymously.

Representation power

In all legal and statutory transactions concerning the disposal of real estate, the company will be represented by at least two directors acting jointly, being in principle the chairman of the board of directors Paul Borghgraef and one of the executive directors / effective manager, Mr. Jan De Nys of Mrs. Kara De Smet.

The company may also be validly represented by the managing director, by means of a special authorisation, for transactions related to an item whose value is lower than either 1% of the consolidated assets of the company, or EUR 2.50 million, taking the lower of the two (including the conclusion of a leasing agreement with or without option to purchase, or the creation of easements).

Settlement of conflicts of interest

Pursuant to Article 523 of the Belgian Companies Code, any member of the board of directors who, whether directly or indirectly, has a financial interest which conflicts with a decision or operation involving the board of directors, may not attend the deliberations of the board of directors.

Articles 36 until 38 of the RREC Law is also referred to, when one of the persons mentioned in this Article (director, manager or promoter of the RREC,...) acts as counterparty in an operation undertaken with the public RREC or a company under its control.

During the previous financial year, no conflict of interest within the meaning of these articles occurred.

Day-to-day management – executive management

The company is managed by a team of 18 co-workers, under the leadership of the managing director (CEO), Mr. Jan De Nys.

Executive directors:

Jan De Nys (1959):Chief Executive Officer (CEO – managing director)

Office address: Retail Estates nv - Industrielaan 6 - 1740 Ternat
End of mandate: 2016
Most important other positions: director at Orelio nv (Maes/Alides Construction and Property Group), director at First Retail International I and II nv, chairman of Private Privak BEM II (set up under the aegis of the Flemish Building Federation), managing director of Infradis Real Estate Management nv and managing director of Snowdonia nv
Committees: -
Attendance board of directors in 2015-2016[1]: 10
Attendance remuneration and nomination committee in 2015-2016[2]: -
Attendance audit committee in 2015-2016[3]: -

1 Total number of board of directors in 2015-2016: 10
2 Total number of remuneration and nomination committees in 2015-2016: 2
3 Total number of audit committees in 2015-2016: 1

Kara De Smet (1976): Chief Financial Officer (CFO) – executive director from 12 January 2016

Office address: Retail Estates nv - Industrielaan 6 - 1740 Ternat
End of mandate: 2021
Committees: -
Attendance board of directors in 2015-2016: 2
Attendance remuneration and nomination committee in 2015-2016: -
Attendance audit committee in 2015-2016: -

(Non-)executive directors

Preliminary note: the board of directors of 25 May 2016 has nominated all directors whose mandate expires at the general meeting of 1 July 2016 for the reappointment for a period of 5 years, except these of Mr. De Peuter and Mr. Tinant. If the general meeting approves these appointments, the board of directors will exist of 11 members as from the general assembly on instead of 13. The mandates of Mrs. De Smet, Mrs. Van den Neste and Mrs. Wouters will not be renewed. They will expire together with those of the reappointed directors at the general meeting of 2021.

Chairman:

Paul Borghgraef (1954): Chairman of the board of directors
Office address: Van De Wervelaan 49/2 – 2970 Schilde
End of mandate: 2016
Most important other positions: director at KBC Securities nv, director at Pertinea Property Partners nv, director at PG58 nv and director at Immpact nv
Committees: -
Attendance board of directors in 2015-2016: 9

Attendance remuneration and nomination committee in 2015-2016: -
Attendance audit committee in 2015-2016: -

Non-executive directors:

Jean-Louis Appelmans (1953): director
Office address: Leasinvest Real Estate Comm.V.A. – Schermersstraat 42 – 2000 Antwerp
End of mandate: 2016
Most important other positions: managing director of Leasinvest Real Estate Management nv (statutory manager of the RREC Leasinvest Real Estate Comm.V.A.), Leasinvest Immo Lux sa, Leasinvest Services nv,...
Committees: member of the audit committee
Attendance board of directors in 2015-2016: 6
Attendance remuneration and nomination committee in 2015-2016: -
Attendance audit committee in 2015-2016: 1

Hubert De Peuter (1959): director
Office address: KBC Bank – division KBC Real Estate – Havenlaan 6 – 1080 Brussels
End of mandate: 2016
Most important other positions: KBC Bank nv – Senior Account Manager, director at KBC Real Estate Investments nv, director at KBC Property Portfolio Belgium nv, director at Mechelen City Center nv,...
Committees: -
Attendance board of directors in 2015-2016: 7
Attendance remuneration and nomination committee in 2015-2016: -
Attendance audit committee in 2015-2016: -

Victor Ragoen (1955): independent director
Office address: New Vanden Borre nv – Slesbroekstraat 101 – 1600 Sint-Pieters-Leeuw
End of mandate: 2016
Most important other positions: advisor
Most important finished positions: managing director at New Vanden Borre nv
Committees: chairman of the remuneration and nomination committee, member of the audit committee
Attendance board of directors in 2015-2016: 7
Attendance remuneration and nomination committee in 2015-2016: 2
Attendance audit committee in 2015-2016: 1

Jean Sterbelle (1962): director
Office address: AXA Belgium nv – Vorstlaan 25 – 1170 Brussels
End of mandate: 2016
Most important other positions: Head of Transactions & Letting Belux – AXA Real Estate Investment Managers Belgium nv, director at Blauwe Toren nv, director at Brustar One nv, director at Cabesa nv,...
Committees: -
Attendance board of directors in 2015-2016: 4
Attendance remuneration and nomination committee in 2015-2016: -
Attendance audit committee in 2015-2016: -

Marc Tinant (1954): independent director
Office address: Auxipar nv – Avenue Urbain Britsiers 5 - 1030 Brussels
End of mandate: 2016
Most important other positions: vice-president of the management board of Auxipar nv, managing director of Familia / EPC Scrl, directorships at SRIW nv, Les Editions de l'Avenir (Corelio),...
Committees: chairman of the audit committee, member of the remuneration and nomination committee
Attendance board of directors in 2015-2016: 7
Attendance remuneration and nomination committee in 2015-2016: 2
Attendance audit committee in 2015-2016: 1

Christophe Demain (1966): director
Office address: Belfius Insurance nv

– Galiléelaan 5 – 1210 Brussels
End of mandate: 2016
Most important other positions: Chief Investment Officer at Belfius Insurance nv, director of the RREC Cofinimmo nv, director First Retail International nv, president of the board of directors of LFB nv, Coquelets nv,...
Committees: -
Attendance board of directors in 2015-2016: 5
Attendance remuneration and nomination committee in 2015-2016: -
Attendance audit committee in 2015-2016: -

Rudy De Smedt (1962): director from 7 July 2015
Office address: Federale Verzekering - Stoofstraat 12 - 1000 Brussels
End of mandate: 2016
Most important other positions: Deputy director at Federale Verzekering
Committees: -
Attendance board of directors in 2015-2016: 3
Attendance remuneration and nomination committee in 2015-2016: -
Attendance audit committee in 2015-2016: -

René Annaert (1952): independent director from 7 July 2015
Office address: Ultimum bvba – G. Mercatorlaan 4 – 1780 Wemmel
End of mandate: 2016
Most important other positions: advisor
Most important finished positions: managing director at Wereldhave Belgium, Devimo Consult, Brussels International Trade Mart
Committees: member of the audit committee, member of the remuneration and nomination committee
Attendance board of directors in 2015-2016: 3
Attendance remuneration and nomination committee in 2015-2016: 2
Attendance audit committee in 2015-2016: 1

Leen Van den Neste (1966): independent director from 12 January 2016
Office address: VDK Spaarbank – Sint-Michielsplein 16 – 9000 Ghent
End of mandate: 2021
Most important other positions: managing director at VDK Spaarbank, chairman of the board of directors of Xior student housing nv, memeber of the board of directors of Centrale voor huisvesting cvba, Familiehulp vzw en Arteveldehogeschool vzw
Committees: -
Attendance board of directors in 2015-2016: 1
Attendance remuneration and nomination committee in 2015-2016: -
Attendance audit committee in 2015-2016: -

Herlinda Wouters (1958): director from 12 January 2016
Office address: KBC Bank the Netherlands – Watermanweg 92 – 3067 GG Rotterdam – the Netherlands
End of mandate: 2021
Most important other positions: General Manager of KBC Bank the Netherlands
Committees: -
Attendance board of directors in 2015-2016: 1
Attendance remuneration and nomination committee in 2015-2016: -
Attendance audit committee in 2015-2016: -

07

Other parties involved

Certification of the accounts

An auditor appointed by the shareholders' meeting must:

- certify the annual accounts and review the interim accounts, as in any limited liability company ('naamloze vennootschap'/'société anonyme');

- prepare special reports at the request of the FSMA, given that Retail Estates nv, as a public RREC is a listed company.

The auditor is PwC, represented by Mr. Damien Walgrave, a company auditor certified by the FSMA, having its registered office at 1932 Brussel, Woluwegarden-Woluwedal 18. At the annual shareholders' meeting of 3 July 2015, the auditor was appointed for a 3-year term.

The auditor's fixed remuneration for reviewing and certifying Retail Estates nv and its subsidiaries' statutory and consolidated annual accounts is EUR 0.09 million (excluding VAT).

The remuneration of PwC Bedrijfsrevisoren for the tasks assigned to the statutory auditor by law (e.g. reports when mergers occur), amounts to EUR 0.005 million (excluding VAT). The fees relating to studies and assistance and more in particular on taxation matters and due diligence assignments amount to EUR 0.01 million excluding VAT.

Real estate expert

In accordance with the RREC legislation, Retail Estates nv calls upon experts for the regular valuations of its assets, each time it issues shares, lists securities on the stock market or purchases unlisted shares, and when it purchases or sells real properties. These valuations are necessary to determine the inventory value and prepare the annual accounts. The valuation assignments are entrusted to Cushman & Wakefield (Kunstlaan 56, box 7 at 1000 Brussels), represented by Mr. Ardalan Azari and to CBRE nv (Avenue Lloyd George 7 at 1000 Brussels), represented by Mr. Pieter Paepen.

During the past financial year, a fee of EUR 0.25 million (including VAT) was payable to Cushman & Wakefield for the regular valuations of a part of the properties in the real estate portfolio and the initial valuations of real estate purchases. Fees of EUR 0.29 million (including VAT), were paid to CBRE for the regular valuation of the remainder of the real estate portfolio and initial valuations of real estate purchases.

The property of Immobilière Distri-Land nv is valued on the basis of a joint instruction from Retail Estates nv and Immobilière Distri-Land nv, with the results published by the latter. The costs are shared 50/50 between Retail Estates nv and Immobilière Distri-Land nv.

08

Acquisition and sale of Retail Estates nv shares – insider trading

In accordance with the principles and values of the company, Retail Estates nv has inserted, in its Dealing Code, a number of rules (Dealing Code) to be followed by directors and employees wishing to trade in financial instruments issued by Retail Estates nv.

In the framework of the application of the Belgian Corporate Governance Code within Retail Estates nv, the rules of the Dealing Code have been reviewed in order to bring them in line with the Belgian Royal Decree of 5 March 2006 relating to insider trading, the fair presentation of investment recommendations, and the indication of conflicts of interest.

09

Information based on article 34 of the Belgian Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments authorised to trade on an official market

Capital structure (on 31 March 2016)

The registered capital amounts to EUR 199,495,654.21 and is divided into 8,866,320 fully paid-up shares, each representing an equal part of the capital. There is only one category of shares. There is no legal or statutory limitation on the voting rights or transferability of the shares.

Stock option plan

Retail Estates nv has no stock option plan.

Authorised capital

The extraordinary shareholders' meeting of 9 December 2013 expressly authorised the board of directors to increase the registered capital, in one or more instalments, up to a maximum amount of EUR 164,037,087.74 on the dates and according to the procedures to be defined by the board of directors in accordance with Article 603 of the Belgian Companies Code. This authorisation was granted for a period of 5 years from the publication of this decision (17 December 2013).

Purchase of own shares

The company does not own any of its own shares. The extraordinary shareholders' meeting of 24 October 2014 amended the articles of association as to authorise the board of directors to acquire shares in Retail Estates nv under a number of special conditions listed in the articles of association.

Decision-making bodies

The rules which govern the appointment or replacement of the members of the board of directors and the amendment procedure relating to the articles of association of Retail Estates nv are set out in the applicable legislation (especially the Belgian Companies Code and the RREC legislation) and the articles of association of Retail Estates nv. The articles of association of Retail Estates nv do not deviate from the above-mentioned legal provisions.

Contractual provisions

The conditions under which the financial situations have provided Retail Estates nv with financing require the retention of the public regulated real estate company status. The general conditions under which this financing was granted give banks the option to demand early repayment in the event of change of control. In addition, a covenant has been written into the credit agreements with a number of financial institutions, whereby Retail Estates nv commits itself to maintain a maximum debt level of 60% (lower than the legal threshold of 65%).

Articles of association of Retail Estates nv

Retail Estates nv's articles of association are on page 170 of this annual report. They were last revised at the board of directors' meeting of 29 January 2016.

DATA IN ACCORDANCE WITH EPRA REFERENCE SYSTEM

EPRA Key performance indicatoren

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

	Definitions	EUR/1000	EUR per aandeel
EPRA Earnings	Current result from adjusted core operational activities.	36,473	4.11
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.	502,325	56.66
EPRA NNNAV	EPRA NAV adjusted to take the fair value of (i) the financial instruments, (ii) the debts and (iii) the deferred taxes into account.	474,170	53.48
	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.		6.61%
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.		6.61%
EPRA Vacancy	Estimated market Rental Value (ERV) of vacant surfaces divided by the ERV of the portfolio as a whole.		1.99%
EPRA Cost Ratio (incl. vacancy costs)	EPRA costs (including vacancy costs) divided by the gross rental income less ground rent costs		12.05%
EPRA Cost Ratio (excl. vacancy costs)	EPRA Costs (excluding vacancy costs) divided by the gross rental income less ground rent costs		11.77%

EPRA Earnings	EUR/1000
IFRS Net Result (attributable to the shareholders of the parent company)	42,035
Adjustments to calculate EPRA Earnings	
Excluding:	
Variations in the fair value of investment properties (IAS 40)	10,216
Result on disposal of investment properties	341
Variations in the fair value of financial instruments (IAS 39)	-4,995
Adaptations to minority interests	
EPRA Earnings (attributable to the shareholders of the parent company)	36,473
EPRA Earnings (EUR/share) (attributable to the shareholders of the parent company)	4.11

" RETAIL ESTATES WAS FOR THE FIRST TIME INCLUDED IN THE EPRA ANNUAL REPORT SURVEY AND WAS AWARDED A SILVER AWARD. "

EPRA Net Asset Value	EUR/1000
Net Asset Value (attributable to the shareholders of the parent company) according to the annual accounts	474,170
Net Assets (EUR/share) (attributable to the shareholders of the parent company)	53.48
Effect of exercise of options, convertibles and other equity interests	
Diluted net asset value after effect of exercise of options, convertibles and other equity interests	474,170
Excluding:	
Fair value of the financial instruments	-28,155
EPRA NAV (attributable to the shareholders of the parent company)	502,325
EPRA NAV (EUR/share) (attributable to the shareholders of the parent company)	56.66

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)	502,325
Including:	
Fair value of the financial instruments	-28,155
EPRA Triple Net Asset Value (attributable to the shareholders of the parent company)	474,170
EPRA NNNAV (EUR/share) (attributable to the shareholders of the parent company)	53.48

EPRA Net Initial Yield		EUR/1000
Investment properties (excluding assets held for sale) fair value		1,000,799
Transfer taxes		24,737
Investment value		1,025,536
Project developments		11,328
Investment value of the properties, available for rent	B	1,014,208
Annualised gross rental income		67,956
Property costs		-882
Annualised net rental income	A	67,074
Notional rent expiration of rent free period or other lease incentives		0
Topped-up net annualised rent	C	67,074
EPRA Net Initial Yield (NIY)	A/B	6.61%
EPRA topped-up Net Initial Yield (topped-up NIY)	C/B	6.61%

EPRA Vacancy Rate	EUR/1000
Estimated rental value of vacant surfaces	1,355
Estimated rental value of total portfolio	67,956
EPRA Vacancy Rate	1.99%

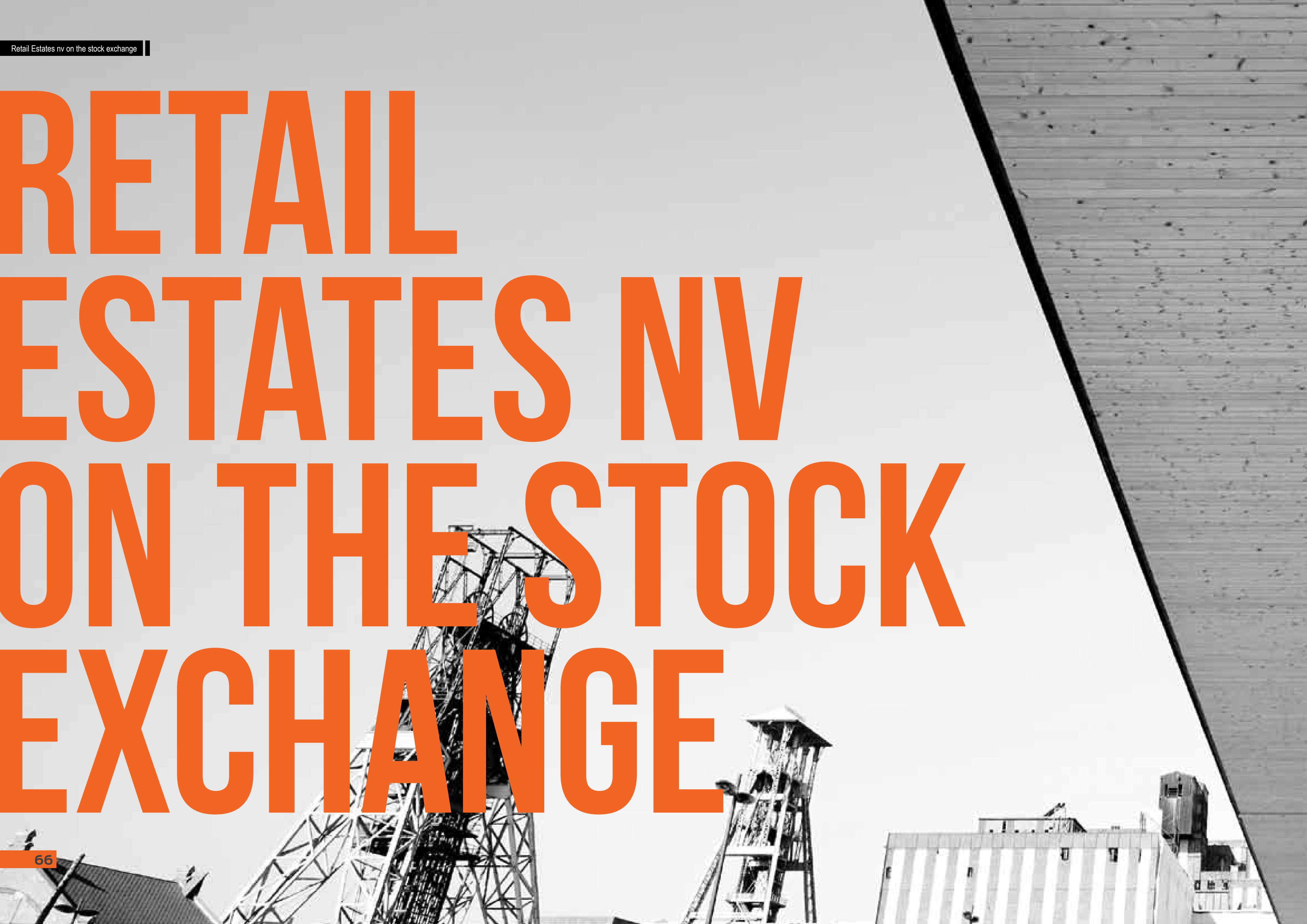
EPRA Cost Ratio	EUR/1000
Operating corporate costs	2,841
Impairments on trade receivables	102
Ground rent costs	292
Property costs	4,504
Less:	
Ground rent costs	-292
EPRA costs (incl. vacancy costs)	7,447
Vacancy costs	-173
EPRA costs (excl. vacancy costs)	7,274
Rental income less ground rent costs	61,782
	%
EPRA Cost Ratio (incl. vacancy costs)	12.05%
EPRA Cost Ratio (excl. vacancy costs)	11.77%

EPRA Evolution of the gross rental income (EUR/1000)

2015-2016	Gross rental incomes at constant scope	Acquisitions	Disposals	Prior period adjustments	Gross rental income 2015-2016
Rental income	55,041	7,245	-212		62,074

2014-2015	Gross rental incomes at constant scope	Acquisitions	Disposals	Prior period adjustments	Gross rental income 2014-2015
Rental income	51,767	2,172	-748		53,191

RETAIL ESTATES NV ON THE STOCK EXCHANGE



04

RETAIL ESTATES NV ON THE STOCK EXCHANGE

RETAILPARK V-MART, BRUGGE

	01.04.2015 31.03.2016	01.04.2014 31.03.2015	01.04.2013 31.03.2014
Highest share price	80.71	76.99	61.00
Opening price at 1 April	73.83	58.95	58.00
Closing price at 31 March	78.00	76.64	58.92
Average share price	73.53	64.91	56.35
Net asset value (NAV) (IFRS)	53.48	50.43	48.90
Net asset value (after dividend) (IFRS)	50.28	47.33	45.90
Premiums NAV relative to closing price	45.85%	51.97%	20.49%
Gross dividend	3.20	3.10	3.00
Net dividend	2.336	2.325	2.25
Dividend yield	4.28%	4.22%	5.36%
Return net result on shareholders' equity	8.86%	9.24%	8.01%
Pay-out ratio (consolidated)	77.11%	81.15%	86.55%
Number of shares	8,866,320	7,559,473	7,290,411
Market capitalisation (EUR million)	691.57	579.36	429.55
Free float percentage	100%	100%	100%
Average daily volume	4,664	2,939	1,929
Annual volume	1.189.395	749.458	493.940

01

PERFORMANCE

MARKET CAPITALISATION

Retail Estates nv is listed on the Euronext continuous market.

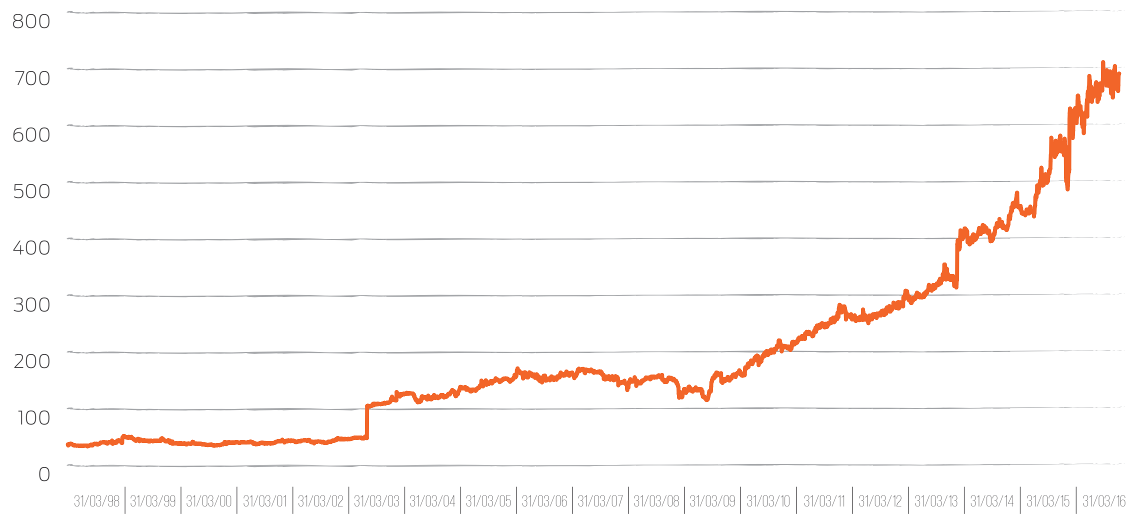
Relevant benchmarks for mid-caps and small-caps were launched on 1 March 2005 as part of Euronext's plans to reform and harmonise its price list and promote the recognisability and liquidity of small and medium-sized enterprises.

Retail Estates nv is included in the BelMid-index and the Vlam 21-index. The BelMid-index currently comprises 34 companies, and the Vlam 21-index 21 companies.

As of 31 March 2016, the market capitalisation of Retail Estates nv amounts to EUR 691.57 million.

Based on Euronext's criteria, Retail Estates nv has a free float percentage of 100 %.

MARKET CAPITALISATION
(in million EUR)



RETAIL ESTATES NV - BEL 20

Stock exchange price

The share price reached its highest level of the year on 18 December 2015 (EUR 80.71) and ultimately closed at EUR 78.00 at the end of the financial year.

The annual average price is EUR 73.53. The graph above shows the stock performance of the Retail Estates-share relative to the BEL 20 since the its listing. The share value of Retail Estates nv increased over this period by 147.38%, compared to an increase of the BEL 20 by 13.30%.

Over the past financial year, the price of the Retail Estates nv share has increased by 5.65%. The EPRA Belgium REIT index increased by 1.79%.

" THE SHARE VALUE OF RETAIL ESTATES NV INCREASED OVER THIS PERIOD BY 147.38%, COMPARED TO AN INCREASE OF THE BEL 20 BY 13.30%."

RETAIL ESTATES NV - EPRA BELGIUM REIT INDEX

Premiums and discounts

The net asset value at fair value increased from EUR 50.43 on 31 March 2015, to EUR 53.48 on 31 March 2016 (dividend included).

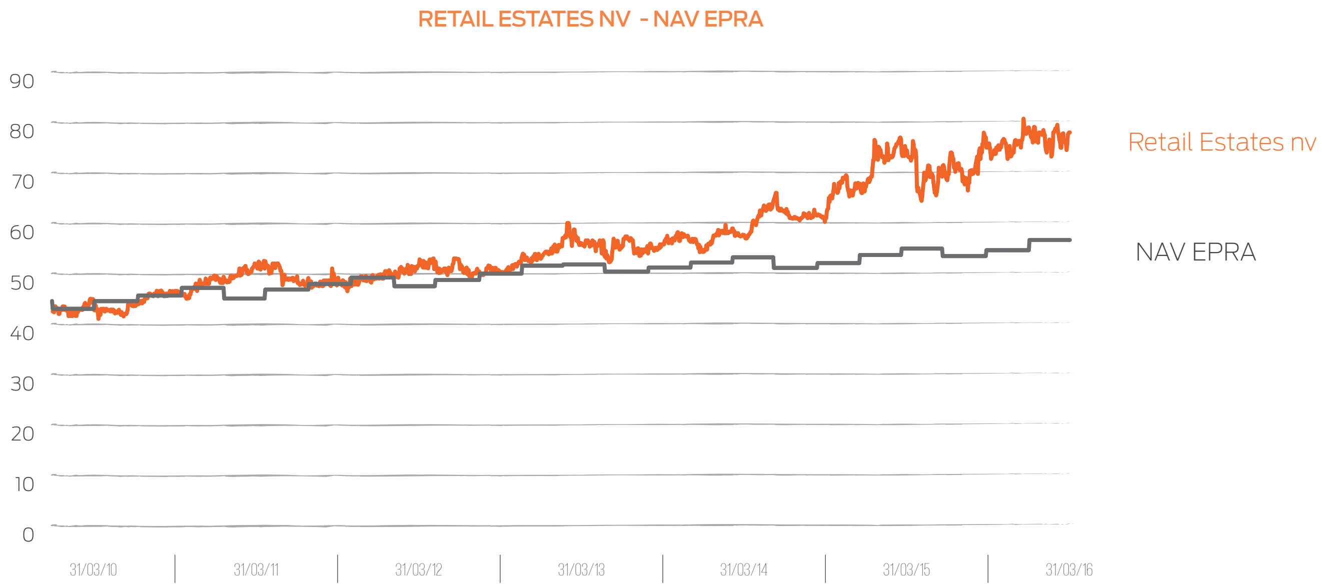
The EPRA net asset value (i.e. real value including the dividend, but excluding the value of the financial instruments) is EUR 56.66, compared to EUR 53.68 in the previous year. This increase is due to the positive variances in the value of the investment properties and the result achieved in the financial year.

Dividend

The proposal which the board of directors put forth at the shareholders' meeting, regarding the allocation of the results of the financial year that ended on 31 March 2016, consists of paying out a gross dividend (before withholding tax) of EUR 28.37 million.

This is equal to a gross dividend of EUR 3.20, for shares which have been eligible for a dividend from 1 April 2015 (8,866,320 shares).

It represents a 3.23% increase compared to the dividend received for the financial year that ended on 31 March 2015.



Regulated real estate company

Risk profiles and returns within a certain category of investments can differ significantly, depending on the focus, the nature of activities, and the specific features of the company that issued the shares.

The higher the risk, the higher the return required by an investor.

Some important factors, which play an instrumental role in determining the performance of RRECs, are both the type and location of properties, the kind of tenants, the non-occupancy rate, the level of interest rates, and the general stock market climate.

Since its listing on the stock exchange, the performance of Retail Estates nv has consistently been on a par with market norms, in line with the management's expectations at the start of the financial year, and commensurate with the performance of other Belgian RRECs with comparable occupancy rates and value growth in their real estate.

Linear bonds

Some investors regard real estate as a bridge between an investment in shares on the one hand, and a bond investment or a treasury note on the other. The dividend return of Retail Estates nv over the past financial year (with a gross dividend of EUR 3.20) is 4.28%, relative to the closing price of the share (dividend excluded). The ten-year interest rate for linear bonds is 0.67% on 31 March 2016.

02

Dematerialisation of bearer shares

Legal context

The law of 14 December 2005 (Belgian State Gazette 23 December 2005) abolishing bearer securities, prohibits the issue of new bearer shares with effect from 1 January 2008.

Since then, any bearer shares in a securities account have automatically been converted to dematerialised securities.

Following the implementation of the above-mentioned law, newly issued shares of Retail Estates nv cannot be delivered physically.

Until 31 December 2013, at the latest, holders of bearer securities that have not been converted automatically under the above paragraphs could request their conversion to dematerialised securities or registered securities.

After this period, any unconverted shares were automatically converted to dematerialised securities and deposited by two directors in a securities account.

The Bearer shares which still existed on 30 September 2015 (933) were sold under the aforementioned legislation, and the proceeds were deposited to the deposit and consignment office.

The auditor has issued a report on the Compliance with the related legal requirements.

03

Liquidity provider

KBC Securities has been acting as market maker since 1 April 2003, promoting the marketability of shares.

The 12-month fee for the past financial year amounts to EUR 0.02 million (VAT excluded).

04

Shareholders' agenda

The annual shareholders' meeting and the publication of the 2015-2016 annual results will be held in the offices of Retail Estates nv, Industrielaan 6, Ternat, Belgium, on Friday 1 July 2016 at 10:00am.

Dividend made available for payment	8 July 2016
Announcement half-yearly results	25 November 2016
Announcement annual results of the financial year 2016-2017	26 May 2017

REAL ESTATE REPORT

05

REAL ESTATE REPORT

RETAILPARK T-FORUM, TONGEREN ->

01

The market of out-of-town retail properties

Virtually unbridled growth appeared to be possible in the 1980s and the early 1990s. Tighter legislation put an end to this proliferation midway through the 1990s, though. Numerous 'opportunity seakers' have since disappeared on account of the growing complexity of the market. The supply of new properties, especially in Flanders, has decreased markedly, but demand has remained stable. This has resulted in rising rents and falling returns. The market of out-of-town retail properties has established its own position alongside city centre retail premises, offices and semi-industrial real estate.

For prime locations, tenants are currently paying annual rents of EUR 125 to 150/m² in major conurbations, and EUR 100/m² in smaller ones, with returns on high-end prime market locations between 5% and 5.50%. About fifteen years ago, the highest rents amounted to EUR 75/m² per year, and returns were between 9% and 10%.

The trend of rising rents came to a halt in 2009, with the exception of properties at high-end prime locations. At these locations tenants try to keep the rent payable by limiting the rented area rented.

These two factors – i.e., the increase in the average rent and the decrease in the average return – have reinforced the growth in value of properties at prime locations over the past twenty years. Today, the Belgian market of out-of-town retail properties is characterised by considerable stability among long-term investors and tenants.

The best barometer to measure the demand is the rate of unoccupied properties, which has now for several years been below 2% in the portfolio of Retail Estates nv. Tenants of out-of-town retail properties are fiercely loyal to their sales outlets. This is due to the quality of the location on the one hand, and the granting of socio-economic permits on the other. The permits are issued for buildings, not to tenants. Moreover, this kind of properties are rented out while they are still in the carcass stage (i.e., the shell of the building) and tenants invest significant amounts in furnishing the shops, which makes them even less inclined to relocate.

Most tenants of Retail Estates nv's properties are chain stores that have, in recent years, acquired the best sites, often at the expense of local SMEs, which, historically, have always dominated these locations. In this sense, the development that has occurred is similar to what has happened in high streets. On the investment side, the attractive ratio of supply and demand has resulted

"TODAY, THE BELGIAN MARKET OF OUT-OF-TOWN RETAIL PROPERTIES IS CHARACTERISED BY CONSIDERABLE STABILITY AMONG LONG-TERM INVESTORS AND TENANTS."

in increased presence of institutional investors. Also affluent individuals show an increasing interest in this type of real estate.

Ten institutional investors are now highly active in this segment. Generally speaking, Belgium has more and more integrated retail parks, comparable with those found close to every conurbation in countries like the United Kingdom and France. Retail parks in Belgium tend rather to be small (15,000 to

20,000m²), and are mostly situated in the French-speaking part of the country (Wallonia). In Flanders, new parks likely occur in small urban areas, such as retail parks T Forum and Be-MINE Boulevard respectively in Tongeren and Beringen.

An important part of the Retail Estates nv's properties are located adjacent to major peripheral motorways or near residential districts on the outskirts of larger conurbations and they often form clusters which seek proximity to each other.

The contemporary vision of urban and spatial planning embraces greater cohesion and clarity. Increasingly, certain zones are explicitly being earmarked as areas for large retail outlets and other zones as areas for shops with restricted activities. These areas have space for further establishments. We cannot exclude the possibility that many new developments will be realised as a result of the regionalisation of the place of business policy, which has become effective on 1 July 2014.

During the past years, Retail Estates nv has acquired various retail parks. Several of them have been subjected to a facelift or will be within a medium term. Even the expansion of such sites offers Retail Estates nv attractive prospects.

It is labour-intensive to select suitable opportunities and plan and manage these alterations. They require the necessary expertise, but are rewarded with a higher return on rents.

02

The real estate portfolio

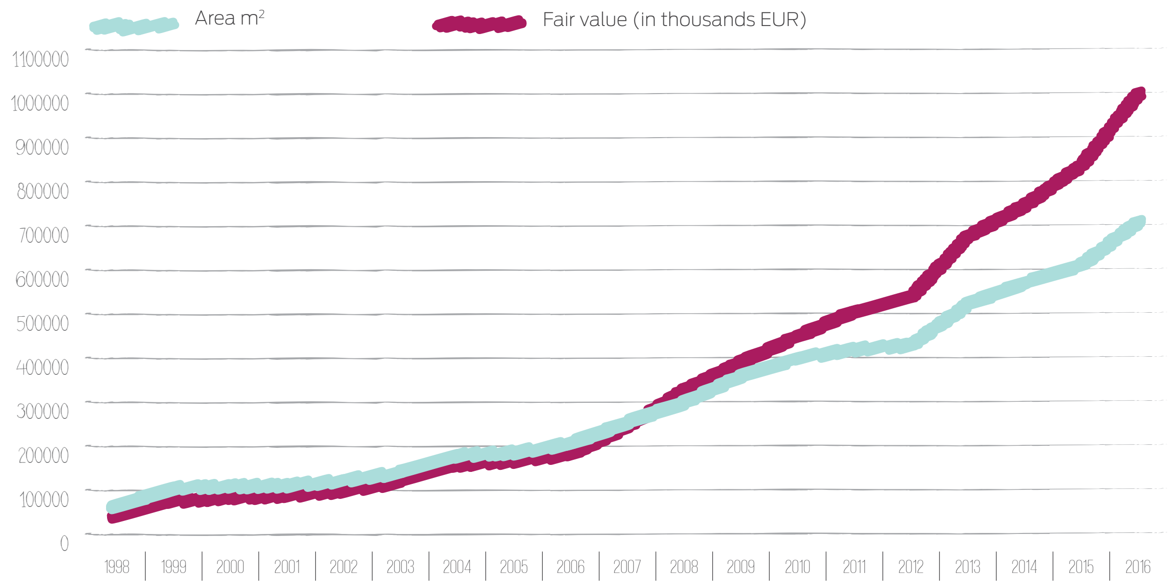
Investment strategy and profile

Since 1998, Retail Estates nv has been investing in out-of-town retail properties, alongside roads. Over a period of 18 years, the company has established a significant portfolio which, on 31 March 2016, consists of 634 retail properties, covering a total built-up retail area of 708,879m². Their fair value of the real estate portfolio totals EUR 1,000.80 million. The investment value amounts to EUR 1,025.54 million.

The value of the real estate portfolio of the public RREC has increased by 19.55% compared to the value on 31 March 2015 (EUR 837.12 million). This is the result of acquisitions, as well as the delivery of several properties under its own development.

The occupancy rate is 98.22%.

GROWTH RETAIL ESTATES PORTFOLIO BETWEEN 1998 AND 2016



Until 31 March 2003: investment value
From 1 April 2004: fair value (valuation according to IFRS)

Type of building[1]

Definitions

Individual peripheral retail properties are solitary retail properties adjacent to the public highway. Every outlet has its own car park and entrance and exit roads, connecting it to the public highway, and making it easily recognisable. In the immediate vicinity, there are, in principle, no retail properties of the same kind.

Retail clusters are a collection of suburban 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. This is the most typical concentration of suburban retail properties in Belgium.

Retail parks are made up of retail properties that, in conjunction with other shops, form part of an

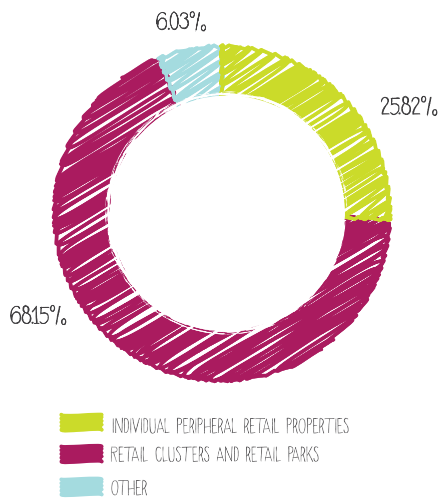
1 The diagrams in this chapter show percentages based on the total surface on 31 March 2016.

integrated commercial complex. All properties use a central car park with a shared entrance and exit road. This enables consumers to go to several shops without having to move their cars. A location of this kind will typically have at least five properties.

Other real estate consists mainly of offices, residential dwellings, hospitality establishments and a logistics complex at Erembodegem. The Erembodegem site was leased in its totality to Brantano nv under a 10-year lease agreement that ends on 31 May 2024. Retail Estates nv only invests in real estate properties used for the aforementioned purposes if they are already embedded in a retail property or are part of a real estate portfolio that can only be acquired as a whole.

Retail premises under development are premises that form part of a new-build project or a renovation project.

TYPE BUILDING



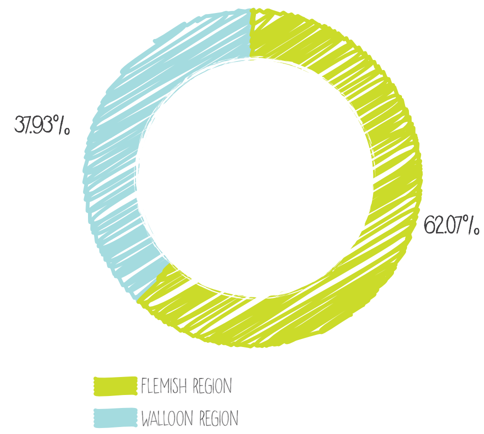
Geographical spread

At the time of the incorporation of Retail Estates nv, more than 70% of its retail properties were located in the Walloon Region. This reflected the far greater supply of out-of-town real estate available in this part of the country.

Since then, the ratio has changed, with 62.07% of the portfolio located in the Flemish Region, compared to 37.93% in the Walloon Region. These figures are more in line with the way in which the population is distributed across the two regions.

Now, Retail Estates nv has only two retail properties in the Brussels Region. This region hardly knows peripheral real estate and is therefore not actively observed by Retail Estates nv.

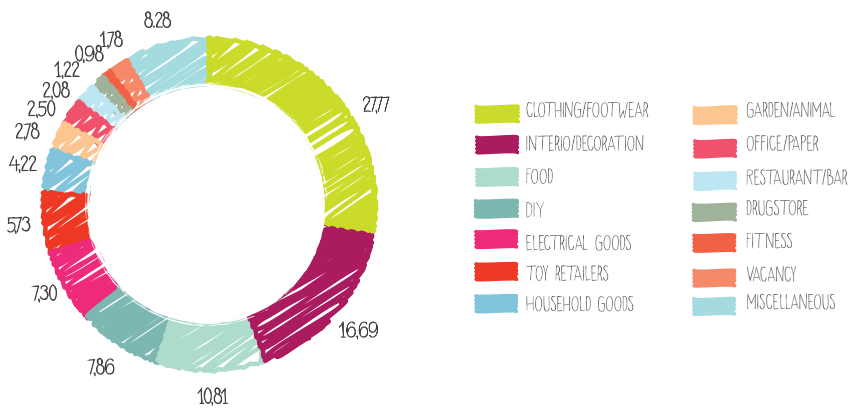
GEOGRAPHICAL SPREAD



Commercial activities of tenants

Retailers selling footwear and clothing (27.77%) and retailers selling home furnishing (interior/decoration, DIY and electro, together 31.85%), account for more than 59% of the leased surface area. Both categories provide a stable basis. Retailers selling food represent only 10.81%. Socio-economic permits for all these activities are the most difficult to obtain. This is conducive to an increase in the value of the properties on the one hand and a stronger loyalty to the location on the other.

COMMERCIAL ACTIVITIES OF TENANTS



Tenants: chain stores versus SMEs

Since its incorporation, Retail Estates nv has focused on mainly letting out its properties to chain stores and/or franchise issuers.

For the purposes of this analysis, 'chain store' shall mean a large retail company with at least five sales outlets and central accounting. Already in 1998, the company was letting out 82% of its properties to chain stores of this kind. On 31 March 2016 the percentage chain stores and/or franchise issuers represents 90.16%. These tenants are less sensitive than local independent SMEs to changing conditions in the local market. A temporary local fall in turnover caused by road works, for example, will not cause any liquidity problems capable of jeopardising the payment of rent for chain stores. As most chain stores are organised nationally, and often internationally, they can rely on a strong professional organisation and a marketing unit that can promote the attractiveness of every individual outlet.

They also make significant marketing efforts which can be advantageous to the real estate location.

Rent per m^2

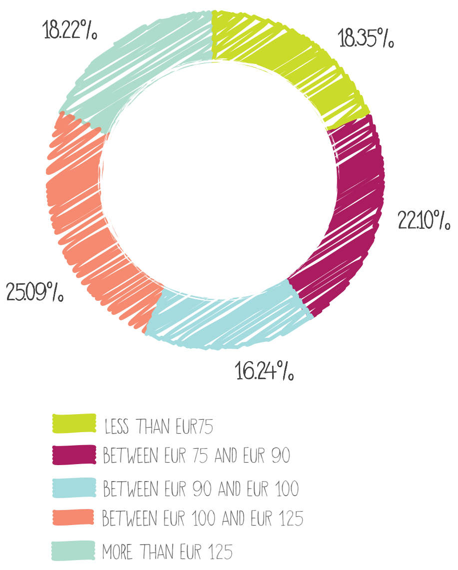
The differences in rent are not only due to the characteristics of the location, but are often also attributable to the term of the lease agreements, which, in the best-case scenario, can be reviewed only every 9 years, or otherwise not until 18 or 27 years later. The demand for long-term lease agreements can be explained by the significant amounts that tenants invest in furnishing the premises, and also by the advantages that long-term contracts offer investors, because the tenant is bound by the rent and will not be keen to renegotiate the

" THE CONTEMPORARY VISION OF URBAN AND SPATIAL PLANNING EMBRACES GREATER COHESION AND CLARITY. "

rent for fear of putting the outlet at risk.

The average contractual rent per m² amounts to EUR 95.86 per year. Compared to 1998 (EUR 61.15/m²) this represents an increase of 56.76%. This increase is partly due to inflation and rent increases and partly due to the increase in the number of recently established

HUURPRIJS PER M²



retail properties, which, due to the higher market prices, are typically rented out at higher prices than the average of the existing real estate portfolio.

Tenants and contracts

The top 20 tenants of Retail Estates nv represent 55.79% of the gross rental income, and 53.66% of the total surface area of the properties in the real estate portfolio. They represent 291 shops.

The weighted average term of the leases is 10.5 years. This does not derogate the exsisting theoretical risk that all tenants use their legally granted termination option at the end of the current three-year period. In this case all shop will be empty within 3 years and 6 months.

Summary of key figures

	RETAIL ESTATES		
	31.03.16	31.03.15	31.03.14
Estimated fair value[2] (in €)	1,000,799,000	837,121,000	745,916,000
Yield (investment value)	6.64%	6.80%	6.93%
Contractual rents (in €)	66,600,791	55,880,428	51,144,211
Contractual rents incl. rental value of vacant buildings (in €)	67,956,128	56,511,608	51,823,578
Total m² in portfolio	708,879	611,076	570,870
Number of properties	634	554	548
Occupancy rate	98.22%	98.78%	98.17%
Total m² under development	6,552	32,496	1,800

2 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 31 March 2016 (see further in this chapter).

Important note

On 31 March 2016, the real estate portfolio of Retail Estates nv consists of real estate properties owned by Retail Estates nv and its subsidiaries.

Real estate portfolio of Immobilière Distri-Land nv

On 31 March 2016, the real estate portfolio of Immobilière Distri-Land nv consists of 11 retail properties that have been rented out completely. All of these retail properties were built before 1989 and are similar to those owned by Retail Estates nv in terms of location and rent.

" TENANTS OF OUT-OF-TOWN RETAIL PROPERTIES ARE FIERCELY LOYAL TO THEIR SALES OUTLETS. THIS IS DUE TO THE QUALITY OF THE LOCATION ON THE ONE HAND, AND THE GRANTING OF SOCIO-ECONOMIC PERMITS ON THE OTHER. "

Overview real estate portfolio

Below is an overview of the real estate portfolio of Retail Estates nv and its subsidiaries on 31 March 2016.

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
Antwerp	Cluster Antwerp-North	Bredabaan 964-968, 2170 Merksem Bredabaan 891-893, 2170 Merksem Bredabaan 1203-1215, 2900 Schoten		L&L RETAIL BELGIUM SA FUN BELGIUM nv LEGIO IMMO BELGIUM nv ALDI RIJKEVORSEL nv AVEVE NV BEDDEN EN MATRASSEN BV FABRIMODE NV C&A BELGIE CV CARPETLAND NV CHARLES VOGELE BELGIUM NV MENATAM SA EURO SHOE GROUP NV MAXI ZOO BELGIUM BVBA NEW VANDEN BORRE NV PEETERS KIP AAN'T SPIT BVBA PRO-DUO NV SCHOT'S VISHANDEL BVBA ZEEMAN TEXTIELSUPERS NV VACANT KREFEL NV ORCHESTRA-PREMAMAN NV MEDINA NV L,TORFS NV HET BROEKENPALEIS NV JBC NV			
			32,275		4,455,159.27	4,53,188.88	69,658,107.98

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Cluster Antwerp-South	Boomsesteenweg 649-651, 2610 Wilrijk		HANDELSMAATSCHAPPIJ PAUL LAMBRECHTS NV			
		Boomsesteenweg 652, 2610 Wilrijk		KREFEL NV			
		Boomsesteenweg 941-945, 2610 Wilrijk		OBEY NV			
		Boomsesteenweg 800, 2610 Wilrijk		RESIDENTIAL			
		Antwerpsesteenweg 65, 2630 Aartselaar		CARPETLAND NV			
		Boomsesteenweg 62-68/86, 2630 Aartselaar		KEUKENONTWERPERS NV			
		Koningin Astridlaan 83-85-87, 2550 Kontich		PRO-DUO NV			
				SCHRAUWEN SANITAIR EN VERWARMING NV			
				DARKOM BVBA			
				HILTI BELGIUM NV			
				EDENWOOD NV			
				ODYSSEUS BOUWMARKTEN NV			
				BEDDEN EN MATRASSEN BV			
				HET KEUKENHUIS NV			
				MAXI ZOO BELGIUM BVBA			
				BMS NV			
				FUN BELGIUM NV			
				ORCHESTRA-PREMAMAN NV			
				PIOCHEUR NV			
				ZEBULAH NV			
				BASIC FIT BELGIE			
				LIN'S			
				C&A BELGIE CV			
				EURO SHOE GROUP NV			
			32,595		3,128,910.33	3,511,890.00	39,602,728.79
	Cluster Lier	Donk 54/1-54/4, 2500 Lier		ANISERCO NV			
		Antwerpsesteenweg 308/366, 2500 Lier		HEYTENS			
				NEW VANDEN BORRE NV			
				MANYLION BVBA			
				BRANTANO NV			
				KREFEL NV			
				SLAAPADVIES BVBA			
				BELGACOM MOBILE NV			
				FUN BELGIUM NV			
			8,293		802,074.12	897,220.00	7,590,290.42

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Cluster Mechelen-North	Oscar Van Kesbeecklaan 7, 2800 Mechelen Elektriciteitsstraat 39, 2800 Mechelen Guido Gezellelaan 6-20, 2800 Mechelen Rode Kruisplein 20, 2800 Mechelen Liersesteenweg 432, 2800 Mechelen		PRIMO STADION NV MAXI ZOO BELGIUM BVBA BRANTANO NV VEDEA 1885 - DE KROON NV LEEN BAKKER BELGIE NV NEW VANDEN BORRE NV VACANT RESIDENTIAL (VACANT) DANS- EN EXPRESSIE VZW PRO-DUO NV ORCHESTRA-PREMAMAN NV BABYDUMP BV PIOCHEUR NV FUN BELGIUM NV			
			13,919		1,258,227.37	1,420,185.00	17,720,374.42
	Cluster Mechelen-South	Brusselsesteenweg 437-441, 2800 Mechelen Geerdegemstraat 148, 2800 Mechelen		INTRES BELGIUM XP BVBA FABRIMODE NV MENATAM SA BRANTANO NV NEW VANDEN BORRE NV REDISCO BVBA L&L RETAIL BELGIUM SA RESIDENTIAL LEGIO IMMO BELGIUM NV			
			7,535		916,389.13	874,645.00	8,954,399.22
	Cluster Westerlo	Hotelstraat 10, 2260 Oevel		C&A BELGIE CV EURO SHOE GROUP NV FABRIMODE NV KWANTUM BELGIE BV GEELEN MARIA PIOCHEUR NV PRIMO STADION NV ZEBULAH NV ZEEMAN TEXTIELSUPERS NV KP DECOR BVBA VACANT			
			11,102		642,368.71	840,265.00	10,377,844.37
	Individual peripheral retail properties and others	Slachthuisstraat 27, 2000 Antwerpen Frans Beirenslaan 51, 2150 Borsbeek Geelsebaan 64, 2460 Kasterlee Antwerpsesteenweg 482-484, 2660 Hoboken Nekkerspoelstraat 447, 2800 Mechelen		ALDI RIJKEVORSEL NV CARPETLAND NV SINT-NIKLAAS DOE HET ZELF NV HUBO BELGIE NV			
			6,826		690,593.89	667,570.00	9,644,126.33

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
Brussels	Individual peripheral retail properties and others	Jerusalemstraat 48-50, 1030 Schaarbeek Ninoofsesteenweg 510, 1070 Anderlecht Charleswoestlaan 219-312, 1090 Jette		ALDI CARGOVIL-ZEMST NV ORCHESTRA-PREMAMAN NV KOSTOPOULOS SAMBITO GIOVANNI BUSTERNA			
			2,223		229,347.67	229,800.00	2,764,160.90
Hainaut	Cluster Ath	Chaussée de Bruxelles 60, 7800 Ath		EURO SHOE GROUP NV AGIK SPRL KRUIDVAT BVBA MATCH SA ZEEMAN TEXTIELSUPERS NV BASE COMPANY NV PIOCHEUR NV ELECTRO AV NV ACTION BELGIUM ALKEN MAES NV MONI SPRL			
			5,270		539,956.35	664,935.00	6,475,296.22
	Cluster Aiseau-Presles	Rue du Campinaire 72-82, 6250 Aiseau-Presles		OMEGA NV RSDECO AVEVE NV ELECTRO AV NV ALDI GEMBLOUX SA EURO SHOE GROUP NV			
			8,182		713,777.89	701,792.50	10,898,022.47
	Cluster Tournai	Rue des Roselières 10, 7503 Froyennes Rue des Roselières 3, 7503 Froyennes Rue de Maire 13A-D/18E, 7503 Froyennes		CHAUSSURES MANIET SA DELCAMBE CHAUSSURES SPRL HEYTENS ANISERCO NV PIOCHEUR NV CARGLASS NV BRSL SPRL			
			6,084		699,111.34	705,452.87	5,061,693.93

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Individual peripheral retail properties and others	Route Nationale 5, 6041 Gosselies Route de la Basse Sambre 713, 6060 Gilly Avenue du Centenaire 50, 6061 Montignies-sur-Sambre Rue de la Persévérance 7-13, 6061 Montignies-sur-Sambre Rue de Leernes 2, 6140 Fontaine-l'Evêque Chaussée de Mons 322-324, 6150 Anderlues Rue Dewiest 86, 6180 Courcelles Rue des Français 152, 6200 Châtelet Chaussée de Gilly 38, 6220 Fleurus Rue de Bertransart, 6280 Gerpinnes Rue d'Anderlues 110, 6530 Thuin Chaussée de Binche 50/129, 7000 Mons Chaussée de Ghlin 26, 7000 Mons Avenue Wilson 421, 7012 Jemappes Rue de la Station 125, 7060 Soignies Chaussée de Roeulx 351-353, 7060 Soignies Avenue de la Wallonie 6, 7100 La Louvière Rue Zéphirin Fontaine 76A/140, 7130 Binche Rue des bureaux 3B, 7160 Chapelle-lez-Herlaimont Rue du Grand Hornu 63/77, 7301 Hornu Route de Mons 107, 7390 Quaregnon Route de Mons 124, 7390 Wasmuel Rue de la Taverne du Maire 3, 7503 Froyennes Rue Neuve Chaussée, 7600 Péruwelz		ELEKTRO DEPOT BELGIQUE SA WIBRA BELGIE NV MEGA STORE SPRL SAY SPRL JBC NV E5 MODE NV NEW VANDEN BORRE NV DO INVEST NV MATCH SA POINT CARRE SPRL DFA1-CENTRE FUNÉRAIRE MARCHANT BVBA MOBISTAR NV PROFI SA ALDI GEMBLOUX SA DISTRILED CENTRE BVBA LIDL EURO SHOE GROUP NV CHARLES VOGELE BELGIUM NV CODDS SPRL NIKE RETAIL BV GAMMS SPRL BASIC FIT BELGIE PIOCHEUR NV CASHALLO SPRL AVEVE NV BRANTANO NV VACANT LEONARDO SPRL ANISERCO NV CARPETLAND NV MAXI TOYS BELGIUM SA BASSANI SPRL MC DONALD'S BELGIUM INC, JCDECAUX BILLBOARD SA ORCHESTRA-PREMAMAN DI SA FABRIMODE NV ACTION BELGIUM BVBA			
			40,929		3,434,243.61	3,540,564.67	40,947,386.53

Province	Cluster/IBW	Address	Gross surface (m^2)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
LIMBURG	Cluster Beringen	Koolmijnlaan, 3580 Beringen		BRICO BELGIUM NV			
				ALBERT HEIJN BELGIE NV			
				MAXI ZOO BELGIUM BVBA			
				MAGS BVBA			
				MEDINA NV			
				L&L RETAIL BELGIUM SA			
				MONASHEE BVBA			
				H&M HENNES & MAURITZ SA			
				FABRIMODE NV			
				C&A BELGIE NV			
				AVA PAPIERWAREN NV			
				NEW VANDEN BORRE NV			
			17,637		1,743,166.61	1,897,048.33	31,004,053.35
	Cluster Genk-Hasseltweg	Hasseltweg, 3600 Genk		VAN BEUREN INTERIORS BVBA			
		Wilde Kanstanjelaan 3, 3600 Genk		KVIK A/S			
				GOBREL SA			
				TOYCHAMP BELGIUM NV			
				SEATS AND SOFAS NV			
				BUDGETSLAGER NV			
				ALDI HEUSDEN-ZOLDER			
				VACANT			
			9,971		711.142,07	723,575.00	9,346,626.78
	Cluster Lommel	Binnensingel 46-54, 3920 Lommel		SPORTSDIRECT,COM BELGIUM			
				LIDL			
				LEEN BAKKER BELGIE NV			
				KREFEL NV			
			6,938		700,621.52	650,785.00	10,724,969.43

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Cluster Tongeren	Luikersteenweg 151, 3700 Tongeren		JBC NV L, TORFS NV ADL CONSULT BVBA PRO-DUO NV EURO SHOE GROUP NV KLEDING VOSSEN NV NEW VANDEN BORRE NV MONASHEE BVBA DREAMLAND NV FABRIMODE NV KRUIDVAT BVBA E5 MODE NV BRANTANO NV C,C,I,T, BVBA GOBREL SA PIOCHEUR NV AVA PAPIERWAREN NV DELIEVEC BVBA DELHAIZE GROEP LIDL ACTION BELGIUM BVBA MAXI ZOO BELGIUM BVBA DESCARTO BVBA LEEN BAKKER BELGIE NV GROEP L,B,M, BVBA			
			30,930		2,315,813.26	2,799,780.00	37,887,508.27
	Individual peripheral retail properties and others	Genkersteenweg 160, 3500 Hasselt Genkersteenweg 247, 3500 Hasselt Vredelaan 34, 3530 Houthalen Grote Baan 212, 3530 Houthalen Meylandtlaan 171, 3550 Heusden-Zolder Maaseikersteenweg 197, 3620 Lanaken		PRIMO STADION NV PIOCHEUR NV CARPETLAND NV GROUP GL INTERNATIONAL NV JBC NV LIDL AVA PAPIERWAREN NV E5-MODE NV DELIEVEC TOYCHAMP BELGIUM NV			
			9,730		779,508.90	919,541.07	11,760,548.05

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
LIÈGE	Cluster Blegny-Barchon	Rue Champs de Tignée 4/14/20-34, 4671 Barchon		WILMAR DECO SPRL			
				LES PERES NOIRS SA			
				OPTIC BARCHON SPRL			
				CHAUD DIFFUSION SPRL			
				SAKER-GRECO			
				BRICOBA SA			
				FORSUN SA			
				INGI COIFFURE SPRL			
				LES BOUCHERS DOUBLES			
				LA CHINE WOK SPRL			
				CIRCUS BELGIUM SA			
				LA GLISSE			
				3D MANAGEMENT SPRL			
				SEPTEMBRE 1965 SPRL			
				DELHAIZE GROEP			
				LIDL			
				ATHOME DESIGN SA			
				T,C, BONCELLES SPRL			
				PHILIPPE STEVENS SPRL - DIGITHOME			
			11,871		1,098,022.27	1,129,690.00	14,723,348.85
	Cluster Liège Edge of Town	Boulevard Cuivre et Zinc 1-5, 4000 Liège		ANISERCO NV			
		Boulevard Frankignoul, 4000 Liège		PIOCHEUR NV			
		Boulevard Froidmont 13-23, 4000 Liège		STAR MODE SPRL			
		Boulevard Pointcaré 20-26, 4000 Liège		KREFEL NV			
				MAXI TOYS BELGIUM SA			
				QUICK RESTAURANTS SA			
				LEEN BAKKER BELGIE NV			
				LA GRANDE RECRE BELGIQUE SPRL			
				BURO MARKET NV			
				ALDI VAUX-SUR-SURE SA			
				DISTRILED LIEGE SPRL			
				LEGIO IMMO BELGIUM NV			
				DEV-CREATIONS SA			
				ENGELS LIEGE BVBA			
			14,650		1,254,971.20	1,317,970.00	15,612,101.66

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Cluster Eupen	Rue Mitoyenne 1, 4700 Eupen Herbesthalerstraat 154, 4700 Eupen		PIOCHEUR NV ANISERCO NV BRANTANO NV C&A BELGIE CV CASSIS SA EURO SHOE GROUP SA JBC NV PRO-DUO NV VERITAS NV ORCHESTRA-PREMAMAN NV			
			9,142		865,434.12	826,760	12,949,150.31
	Cluster Liège-Herstal	Rue des Naiveux 16/24B/40/44, 4040 Herstal Rue des Naiveux 7, 4040 Herstal Rue Arnold Delsupexhe 66B, 4040 Herstal		GOBREL SA L&L RETAIL BELGIUM SA CHARLES VOGELE BELGIUM NV NEW VANDEN BORRE NV REDISCO BVBA AVA PAPIERWAREN NV			
			5,204		642,352.68	616,611.02	4,989,445.68
	Cluster Rocourt	Chaussée de Tongres 269, 4000 Rocourt		AUTO 5 NV ORCHESTRA-PREMAMAN NV KREFEL NV MEDI-MARKET PARAPHAMACIE LIEGE NV BDO DISTRIBUTION SA CHAUSSEA,BEL SPRL C&A BELGIE CV MENATAM SA HEMA BELGIE BVBA DISTRI JEMAPPES-ROCOURT SPRL JBC NV QUICK RESTAURANTS SA			
			10,955		1,691,288.39	1,687,875.00	27,862,526.74

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Cluster Verviers	Boulevard des Gérardchamps 118, 4800 Verviers Rue Fernand Houget 6A, 4800 Verviers Rue de la Station 8, 4800 Verviers		DELHAIZE GROEP GEMEENSCHAP DELHAIZE/TOM&CO/LEENBAKKER ANISERCO NV LEEN BAKKER BELGIE NV BDO DISTRIBUTION SA BRANTANO NV PIOCHEUR NV REGIE DES BATIMENTS DECATHLON BELGIUM NV MC DONALD'S RESTAURANTS BELGIUM NV SECUREX CORPORATE MIAMI SUN SPRL ING BELGIQUE SA PHARMACIES POPULAIRES DE VERVIERS ET ARR, SCRL DREAMLAND NV PRO-DUO NV GROEP BOSSUYT BELGIE NV ELECTRO AV NV SND SA MENATAM SA MAISONS DU MONDE PARFUMERIE ICI PARIS XL SA CHAUSSEA,BEL SPRL L&L RETAIL BELGIUM SA 3D MANAGEMENT SPRL JBC NV DELIMMO SA MAXI ZOO BELGIUM BVBA PAPETERIE,BE SPRL KRUIDVAT BVBA EDCOM SCRL			
			37,058		3,393,018.21	3,293,805.00	48,389,251.74

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Individual peripheral retail properties and others	Rue Joseph Demoulin 15, 4000 Liège		ACTION BELGIUM BVBA			
		Rue de Chafnay 5-7, 4020 Jupille-sur-Meuse		PROFI SA			
		Rue Servais Malaise 29-31, 4030 Grivegnée		EURO SHOE UNIE NV			
		Rue de Sewage 3, 4100 Seraing		VACANT			
		Route du Condroz, 4120 Neupré		SERAING DISCOUNT			
		Avenue Laboulle 17, 4130 Tilff		POINT CARRE SPRL			
		Chaussée Romaine S/N, 4300 Waremme		AGORA LIBRIS SPRL			
		Rue Joseph Wauters 25A, 4500 Huy		LIDL			
		Avenue du Bosquet 3, 4500 Huy		ZANIMO SPRL			
		Rue du Bay-Bonnet, 4620 Fléron		BRANTANO NV			
		Rue Bureau 56, 4620 Fléron		BLEU CITRON SPRL			
		Avenue Reine Astrid 236/242, 4900 Spa		ORCHESTRA-PREMAMAN NV			
		Boulevard des Anglais, 4900 Spa		ANISERCO NV			
		Rue du Chalet 95, 4920 Aywaille		RESIDENTIAL			
				EURO SHOE GROUP NV			
			16,603		1,734,217.80	1,351,470.00	17,046,928.32
LUXEMBURG	Cluster Marche-en-Famenne	Avenue de France 32/34/36/38/40/42/44/48, 6900 Marche-en-Famenne		MAXI TOYS BELGIUM SA			
				KVIK A/S			
		Chaussée de Liège 13, 6900 Marche-en-Famenne		ZEEMAN TEXTIELSUPERS NV			
		Rue du parc Industriel 5/13, 6900 Marche-en-Famenne		C&A BELGIE CV			
				VACANT			
				LEEN BAKKER BELGIE NV			
				JMBA SPRL			
				PIOCHEUR NV			
				BASILE FAMILY SPRL			
				H&M HENNES & MAURITZ SA			
				HEMA BELGIE BVBA			
				EUROVENTES			
				ELECTRO AV NV			
				FOLLOW UP SPRL			
				CIVADIS SA			
				HUBO BELGIE NV			
			15,183		1,511,523.25	1,660,705.00	17,976,308.52

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Individual peripheral retail properties and others	Rue de Marche 104, 6600 Bastogne		JBC NV			
		Avenue de la Gare, 6720 Habay-la-Neuve		GB RETAIL ASSOCIATES SA			
		Rue de la Vallée 100-108, 6780 Messancy		ZEEMAN TEXTIELSUPERS NV			
		Avenue de Bouillon 54, Libramont		MAXI MARKET SPRL			
		Rue de Neufchâteau 5, 6800 Libramont-Chevigny		GOBREL SA			
		Rue de Libin 2/2A, 6800 Libramont		MAKE SPRL			
		L'Aliénau 18, 6800 Libramont		ZHAN LI FEN			
		Rue de la Girafe 21/25, 6830 Bouillon		BLUE VISION MESSANCY (A CONSTITUER)			
				ALDI VAUX-SUR-SURE SA			
				PARTY 2000 SPRL			
				MEUBLES DOURET ET FILS			
				BRICO ARDENNE SPRL			
				KREFEL NV			
				AVA PAPIERWAREN NV			
				OMEGA NV			
				BPOST SA			
			18,778		1,474,068.69	1,438,764.30	23,022,101.26
NAMUR	Cluster Dinant	Tienne de l'Europe, 5500 Dinant		BRANTANO NV			
				ELECTRO AV NV			
				LEEN BAKKER BELGIE NV			
				CASSIS SA			
				CHARTEX SA			
				PAREE PIERRE			
				NMD SPRL			
				C&A BELGIE CV			
			5,330		499,211.20	512,595.00	6,454,671.73
	Cluster Gembloux	Campagne d'Enée 1-11, 5030 Gembloux		MENATAM SA			
				VANDEN BERGH SA			
				AVA PAPIERWAREN NV			
				AUGEM SPRL			
				ELECTRO AV NV			
				KRUIDVAT BVBA			
				IDEAL DECOR ETS SA			
				DISTRILED CENTRE BVBA			
				LIDL			
			8,237		807,786.58	793,540.00	12,485,203.34

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Cluster Namen-North	Rue de Sardanson 20, 5004 Bouge Chaussée de Louvain 261, 5004 Bouge Rue Louis Albert 5/6/7, 5020 Champion Chaussée de Louvain 562-564, 5020 Champion		FAST FOOD SPRL CCB CORPORATE SPRL 2 HB ANS SPRL C&A BELGIE CV CARREFOUR BELGIUM SA PIOCHEUR NV E5 MODE NV BRANTANO NV SND SA NCD SA ALDI GEMBLOUX SA MAISONS DU MONDE TIAN BAO SPRL			
			14,867		1,530,680.35	1,526,350.00	19,064,443.14
	Cluster Namen-South	Avenue Prince de Liège 114/115/117/120, 5100 Jambes Chaussée de Liege 519, 5100 Jambes Chaussée de Marche 570/586, 5101 Erpent		NEW VANDEN BORRE NV BRANTANO NV ORCHESTRA-PREMAMAN NV QUICK RESTAURANTS SA KREFEL NV ECLIPSE SPRL			
			8,523		835,538.47	840,699.85	12,967,505.84
	Cluster Sambreville	Rue Baty des Puissances 1/11/12/27, 5190 Jemeppe-sur-Sambre		BRICO BELGIUM NV BRANTANO NV MAXI TOYS BELGIUM SA PING AN 168 SPRL GOBREL SA BAVAROIS CONCEPT SPRL			
			5,045		390,752.75	449,840.00	4,144,556.55
	Individual peripheral retail properties and others	Ancien Rivage 73, 5020 Malonne Chaussée de Wavre 42B, 5030 Gembloux Avenue Reine Elisabeth, 5300 Andenne Avenue de la Belle Mine 24, 5300 Andenne Rue de Neuville, 5600 Philippeville		ANISERCO NV BRANTANO NV MAXI TOYS BELGIUM SA NEW VANDEN BORRE NV EURO SHOE GROUP NV C&A BELGIE CV ALDI GEMBLOUX SA			
			6,163		615,029.14	714,910.00	4,153,657.49

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
EAST FLANDERS	Cluster Dendermonde-Mechelsestwg	Leopold II-laan, 9200 Dendermonde		DELHAIZE GROEP			
		Mechelsesteenweg 35/51/136-138D-140, 9200 Dendermonde		BELLOLI BVBA			
		Oude Vest 70, 9200 Dendermonde		PIOCHEUR NV			
				LEEN BAKKER BELGIE NV			
				FUN BELGIUM NV			
				BASIC FIT BELGIE			
				KREFEL NV			
				RESIDENTIAL (VACANT)			
				GAM NV			
				KRUIDVAT BVBA			
			14,969		1,346,496.16	1,423,635.00	7,627,022.04
	Cluster Eeklo	Stationsstraat 76/ 78/82-86 – Krügercenter, 9900 Eeklo		DI SA			
		Gentsesteenweg 1A, 9900 Eeklo		VACANT			
				DAMART TSD NV			
				HUNKEMÖLLER BELGIUM NV			
				HANS ANDERS BELGIE BVBA			
				L&L RETAIL BELGIUM SA			
				L,TORFS NV			
				C&A BELGIE CV			
				PRIMO STADION NV			
				LIDL			
				PIOCHEUR NV			
				HEMA BELGIE BVBA			
				NEW VANDEN BORRE NV			
				JBC NV			
				GB RETAIL ASSOCIATES SA			
				FITFORM			
				CHARLES VOGELE BELGIUM NV			
				BRICO BELGIUM NV			
				ELECTRO AV NV			
				BELSAY NV			
				TEAROOM DE KRUGER BVBA			
				BRANTANO NV			
			13,142		1,494,255.48	1,258,635.00	18,332,206.90

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Cluster Ghent-South	Kortrijksesteenweg 1036/1149/1178/1182A/119 2B/1200, 9051 Sint-Denijs-Westrem Wallekensstraat 24/26/28, 9051 Sint-Denijs-Westrem Kortrijksesteenweg 1206, 9051 Sint-Denijs-Westrem		FUN BELGIUM NV RETAIL CONCEPTS NV HEYTENS GDW-GENT BV FINSBURY PROPERTIES NV NEW VANDEN BORRE NV KREFEL NV DEUTSCHE BANK EUROPE GMBH ORCHESTRA-PREMAMAN NV PIOCHEUR NV PRIMO STADION NV WAMO BVBA CARPETLAND NV			
			14,600		1,699,033	1,864,465	21,250,800.84
	Cluster Oudenaarde	Gentstraat 47-67, 9700 Oudenaarde		EXTRA VERTES BVBA C&A BELGIE CV LEEN BAKKER BELGIE NV CHARLES VOGELE BELGIUM NV PIOCHEUR NV WIBRA ALBERT HEIJN BELGIE NV BAPE BVBA KRUIDVAT BVBA VACANT BPOST SA			
			7,953		691,081.24	645,713.54	6,911,516.83
	Cluster Sint-Niklaas	Parklaan 50/87, 9100 Sint-Niklaas Plezantstraat 268, 9100 Sint-Niklaas		GUNGO BVBA ELECTRO AV NV RESIDENTIAL FUN BELGIUM NV ALDI ERPE-MERE NV			
			4,796		504,452.34	474,830.00	4,533,707.84

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Cluster Wetteren	Brusselsesteenweg/Oosterzelesteenweg, 9230 Wetteren		AMELIM NV			
				ATITA NV			
				JBC NV			
				L,TORFS NV			
				NEW VANDEN BORRE NV			
				SLAAPADVIES BVBA			
				SPORTSDIRECT,COM BELGIUM			
				VERITAS NV			
				RETAIL BELGIE BVBA			
				L&L RETAIL BELGIUM SA			
				REDISCO BVBA			
				ORCHESTRA-PREMAMAN NV			
				C&A BELGIE CV			
				WAMO BVBA			
			10,423		1,318,515.50	1,330,505.00	20,734,512.00
	Individual peripheral retail properties and others	Fratersplein 11, 9000 Gent		LIDL			
		Brusselsesteenweg 662, 9050 Gentbrugge		POER-VOE BVBA			
		Maïsstraat 3, 9060 Zelzate		MUYS NV			
		Antwerpsesteenweg 84, 9080 Lochristi		JBC NV			
		Brusselsesteenweg 75, 9090 Melle		DAMART TSD NV			
		Puitvoetstraat 6B, 9100 Sint-Niklaas		BRUYNZEEL KEUKENS NV			
		Zelebaan 67/79, 9160 Lokeren		CARPETLAND NV			
		Oosterzelesteenweg 127, 9230 Wetteren		BRANTANO NV			
		Grote Baan 154, 9250 Waasmunster		BRICO BELGIUM NV			
		Brusselsesteenweg 120, 9300 Aalst		KREFEL NV			
		Gentsesteenweg 442, 9300 Aalst		LEGIO IMMO BELGIUM NV			
		Pieter Corneliskaai 16A, 9300 Aalst		RESIDENTIAL			
		Kwadelapstraat 2, 9320 Erembodegem		TDM PRODUCTS BELGIUM BVBA			
		Nachtegaalstraat 8A, 9320 Erembodegem		ALDI ERPE-MERE NV			
		Brakelsesteenweg 160, 9400 Ninove		MODEMAKERS FASHION NV			
		Astridlaan 38, 9500 Geraardsbergen		OMEGA			
		Provincieweg 266, 9550 Herzele		PLAZA GENT BVBA			
		Noordlaan 5, 9630 Munkzwalm		MATCH SA			
		Ronseweg 56, 9700 Oudenaarde					
		Astenemolenstraat, 9800 Deinze					
		Kortrijksesteenweg 18, 9830 Sint-Martens-Latem					
		Stationsstraat 162, 9890 Gavere					
			56,750		4,093,457.19	4,209,368.37	59,151,548.05

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
FLEMISH BRABANT	Cluster Halle	Edingensesteenweg 75, 1500 Halle Bergensesteenweg 162, 1500 Halle Demaeghtlaan 216-218, 1500 Halle Bergensesteenweg 420A/460, 1600 Sint-Pieters-Leeuw		KP DECOR BVBA ORCHESTRA-PREMAMAN NV AVEVE NV GEE CONCEPT BVBA BRANTANO NV			
			7,456		474,131.16	655,800.00	6,160,459.74
	Cluster Kampenhout	Mechelsesteenweg 44/46/89/89B/91/93, 1910 Kampenhout		EURO SHOE GROUP NV FABRIMODE NV NORDEX NV STANDAARD BOEKHANDEL NV ZEEMAN TEXTIELSUPERS NV PIOCHEUR NV SWISS SENSE BVBA			
			4,536		465,504.04	557,850.00	2,157,788.68
	Cluster Leuven-East	Tiensesteenweg 370/393/410, 3360 Korbeek-Lo Tiensesteenweg 1B, 3360 Korbeek-Lo Ridderstraat 2-12/10/12, 3360 Bierbeek		LOVANIX BVBA SANTANA INTERNATIONAL NV FUN BELGIUM NV ORCHESTRA-PREMAMAN NV BRANTANO NV CHARLES VOGELE BELGIUM NV LEEN BAKKER BELGIE NV LEGIO IMMO BELGIUM NV PIOCHEUR NV L.TORFS NV			
			11,002		1,313,201.15	1,300,380.00	19,125,925.80
	Cluster Zaventem	Leuvensesteenweg 350/375, 1930 Zaventem Leuvensesteenweg 8, 1932 Sint-Stevens-Woluwe Jozef Van Damstraat 3C, 1932 Sint-Stevens-Woluwe		CARPETLAND NV VONIKA BVBA E-LOGISTICS NV BELGA FILMS SA PROMO SAPIENS NV CARPETLAND NV HUBO BELGIE NV VACANT ANISERCO NV RETAIL PARTNERS COLRUYT GROUP NV ZEEMAN TEXTIELSUPERS NV KRUIDVAT BVBA			
			15,461		1,053,700.24	1,238,320.00	17,574,812.95

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Individual peripheral retail properties and others	Humniteitslaan 10, 1601 Ruisbroek Verlengde Stallestraat 200/Nieuwe Stallestraat 219/219B, 1620 Drogenbos Waterloosesteenweg 39, 1640 Sint-Genesius-Rode Ninoofsesteenweg 386, 1700 Dilbeek Assesteenweg 66, 1740 Ternat Schaarbeeklei 115, 1800 Vilvoorde Goudbloemstraat 2/4, 1800 Vilvoorde Waardbeekdreef 6, 1850 Grimbergen Hoogstraat 7/7A, 1930 Zaventem Brusselsesteenweg 4, 3020 Herent Brusselsesteenweg 490, 3090 Overijse Leuvensesteenweg 166/168, 3290 Diest Aarschotsesteenweg 9, 3390 Sint-Joris-Winge		GOBREL SA ATLANTIS SPRL RETAIL CONCEPTS NV NEW VANDEN BORRE NV CEMEPRO SPRL BRANTANO NV JBC NV DEVOTEC BVBA RESIDENTIAL ALDI CARGOVIL-ZEMST NV AVA PAPIERWAREN NV KREFEL NV LEEN BAKKER BELGIE NV PIOCHEUR NV FUN BELGIUM NV			
			30,151		3,533,366.99	3,351,569.85	45,342,317.47,
WALLOON-BRABANT	Cluster Braine l'Alleud	Avenue de la belle Province 21/25/27/29/31/33/35/37-39, 1420 Braine l'Alleud Rue Pierre Flamand 205, 1420 Braine l'Alleud		AVA PAPIERWAREN NV PROXIMUS NV BRANTANO NV C&A BELGIE CV DELHAIZE GROUP LEGIO IMMO BELGIUM NV MAXI TOYS BELGIUM SA MOBISTAR NV PIOCHEUR NV ORCHESTRA-PREMAMAN NV			
			8,526		761,759.21	798,491.40	12,266,016.95
	Cluster Nivelles	Chaussée de Namur 55C/ 55D/ 55A/ 55B, 1400 Nivelles		BASIC FIT BELGIE SND SA VOLTIS SA MENATAM SA			
			5,779		519,740.00	693,480.00	9,181,788.58
	Individual peripheral retail properties and others	Avenue Reine Astrid 4-6, 1300 Wavre Rue Pont du Christ 32, 1300 Wavre Rue des Carabiniers, 1300 Wavre Rue du Bosquet 10/10A, 1370 Jodoigne Avenue du Centenaire 42, 1400 Nivelles Rue du Tienne à deux vallées 3, 1400 Nivelles Brusselsesteenweg 551, 1410 Waterloo Grand Route 49, 1435 Corbais		BRANTANO NV PIOCHEUR NV REGIE D'ELECTRICITE DE LA VILLE DE WAVRE VACANT BRICO BELGIUM NV CARPETLAND NV CHAUSSURES MANIET SA			
			8,816		809,756.58	993,420.00	12,715,475.75

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
West Flanders	Cluster Bruges-North	Sint-Pieterskaai 20/21, 8000 Brugge		GOBREL SA			
		Sint-Pieterszuidstraat en Veemarktstraat, 8000 Brugge		HEMA BELGIE BVBA			
				DELIX 88 BVBA			
				LIDL			
				EURO SHOE GROUP NV			
				ADL CONSULT BVBA			
				IDEWE VZW			
				DREAMBABY NV			
				LEEN BAKKER BELGIE NV			
				ACTION BELGIUM BVBA			
				OMEGA			
				MAXI ZOO BELGIUM BVBA			
				KRUIDVAT BVBA			
				ZEEMAN TEXTIELSUPERS NV			
			14,110		1,257,656.89	1,305,440.00	20,101,941.56
	Cluster Kortrijk-North	Ringlaan 11/32, 8500 Kortrijk		I & S FASHION NV			
		Ter Ferrants 1-4, 8520 Kuurne		IMETAM BVBA			
				L,TORFS NV			
				DE MAMBO BVBA			
				VACANT			
				NEW VANDEN BORRE NV			
				LEEN BAKKER BELGIE NV			
				AVA PAPIERWAREN NV			
				ACTION BELGIUM BVBA			
				PRIMO STADION NV			
			12,529		966,750.85	1,122,620.00	10,336,956.63
	Cluster Roeselare	Brugsestraat 377, 8800 Roeselare		BRICO BELGIUM NV			
		Brugsesteenweg 356A-C/363/508-510/524, 8800 Roeselare		PIOCHEUR NV			
				ANISERCO NV			
				IMETAM BVBA			
				BELGIAN POSTERS			
				SEATS AND SOFAS NV			
				OMEGA NV			
				NEW VANDEN BORRE NV			
			12,903		1,323,580.48	1,241,720.00	16,001,880.63

Province	Cluster/IBW	Address	Gross surface (m²)	Tenants	Rental income (EUR)	ERV (EUR)	Acquisition value (EUR)
	Individual peripheral retail properties and others	Torhoutsestraat 45, 8020 Ruddervoorde		MATCH SA			
		Torhoutsesteenweg 610, 8400 Oostende		IMETAM BVBA			
		Biezenstraat 16, 8430 Middelkerke		ELECTRO AV NV			
		Koninklijke Baan 228, 8670 Koksijde		VACANT			
		Gentstraat 13, 8760 Meulebeke		BRANTANO NV			
		Vijfseweg, 8790 Waregem		ALDI ROESELARE NV			
		Gentseweg 520, 8793 Sint-Eloois-Vijve		ACTION BELGIUM BVBA			
		Frankrijklaan 2, 8970 Poperinge		AVA PAPIERWAREN NV			
		Maalsesteenweg 42/166/255, 8310 Sint-Kruis		MEKOWA BVBA			
				INOFEC BVBA			
				PPG COATING BVBA			
				OMEGA			
				CARPETLAND NV			
				C&A BELGIE CV			
				PICARD-BELGIQUE-BELGIE NV			
			16,076		1,410,689.06	1,406,335.00	20,691,245.69

On 31 March 2016, there are 12 unoccupied retail properties in Jodoigne, Nivelles, Sint-Stevens-Woluwe, Mechelen, Grivegnée, Neupré, Couillet, Marche-en-Famenne, Binche, Chapelle-lez-Herlaimont, Middelkerke and Kuurne. There are 3 unlet apartments in Merksem, Mechelen and Dendermonde. In addition there are 2 small unlet city shops in Waver and Eeklo, like there is 1 office in Kuurne. Together, they represent 1.78% of the total portfolio.

03

Reports of real estate experts

Report by Cushman & Wakefield

This report covers 321 premises which are part of the real estate portfolio of Retail Estates nv and its subsidiaries.

"We have the pleasure of providing you with our valuation as of 31 March 2016, which covers the portfolio of Retail Estates + Distri-Land + Texas Management.

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. On the basis of a representative sample of the market (between 2003 and 2008) 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 passing rent, 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. In case when the market rent is higher than the actual paid rent, this adjusted market rent is determided by taking 60% of the gap between the market rent and the actual passing rent. If this is not the case, then the adjusted market rent is equal to actual paid rent. The difference will be added to the actual paid rent. The market rent will be capitalised in case the actual paid rent is higher than the market rent. In addition, adjustments are made for the difference in actual paid rent and (adjusted) market rent.

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 (incl. Tongeren) has at 31.03.2016 an investment value (corrections incl.) of EUR 443.34 million and a fair value of EUR 432.52 million. The investment value, in absolute terms, increased with 0.95%. This gives a yield of 6.78% for Retail Estates.

The portfolio of Texas Management NV has at 31.03.2016 an investment value (corrections incl.) of EUR 5.41 million and a fair value of EUR 5.28 million. The investment value, in absolute terms, decreased with 1.46%. This gives a yield of 6.19% for Texas Management NV.

The portfolio of Immobilière Distri-Land NV has at 31.03.2016 an investment value (corrections incl.) of EUR 19.13 million and a fair value of EUR 18.66 million. The investment value, in absolute terms, increased with 0.41%. This gives a yield of 7.38 % for Immobilière Distri-Land NV."

Report by CBRE

The CBRE report, dated 31 March 2016, is a report on 313 real estate properties belonging to Retail Estates nv and its subsidiaries. The investment value of these real estate properties is estimated at EUR 551.18 million and the fair value at EUR 537.73 million. These properties represent a collectable rent of EUR 35.66 million, which represents a gross yield of 6.47%.

FINANCIAL REPORT

09

FINANCIAL REPORT

RETAIL PARK, LOMMEL →

1. A. Consolidated income statement

INCOME STATEMENT (in € 000)	Notes	31.03.16	31.03.15
Rental income	1	62,074	53,191
Rental related expenses	2	-394	-485
Net rental income		**61,680**	**52,706**
Recovery of property expenses			
Recovery of rental charges and taxes normally payable by tenants on let properties	3	5,882	5,312
Rental charges and taxes normally payable by tenants on let properties	4	-6,134	-5,632
Other rental related income and expenses		-41	-51
Property result		**61,386**	**52,334**
Technical costs	5	-2,054	-1,466
Commercial costs	6	-427	-239
Charges and taxes on unlet properties	7	-338	-135
Property management costs	8	-1,683	-1,518
Other property costs	9	-2	-4
Property costs		**-4,504**	**-3,362**
Operating property result		**56,882**	**48,972**
Operating corporate costs	10	-2,841	-2,888
Other current operating income and expenses			

INCOME STATEMENT (in € 000)	Notes	31.03.16	31.03.15
Operating result before result on portfolio		54,041	46,084
Result on disposals of investment properties	11	341	479
Result on sales of other non-financial assets			
Changes in fair value of investment properties	12	10,216	6,131
Other result on portfolio			
Operating result		64,598	52,694
Financial income	13	144	181
Net interest charges	14	-16,852	-17,269
Authorised hedging instruments' costs	35	-4,995	
Other financial charges	15	-70	-39
Financial result		-21,774	-17,128
Result before taxes		42,824	35,566
Taxes	16	-789	-328
Net result		42,035	35,238
Attributable to:			
Shareholders of the Group		42,035	35,238
Minority interests			
Note:			
Net current result (share Group)[1]		36,473	28,628
Result on portfolio		10,557	6,610
IAS 39 result		-4,995	

RESULT PER SHARE	Notes	31.03.16	31.03.15
Number of ordinary shares in circulation	17	8,866,320	7,559,473
Weighted average number of shares	17	8,627,562	7,381,081
Net profit per ordinary share (in €)[2]		4.87	4.77
Diluted net profit per share (in €)		4.87	4.77
Profit available for distribution per share (in €)[3]		4.15	3.82
Net current result per share (in €)[4]		4.23	3.88

1 1 The net current result is calculated as follows: net result excluding changes in fair value of investment properties, exclusive the result on disposal of investment properties and exclusive authorised hedging instruments costs.

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

3 The profit available for distribution per share is calculated as follows: adjusted net operating result divided by the total number of shares. The adjusted net operating result is the consolidated net profit adjusted for a number of elements of a non-current nature, the result on the disposal of investment properties and the changes in fair value of investment properties and project developments.

4 The net current result per share is calculated from the weighted average number of shares, counted from the time of issue (which does not necessarily coincide with first dividend entitlement date). Calculated on the number of dividend-entitled shares, the net current result per share amounts to EUR 4.11 at 31.03.2016 versus EUR 3.79 at 31.03.2015.

1. B. Consolidated statement of other comprehensive income

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

2. Consolidated balance sheet

ASSETS (in € 000)	Notes	31.03.16	31.03.15
Non-current assets		**1,002,510**	**837,602**
Goodwill			
Intangible non-current assets	20	147	120
Investment properties[5]	21	1,000,799	837,121
Other tangible non-current assets	20	1,554	357
Financial non-current assets			
Trade receivables and other non-current assets		10	5
Current assets		**13,105**	**9,837**
Non-current assets or groups of assets held for sale	22	8,222	4,819
Trade receivables	23	1,373	1,168
Tax receivables and other current assets	24	1,466	1,399
Cash and cash equivalents	25	1,315	1,469
Deferred charges and accrued income	26	729	982
TOTAL ASSETS		**1,015,615**	**847,439**

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)	Notes	31.03.16	31.03.15
Shareholders' equity		**474,170**	**381,212**
Shareholders' equity attributable to the shareholders of the parent company		**474,170**	**381,212**
Capital	27	194,545	166,902
Issue premiums	28	151,499	101,839
Reserves		86,091	77,233
Net result of the financial year		42,035	35,238
Minority interests			

5 Including project developments (IAS 40).

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)	Notes	31.03.16	31.03.15
Liabilities		541,445	466,227
Non-current liabilities		456,178	379,217
Provisions			82
Non-current financial debts	34/35	428,023	340,379
Credit institutions		398,225	310,631
Long term financial lease		10	
Other		29,788	29,748
Other non-current financial liabilities	30/35	28,155	38,401
Deferred taxes			355
Other			355
Current liabilities		85,267	87,010
Current financial debts	34/35	42,601	57,209
Credit institutions		42,597	57,209
Short term financial lease		4	
Trade debts and other current debts	31	7,315	5,435
Deferred taxes		13,755	4,589
Exit tax		13,219	4,077
Other		536	512
Other current liabilities	32	15,633	15,367
Accrued charges and deferred income	33	5,963	4,410
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,015,615	847,439

DEBT RATIO		31.03.16	31.03.15
Debt ratio[6]	36	49.95%	51.54%

NET ASSET VALUE PER SHARE (in €) - SHARE GROUP	31.03.16	31.03.15
Net asset value per share IFRS[7]	53.48	50.43
Net asset value per share EPRA[8]	56.66	53.68
Net asset value per share (investment value) excl. dividend excl. IAS 39[9]	56.27	53.34

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

3. Consolidated statement of changes in shareholders' 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 2014	**160,961**	**93,094**	**73,900**	**28,568**	356,523
- Net appropriation of profits 2014-2015					
- Transfer of portfolio result to reserves			3,260	-3,260	
- Transfer of net current result to reserves			3,437	-3,437	
- Reclassification between reserves					
- Dividends of the financial year 2013-2014				-21,871	-21,871
- Capital increase					
- Capital increase through contribution in kind	6,054	8,744			14,798
- Minority interests					
- Costs of capital increase	-113				-113
- Other			-185		-185
- Global result 31/03/2015			-3,179	35,238	32,059
Balance according to IFRS on 31 March 2015	**166,902**	**101,838**	**77,233**	**35,238**	381,212
- Net appropriation of profits 2015-2016					
- Transfer of portfolio result to reserves			6,131	-6,131	
- Transfer of net current result to reserves			5,673	-5,673	
- Reclassification between reserves					
- Dividends of the financial year 2014-2015				-23,434	-23,434
- Capital increase	28,345	47,870			76,215
- Capital increase through contribution in kind	1,060	1,791			2,850
- Minority interests					
- Costs of capital increase	-1,762				-1,762
- Other			-291		-291
- Global result 31/03/2016			-2,653	42,035	39,382
Balance according to IFRS on 31 March 2016	**194,545**	**151,499**	**86,091**	**42,035**	**474,170**

* 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 hypo-thetical disposal of investment properties	Changes in the effective part of the fair value of authorised hed-ging instruments qualifying for hedge accounting as defined by IFRS	Changes in the fair value of authorised hedging instruments not subjected to qualify for hedge accounting as defined by IFRS	Results carried forward from previous financial years	TOTAL
Balance according to IFRS on 31 March 2014	437	86,926	7,859	-18,386	-23,882		20,946	73,900
- Net appropriation of profits 2014-2015								
- Transfer of portfolio result to reserves		3,260						3,260
- Transfer of net current result to reserves							3,437	3,437
- Reclassification between reserves	3	-1,429	1,244	185			-3	
- Capital increase through contribution in kind								
- Minority interests								
- Costs of capital increase								
- Other	-29			-185			29	-185
- Global result 31/03/2015				-2,474	-705			-3,179
Balance according to IFRS on 31 March 2015	411	88,757	9,103	-20,860	-24,587		24,409	77,233
- Net appropriation of profits 2015-2016								
- Transfer of portfolio result to reserves		6,131						6,131
- Transfer of net current result to reserves							5,673	5,673
- Reclassification between reserves	663	-3,160	2,869	291	21,323	-21,323	-663	
- Capital increase through contribution in kind								
- Minority interests								
- Costs of capital increase								
- Other				-291				-291
- Global result 31/03/2016				-4,080	-2,292	3,719		-2,653
Balance according to IFRS on 31 March 2016	1,074	91,728	11,972	-24,940	-5,556	-17,604	29,419	86,091

4. Consolidated cash-flow statement

CASH-FLOW STATEMENT (in € 000)	31.03.16	31.03.15
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	1,469	2,188
1. Cash-flow from operating activities	29,420	33,332
Operating result	64,958	52,693
Interest paid	-16,837	-16,449
Interest received	7	34
Corporate taxes paid	-7,150	-3,748
Corporate taxes received	632	
Other	425	-587
Non-cash elements to be added to / deducted from the result:	-10,319	-6,487
* Depreciations and impairments		
- Depreciations / Impairments (or write-backs) on tangible and intangible assets	218	146
- Depreciations / Impairments (or write-backs) on trade receivables	102	-3
* Other non-cash elements		
- Changes in the fair value of investment properties	-10,216	-6,130
- Profit on disposal of investment properties	-341	-479
- Other result on portfolio		
* Other	-82	-21
Change in working capital requirements:	-2,296	7,876
* Movement of assets		
- Trade receivables and other receivables	1,199	-424
- Tax receivables and other current assets	381	502
- Deferred charges and accrued income	254	-544
- Long-term assets	-5	

CASH-FLOW STATEMENT (in € 000)	31.03.16	31.03.15
* Movement of liabilities		
- Trade debts and other current debts	-5,764	-8,065
- Other current liabilities	997	15,294
- Accrued charges and deferred income	642	1,113
2. Cash-flow from investment activities	**-92,900**	**-59,562**
Purchase of intangible assets	-100	-114
Purchase of investment properties	-26,390	-58,667
Disposal of investment properties and assets held for sale	11,970	7,793
Acquisition of shares of real estate companies	-77,040	-15,081
Disposal of shares of real estate companies		6,691
Purchase of other tangible assets	-1,353	-204
Disposal of other tangible assets	13	20
Disposal of non-current financial assets		
Income from trade receivables and other non-current assets		
3. Cash-flow from financing activities	**63,329**	**25,511**
* Change in financial liabilities and financial debts		
- Increase in financial debts	222,500	126,945
- Decrease in financial debts	-210,190	-79,455
* Change in shareholders' equity		
- Capital increase and issue premiums	76,215	-113
- Costs of capital increase	-1,762	
* Dividend		
- Dividend for the previous financial year	-23,434	-21,871
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	1,315	1,469

5. Notes to the consolidated annual accounts

General company information

Retail Estates nv is a public RREC (Regulated Real Estate Company – “Belgian REIT”) governed by Belgian law. Its registered office is located in Ternat.

The consolidated annual accounts of the company for the financial year which ended on 31 March 2016 comprise the company and its subsidiaries (the “Group”). The annual accounts were approved for publication by the board of directors on 25 May 2016 and will be submitted for approval to the annual shareholders’ meeting on 1 July 2016.

Important principles for financial reporting

Statement of conformity

The consolidated annual accounts are drawn up in accordance with accounting standards which are consistent with the International Financial Reporting Standards as implemented by the RREC legislation.

Determining the fair value of the investment properties in accordance with IAS 40, the independent real estate expert deducts an estimated amount of transfer rights and costs from investment properties. The impact on the fair value of investment properties as a result of these estimated transfer rights and costs in case of a hypothetical disposal of investment properties is processed directly in the shareholders’ equity on the account “Impact on fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties”, as explicitly provided by the aforementioned legislation. During the financial years ending on 31 March 2016 and 31 March 2015, the respective amounts of EUR 4.08 million and EUR 2.47 million were recognised directly in the shareholders’ equity in this account.

Application of IFRS 3 Business Combinations

Corporate transactions of the past financial year were not processed as business combinations such as required under IFRS 3 definition, based on the conclusion that this definition is not applicable, given the nature and the size of the acquired companies. The companies in question own a limited number of properties which are not intended to be kept on as independent businesses. The companies are fully consolidated. We refer for this matter also to note 41.

New or amended standards and interpretations, applicable in 2015

The following standards, amended by the IASB, and the following interpretations issued by the IFRIC are applicable to the current period but have no effect on the presentation, the notes or the financial results of the Group:

- Amendments to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 January 2015)
- Amendments to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)
- Amendments to IAS 19 *Employee benefits - Employee contributions* (applicable for annual periods beginning on or after 1 February 2015)
- IFRIC 21 *Levies* (applicable for annual periods beginning on or after 17 June 2014)

New or amended standards and interpretations not yet in force

For the following amendments, which will be applicable as of next year or afterwards, the impact on the presentation, the notes or the financial results of the Group is still being examined:

- IFRS 9 *Financial instruments and subsequent amendments* (applicable for annual periods beginning on or after 1 January 2018 but not yet endorsed in the EU)
- IFRS 14 *Regulatory deferral accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 15 *Revenue from contracts with customers* (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in EU)
- IFRS 16 *Lease agreements* (applicable for annual periods

beginning on or after 1 January 2019, but still not approved by the European Union)
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment entities: Application of exemption from consolidation* (applicable for annual periods beginning on or after 1 January 2016, but still not approved by the European Union)
- Amendments to IFRS 10 and IAS 28 *Sale or contribution of assets between an investor and its associate or joint venture* (effective date postponed for indefinite period, causing the postponement of the approvement by the European Union)
- Amendments to IFRS 11 *Joint arrangements - Accounting for acquisitions of Interests in joint operations* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 *Presentation of financial statements - Initiative around providing information* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 7 *The cash flow statement – Initiative around providing information* (applicable for annual periods beginning on or after 1 January 2017, but still not approved by the European Union)
- Amendments to IAS 12 *Income Taxes - Recognition of deferred tax assets for unrealized losses* (applicable for annual periods beginning on or after 1 January 2017, but still not approved by the European Union)
- Amendments to IAS 16 and IAS 38 *Property, plant and equipment and intangible assets – Clarification of acceptable methods of depreciation and amortisation* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer plants* (applicable for annual periods beginning on or after 1 January 2016,)
- Amendments to IAS 27 *Separate financial statements - Equity method* (applicable for annual periods beginning on or after 1 January 2016)

Presentation principles

The financial information is drawn up in euro (EUR), and is rounded off to the nearest thousand. The companies of the Group also do their accounting in euro (EUR).

Below is a summary of the most important principles for financial reporting. The accounting principles were applied consistently throughout the relevant period.

Consolidation principles

The companies controlled by the Group are consolidated through the application of the full consolidation method.

Full consolidation consists in incorporating all the assets and liabilities of the consolidated companies, as well as the costs and revenues, whereby the necessary eliminations are carried out.

'Control' is defined as the ability of Retail Estates nv to determine, directly or indirectly, the financial and operational policy of the subsidiary, to entitle the variable cash flows and the results of this subsidiary, and to have the possibility to influence her variable cash flows by controlling the subsidiary.

In order to apply the full consolidation method to certificates one is, in addition to controlling the issuing company, also required to own 75% of the number of certificates issued. In this case, a debt is acknowledged, for the real estate certificates not owned by the company to the holders of certificates.

Foreign currency conversion

Foreign currency transactions are booked by applying the exchange rate valid on the transaction date. Monetary assets and liabilities in foreign currencies are valued by applying the closing rate on the balance sheet date. Exchange rate differences ensuing from foreign currency transactions, and conversion of monetary assets and liabilities into foreign currencies, are booked in the income statement in the period in which they occur. Non-monetary assets and liabilities in foreign currencies are converted at the exchange rate valid on the transaction date.

Financial derivatives

Fair value hedge accounting

The Group uses financial derivatives (interest rate swaps) to hedge against interest rate risks arising from operational, financial and investment activities. Derivative financial products are initially valued at their cost price and revalued to their fair value on the subsequent reporting date.

After the initial recognition, the financial derivatives are valued in the annual accounts at their fair value.

Gains or losses resulting from changes in the fair value of the financial derivatives are immediately recognised in the income statement unless a derivative meets the conditions for cash flow hedge accounting.

The fair value of the financial interest rate derivatives is the amount that the company expects to receive or pay if the financial interest rate derivative is terminated as of the balance sheet date, whereby the prevailing interest rate and the credit risk of the counter parties involved are also taken into account.

Cash flow hedge accounting

If a financial derivative can be documented as an effective hedge against any cash flow fluctuations, attributable to a risk linked to an asset or liability, or a highly probable future transaction, the part of the result ensuing from the value change of the financial interest rate derivative that has been recognised as an effective hedge, is posted directly to equity under “Changes in the fair value of financial assets and liabilities”. The ineffective part of the financial interest rate derivative is recognised in the income statement.

Goodwill

In accordance with IFRS 3, goodwill is not amortised, but subjected to an annual impairment loss test.

Investment properties

Valuation at initial recognition

Investment properties comprise all real estate properties that are ready to be let. Investment properties are initially valued at acquisition cost, including additional expenses and non-deductible VAT. Also the exit tax, owned by companies over which the public RREC acquires direct or indirect control, is in principle deducted from the value of the underlying property, given that it is a tax on the latent capital gain existing in the acquired company prior to the acquisition, unless these companies do not qualify for a merger with the public RREC (as decided by the board of directors). The commissions related to the acquisition of the buildings are regarded as additional costs of the acquisition and are added to the acquisition cost.

Valuation after initial recognition

At the end of each quarter, an independent real estate expert provides an exact assessment of the following items:

- the real properties, the real properties by function, and the rights in rem over real properties held by Retail Estates nv or, where appropriate, by a subsidiary it controls;

- the option rights over real properties held by Retail Estates nv or, where appropriate, by a subsidiary it controls, as well as the real properties to which these rights apply;

- the contract rights by which one or more real property assets are leased to Retail Estates nv or, where appropriate, to a subsidiary it controls, as well as the underlying real property assets.

The experts perform their assessments in accordance with national and international standards and their application procedures, including those in the field of the valuation of regulated real estate companies (according to the provisional decrees, the experts reserve the right to adapt the valuation in the event of any amendments to the decrees). The fair value is defined as the most likely value that can be reasonably obtained between knowledgeable and willing parties in normal selling conditions. Subsequently, a transfer-tax estimate is deducted from this value. Therefore, the fair value of the asset is obtained in this way, in accordance with the provisions of IAS 40. The estimated amount of transfer taxes is valued at a flat rate set at 2.50% (see note 21 – Investment properties) and is immediately transferred from the acquisition value on the reserve “impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties”.

Any gains or losses resulting from the fluctuation in the fair value of an investment property are recognised in the income statement in the period in which they occur and, at the appropriation of profit, assigned to the reserves for the balance of variations in the fair value of real estate properties.

Expenditure for works on investment properties

The expenditure for works on investment properties is charged to the operating property result if the expenditure has no positive effect on the expected future economic benefits, and is capitalised if it substantially increases the expected economic benefits that it brings to the entity. In principle, there are two major types of expenditure:

a) the costs of maintenance and repairs to roofs and parking areas: these are charged to the operating property result;
b) costs of major transformation and renovation works: transformations are one-off projects that add an additional function to the building or considerably improve the existing comfort so as to increase the rental price and/or rental value. These costs relate to materials, fees, contacting works and the like. Internal management and supervisory costs are not capitalised. As soon as they are commenced, such works are included in the assessed value of the building in question (initially on a provisional basis and then definitively following a visit by the real estate expert). Work which is still to be done is deducted from the valuation; once it has been done, these costs are capitalised and thus added to the fair value of the investment properties.

Disposal of an investment property

The gains or losses realised from the sale of an investment property are classified as “Result from sales of investment properties” and are allocated to the retained earnings upon the appropriation of results. The commissions paid for sales and the liabilities resulting from transactions are deducted from the selling price in order to determine the gain or loss realised. The transfer taxes of up to 2.50% (see note 21 – Investment properties) are immediately transferred from the acquisition value on the reserve “impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties”.

Project developments

Under the revised IAS 40 standard, project developments are included in the investment properties. If purchased, they are valued against the acquisition value, including incidental costs and non-deductible VAT.

After the initial recognition, the projects are valued at fair value if they are contracted, licensed and rented. This fair value is based on the valuation by the real estate expert after deducting the work that is still to be performed.

A project can relate to a plot of land, a building to be demolished, or an existing building whose purpose is to be changed, requiring considerable renovation work to realise the desired purpose.

Other tangible non-current assets

The tangible non-current assets other than land and buildings, whose use is limited in time, are valued at acquisition cost, and then depreciated over their expected useful life using the straight-line method.

In the financial year of the investment, depreciation is recorded pro rata to the number of months that the asset was in use.

The following annual depreciation and amortisation percentages apply:

- Facilities, machinery and equipment	20%
- Furniture	10%
- Vehicles	20-33%
- IT equipment	33%
- Standard software	33%
- Tailor-made software	20-25%
- Properties own use	3%

Leased equipment is depreciated over the contractual period of the lease.

If there are indications that an asset may have suffered an impairment loss, the carrying amount is compared with the realisable value.

If the carrying amount is higher than the realisable value, an impairment loss is recognised.

When other tangible non-current assets are sold or retired, their carrying amount ceases to be recognised in the balance sheet and the gain or loss is recognised in the income statement.

Trade receivables and other non-current assets

Non-current receivables are valued on the basis of the interest rates that apply on the date of acquisition. A write-down is entered if uncertainty exists concerning the collectability of the receivable at maturity.

Real estate certificates

Valuation

1. General principle

If the holder of the certificates does not have a material interest (more than 75%) in a real estate certificate, the certificates are entered, on the closing date, at the weighted average quoted price during the preceding 30 days, and classified as "Non-current financial assets".

If, on the basis of publicly available information and the issue conditions for the real estate certificate, a net asset value is noted that is substantially below the stock market price, the aforementioned rule does not apply. The value is then limited to the net asset value.

2. Ownership of material interest (more than 75%) in certificates issued (as of 31 March 2016, only applicable to the "Distri-Land" real estate certificates)

The quoted price of these real estate certificates, as listed on the Euronext – Second Market, cannot be considered as a reliable reference, given the limited liquidity of this real estate certificate. Retail Estates nv's policy is to revalue its real estate certificates on every closing date in function of:

a) the fair value of the real properties owned by the issuer, similar to the valuation of the company's own real properties. This occurs on the basis of a periodic valuation by a real estate expert hired jointly by Retail Estates nv and Immobilière Distri-Land nv. Where one or more buildings are sold by the real estate certificate issuer, the sale price shall be used as the valuation until the distribution of the sale's proceeds;

b) the contractual rights of the holder of the real estate certificate in compliance with the prospectus that was published at the issuance of the real estate certificate.

Retail Estates nv only invests in certificates issued for the financing of peripheral retail properties. The real estate owned by the issuer is the type of peripheral retail properties in which Retail Estates nv aims to invest. Although Retail Estates nv is not the legal owner of this real estate, it considers itself to be the economic beneficiary, pro rata its contractual rights in ownership. In addition, an investment in real estate certificates is considered as an investment in real estate pursuant to Article 2, sub. 5º, x, of the RREC Law of 12 May 2014.

Taking these considerations into account, the certificates are classified as investment properties at their acquisition value, including additional expenses. Gains or losses that result from the fluctuation in the fair value of investment property are recognised in the income statement and incorporated in the period in which they arise and, at the appropriation of profits, assigned to the reserves available for distribution. On 31 March 2016, the value of the investment properties related to the Distri-Land certificates amounts to EUR 14.80 million (EUR 15.08 million on 31 March 2015) compared to a total portfolio of EUR 1,000.80 million.

Processing of coupons

1. Processing of operating result

As a holder of real estate certificates, Retail Estates nv has a contractual right, pro rata to the number of real estate certificates in its possession, to a share of the operating result. This result is realised by the issuer and is calculated by deducting the operating and maintenance expenses from the total rental income collected. The entire decrease or increase in value is recognised by re-estimating the value of the real estate certificate. As a result, the coupon should not be considered as a compensation for any reduction in value of the issuer's buildings. For this reason, the entire coupon is treated as net rental income and is classified as turnover.

2. Processing of the liquidation balance on the sale of real estate

Whenever a particular property in the issuer's portfolio is sold, it is treated as follows:

The net proceeds, after retention of any tax withholding liability, are recognised as realised capital gain in Retail Estates nv's accounts only for the difference between the fair value of the real estate certificate on the closing date plus the net liquidation coupon, and the fair value on the previous closing date. The fair value of the real estate certificate is calculated at each closing date by performing a valuation of the certificate holder's contractual rights as these appear in the issue prospectus. Gains or losses that result from the fluctuation in the fair value of investment property are recognised in the income statement and incorporated in the period in which they arise, and at the appropriation of profits are assigned to the reserves available for distribution.

Non-current assets or groups of assets held for sale

This concerns real estate for which the carrying amount will primarily be realised by the sale of the assets and not by further letting. Just like the investment properties (see above), these assets are recognised at fair value, which is the investment value less the transfer taxes.

Current assets

The receivables expected within one year are recognised at their nominal value, less write-downs for doubtful or bad debts. Bank deposits, sight or term deposits, are valued at amortised cost. Any supplementary costs are charged directly to the income statement. Listed securities are valued at their quoted price.

Shareholders' equity

The capital includes the funds obtained when the company was incorporated and those received following mergers or capital increases. The third-party charges that are directly attributable to the issuance of new shares are deducted from the shareholders' equity. When share capital recognised as equity is repurchased by Retail Estates nv, the paid amount, including directly attributable costs, is recognised as change in shareholders' equity. Purchased own shares are presented as a decrease in the total shareholders' equity.

Dividends are only recognised as a debt when they have been approved by the shareholders' meeting.

Liabilities

A provision is taken if:

- Retail Estates nv has an existing – legally enforceable or actual – commitment resulting from an event in the past;
- it is probable that an outflow of funds will be required to settle the commitment; and
- the amount of the commitment can be reliably estimated.

Trade debts are presented at their nominal value on balance sheet date. Interest-bearing borrowings are initially recognised at cost price less the transaction costs. Subsequently the interest-bearing borrowings are valued on the basis of the effective interest rate method, whereby each difference between the initial book value and the redemption value is recognised as interest cost in the income statement over the term of the loan.

Put options on minority participations in subsidiaries

The Group has written put options relating to certain minority participations in fully consolidated subsidiaries. The exercise price of the option may be fixed or can be determined on the basis of a preset formula and the options can be exercised at any time or at a fixed date.

In accordance with IAS 32, the Group has recognised a financial liability regarding these put options. Initially, the liabilities have been recognised for the cash value of the purchase amount as a reduction of the minority participation. The subsequent changes of the fair value of the liability are recognised through profit or loss, in accordance with IAS 39 (variations in the fair value of investment properties). The Group's share in the operational profit and loss is determined on the basis of the Group's participation in the subsidiary and is adapted on the basis of the changes of the value of the liability.

Personnel benefits

Retail Estates nv provides a defined contribution pension scheme for its employees and managing director. This scheme is entrusted to a fund that is independent from the company.

Contributions paid during the financial year are recognised as expenses.

Property result

The net rental result includes the rent, operating lease income and other incomes related to the aforementioned sources of income, minus the rent-related expenses, i.e., the negative variation in the fair value of buildings and the rent payable on leased assets.

The recovery of property expenses includes the revenue obtained from charging costs for major repairs and maintenance.

The charges and taxes normally payable by tenants on let properties and the recovery of these expenses refer to costs that, under law or custom, are at the tenant's expense. The owner will either charge or not charge these costs to the tenant according to the contractual arrangements made with the tenant.

Income is valued at fair value of the compensation received and entered into the income statement using the straight-line method in the periods to which it refers.

Property charges

The property charges are valued at the fair value of the compensation that has been paid or is due, and are entered into the income statement using the straight-line method of the period to which they refer.

The technical costs include, among other things, structural and occasional maintenance costs and losses resulting from damage covered by the insurance companies. The commercial costs include brokers' commission fees. The property management costs mainly consist of the relevant personnel costs, the operating costs of the company's registered office, and fees paid to third parties.

Management fees received from tenants or third parties, which partially cover the management costs of the properties, are deducted.

Corporate operating costs and other current operating income and expenses

The corporate operating costs cover the fixed operating costs of the company, which operates as a legal entity that is listed on the stock market end benefits from the RREC status. These costs are incurred in order to obtain transparent financial information, to be economically comparable with other types of investments and to offer investors the opportunity of participating indirectly, in a liquid manner, in a diversified real estate investment. A part of the costs incurred in the context of Retail Estates nv's growth strategy are also included in this category.

Financial result

The financial result consists of the borrowing costs and additional funding costs, such as the negative variations in hedging instruments where these are not effective within the meaning of IAS 39, less the income from investments.

Income tax

Income tax on the profit or loss for the year comprises current tax. Income tax is recognised in the income statement, except when related to items recognised directly to shareholders' equity, in which case it is recognised in shareholders' equity. Current tax is the expected tax payable on the taxable income for the year, and any adjustment to the tax payable for previous years.

Exit tax

Exit tax is a corporate tax on the capital gain that arises following the merger of an RREC with a company that is not an RREC. When this company first enters the consolidation scope of the Group, a provision for exit tax liabilities is recorded.

In principle, intermediate revisions of this provision for exit tax only take place when the rise in value of this company's property calls for this increase. Any over valuation owing to reductions in value is only established at the time of the actual merger. These adjustments to the exit tax liability are recognised in the income statement.

Financial risk management

Evolution of the interest rates

Higher interest rates result in increased financial expenses and a decrease in net current result. In the current context of negative interest rates, the method used by some banks of demanding a floor for the Euribor rate (which is used as a reference in the financing contracts) of 0%, has a negative effect on the financial costs. For hedging the interest rate risk against rising rates, Retail Estates nv makes use of Interest Rate Swaps as noted above. In an interest rate swap the variable interest rate is exchanged for a fixed interest rate. Due to this interest rate policy, 75.63% of current loans are hedged. The company also concluded forward swap contracts. The average interest rate of Retail Estates nv is 3.64%.

Financing risk

Long-term financing is concluded in the form of "bullet loans", i.e., loans for which the principal must be paid back in full after a term of five to eight years. The diversification of financing over various banks limits the Group's liquidity risk. The Group concludes 75.63% of its loans at a fixed interest rate, or at a variable interest rate which is immediately converted to a fixed interest rate. The net result is, therefore, only sensitive to interest rate fluctuations to a limited extent.

Credit risk

Before a new tenant is accepted, a credit risk analysis is carried out on the basis of the available information. Furthermore, rental arrears are carefully monitored by Retail Estates nv. In case of non-payment, the company generally holds a bank guarantee.

For more details, we refer to notes 34 and 35.

Segmented information

Since peripheral retail properties constitute more than 90% of the portfolio of Retail Estates nv, a breakdown by business segment is not relevant. The board of directors does not use any other segment to make its decisions.

6. Other notes

Rounding off upwards or downwards to the nearest thousand can bring about discrepancies between the balance sheet and the income statement, and the details presented below.

Note 1

The rise in rental income is mainly due to the growth of the real estate portfolio.

The following table shows by way of theoretical exercise how much rental income Retail Estates nv is certain to receive based on the current leases.

Rental income (in € 000)	31.03.16	31.03.15
Within one year	68,062	55,068
Between one and five year(s)	226,994	186,463
Within more than five years	369,098	326,908

This does not alter the theoretical risk of all lessees making use of their legal right of cancellation at the end of the current three-year period. In this circumstance, all the premises would by definition be empty within 3 years and 6 months. For the past three years, leases were renewed or new leases were concluded for 20.36 % of the buildings. For this part of the portfolio, the average rental prices increased from EUR 65.59 to EUR 86.65 per m². The granting of rent-free periods is rather rare in the market of peripheral retail properties. In the past three years, and out of a portfolio of 634 properties, a total of 108 months of rent-free periods was granted, which is negligible. Besides rent-free periods, no other material incentives are given when closing lease agreements.

Rental agreement type

The Group concludes commercial rental contracts for its buildings, for a minimum period of 9 years, which, in most cases, can be terminated by the tenant after the expiry of the third and the sixth year, subject to a 6 months' notice prior to expiry date. The rents are usually due in advance on a monthly basis (sometimes quarterly). They are indexed annually, on the anniversary of the rental agreement. Taxes and levies, including property tax, the insurance premium, and the common charges, are, in principle, borne by the tenant. To guarantee compliance with the obligations imposed on the tenant by virtue of the agreement, some tenants must provide a rental guarantee, usually in the form of a bank guarantee, worth three months rent.

At the start of the agreement, an inventory of fixtures is drawn up between the parties, by an independent expert. At the expiry of the agreement, the tenant must return the leased premises in the state described in the inventory of fixtures on taking up the occupancy, subject to normal wear and tear. The tenant cannot transfer the rental agreement or sublet the premises fully or partially, unless prior written permission is obtained from the lessor. The tenant must register the agreement at his/her/its own expense.

Note 2

Rental-related expenses (in € 000)	31.03.16	31.03.15
Rent payable for hired assets and lease costs	-292	-488
Impairments on trade receivables	-102	3
Total rental-related expenses	-394	-485

Note 3

Recovery of charges and taxes normally payable by tenants on let properties (in € 000)	31.03.16	31.03.15
Recharging of rental charges borne by the owner	1,443	1,204
Recharging of real estate taxes and taxes on let properties	4,439	4,107
Total recovery of charges and taxes normally payable by tenants on let properties	5,882	5,312

Note 4

Charges normally payable by tenants on let properties (in € 000)	31.03.16	31.03.15
Rental charges borne by the owner	-1,690	-1,450
Real estate taxes and taxes on let properties	-4,444	-4,182
Total charges normally payable by tenants on let properties	-6,134	-5,632

The standard rental agreements usually provide for these expenses and taxes to be borne by the tenants, by means of charges forwarded by the owner. A number of the Group's rental agreements state, however, that taxes remain payable by the owner.

This classification principally includes the costs of property tax, insurance and utilities.

Note 5

Technical costs (in € 000)	31.03.16	31.03.15
Recurrent technical costs	-1,634	-1,151
Structural maintenance	-1,634	-1,151
Non-recurrent technical costs	-420	-315
Occasional maintenance	-402	-308
Claim events covered by insurance companies	-124	-797
Compensations received from insurance companies	106	791
Total technical costs	**-2,054**	**-1,466**

Structural maintenance principally covers the regular renovation of car parks and roofs. Occasional maintenance, on the other hand, mainly includes unforeseeable costs for the structure of the let premises, as a result of wear and tear, uninsured accidents and vandalism.

Note 6

Commercial costs (in € 000)	31.03.16	31.03.15
Brokers' commissions	-72	-79
Publicity related to the properties	-76	-74
Lawyers' fees and legal costs	-178	-48
Other	-101	-37
Total commercial costs	**-427**	**-239**

Note 7

Charges and taxes on unlet properties (in € 000)	31.03.16	31.03.15
Vacancy charges of the financial year	-173	-68
Property tax on vacant buildings	-165	-67
Total charges and taxes on unlet properties	**-338**	**-135**

The costs and taxes relating to unlet buildings include buildings that are vacant for a limited period of time in the context of a changeover between tenants, and properties under development (mainly property tax). On 31 March 2016, the cost for vacant property was 0.54% of the rental income received, compared to 0.25% on 31 March 2015.

Note 8

Management costs are subdivided into the costs for the portfolio management and other costs.

These costs mainly include the costs for the personnel responsible for this activity, the operating costs of Retail Estates nv's principal place of business and fees paid to third parties. Management fees received from the tenants, which cover partially the management costs of the real estate, are deducted.

Management costs (in € 000) - Internal property management costs	31.03.16	31.03.15
Office charges	-104	-93
IT	-63	-51
Other	-41	-41
Housing costs	-49	-61
Fees to third parties	-269	-241
Public relations, communication and advertising	-18	-11
Personnel expenses	-1,140	-1,071
Salaries	-730	-722
Social security	-162	-168
Pensions and collective insurances	-30	-34
Other	-218	-147
Management fees received from tenants	8	23
Taxes and legal costs		
Depreciation charges on office furniture, IT equipment and software	-113	-65
Total property management costs	**-1,683**	**-1,518**

Personnel costs make up most of the management costs. The table below provides an overview of the employee count in FTE.

(in FTE)	31.03.16	31.03.15
Property department	7.33	7.33
Total	17.10	17.10
Average	15.70	16.40

Note 9

Other propery charges (in € 000)	31.03.16	31.03.15
Other property charges	-2	-4
Total other property charges	**-2**	**-4**

Note 10

The corporate operating costs cover the fixed operating costs of the company, which operates as a legal entity that is listed on the stock market and benefits from the RREC status. These costs are incurred in order to obtain transparent financial information, to be economically comparable with other types of investments and to offer investors the opportunity of participating indirectly, in a liquid manner, in a diversified real estate investment. A part of the costs incurred in the context of the company's growth strategy are also included in this category.

Corporate operating costs (in € 000)	31.03.16	31.03.15
Office charges	-134	-115
IT	-87	-71
Other	-47	-45
Housing costs	-56	-74
Fees to third parties	-398	-379
Recurrent	-149	-129
- Lawyers		
- Auditors	-141	-121
- Other	-8	-8
Non-recurrent	-166	-87
- Lawyers	-13	-13
- Notary costs	-4	-3
- Consultants	-149	-71
Mergers and acquisitions (other than business combinations)	-83	-163
Public relations, communication and advertising	-47	-49
Personnel expenses	-872	-836
Salaries	-470	-449
Social security	-146	-159
Pensions and collective insurances	-46	-44
Other	-210	-184
Renumeration of board of directors	-247	-201
Taxes and legal costs	-1,087	-1,234
Total operating costs	-2,841	-2,888

Note 11

Result on disposals of investment properties (in € 000)	31.03.16	31.03.15
Book value of sold real estate properties	11,459	14,662
Net sales price of investment properties (sales price - transaction costs)	11,800	15,141
Total benefit or loss on disposals of investment properties	341	479

In the past financial year, 10 retail properties were sold for a net selling price of EUR 11.80 million and 1 retail property of the Distri-Land portfolio was sold for which a net coupon of EUR 1.77 million was received. Overall, the sales proceeds are in line with the investment values assessed by the real estate expert and are, therefore, higher than the fair value established by the real estate expert.

Note 12

Changes in fair value of investment properties (in € 000)	31.03.16	31.03.15
Positive change in investment properties	22,216	9,698
Negative change in investment properties	-12,000	-3,567
Total changes in fair value of investment properties	10,216	6,131

The limited variation in the fair value of the investment properties is mainly due to rent renewals on the one hand, and the tightening of yields on the other hand.

Note 13

Financial result (in € 000)	31.03.16	31.03.15
Collected interests and dividends	32	74
Other	112	107
Total financial result	144	181

Note 14

Net interest charges (in € 000)	31.03.16	31.03.15
Nominal interest on loans[1]	-17,152	-17,519
Other interest costs[2]	300	250
Total net interest charges	-16,852	-17,269

1 Also includes the interests on Interest Rate Swaps (financial instruments).

2 Capitalised interest costs on project developments. The interest rate used is 4.50%.

The weighted average interest rate amounts to 3.64% on 31 March 2016 and 4.35% on 31 March 2015 (after application of the IRS). The company concluded almost all of its investment loans with fixed interest rates, or as long-term loans with variable interest rates that are effectively hedged against fixed interest rates through IRS (interest rate swap) contracts. The evolution of the ratio of interest charges on loans versus rental income received, amounts to 27.81% on 31 March 2016 compared to 32.46% the year before. We refer to note 35 for the complete swaps overview.

Note 15

Other financial charges (in € 000)	31.03.16	31.03.15
Bank costs and other commissions	-70	-39
Total other financial charges	-70	-39

Note 16

Corporate income tax (in € 000)	31.03.16	31.03.15
Company	33	-15
1. Corporate income tax	33	-15
Tax rate of 33.99%	-3	-29
Previous year tax adjustment	36	14
2. Result taxable at 16.50% (so-called exit tax)		
Subsidiaries	-822	-314
1. Corporate income tax	-240	-208
Current year taxes	-547	-208
Previous year tax adjustment	306	0
2. Exit tax	-582	-106
Total corporate income tax	-789	-328

A regulated real estate company is subject to corporate tax solely in respect of non-tax deductible expenditure and abnormal benefits. Deferred taxes are booked for the subsidiaries on the difference between the carrying value after depreciation in the statutory annual accounts of these subsidiaries and the fair value. These deferred taxes are booked at a rate of 16.99% if the respective board of directors of Retail Estates nv and the subsidiary intend to merge the subsidiary with the public RREC.

Note 17

Number of shares and earnings per share	31.03.16	31.03.15
Movements of the number of shares		
Number of shares at the beginning of the financial year	7,559,473	7,290,411
Number of shares at the end of the financial year	8,866,320	7,559,473
Number of dividend bearing shares (weighted average)	8,866,320	7,559,473
Weighted average number of shares for diluted earnings per share	8,627,562	7,381,081

Capital increase by board of directors (in the framework of the authorised capital):

Capital increase in cash

On 5 May 2015 the board of directors of Retail Estates NV has decided to proceed with a capital increase. The gross contribution of the transaction amounted to EUR 76,214,270 million and was fully reinvested. The new shares participate in the profits as of 1 April 2015, being the beginning of the financial year of 2015-2016.

Capital increase through contribution in kind

On 29 January 2016, the last part of the framework agreement with Orchestra-Prémaman Belgium nv, the acquisition of a retail property in Aartselaar, was executed. The contribution value of this property amounts to EUR 2.85 million and represents a capital increase of EUR 1.06 million. The capital amounts to EUR 199.50 million and is assigned to the balance sheet item “issue premium”) with EUR 1.79 million to EUR 151.50 million.

After these capital increases, the capital amounts to EUR 199,495,654.21 on 31 March 2016, represented by 8,866,320 shares (see also page 35 of this report). After deduction of the cumulated costs for capital increase, the capital at the balance sheet amounts to EUR 194,544,510.47 .

Note 18

Calculation of distributable earnings (in € 000) - statutory	31.03.16	31.03.15
Net result	35,904	33,807
+ Depreciations	218	146
+ Impairments	264	157
- Reversal of impairments	-126	-154
+/- Other non-monetary components		
+/- Result on the disposal of investment properties	-282	-427
+/- Changes in fair value of investment properties and project developments	-9,189	-6,436
+/- IAS 39 Result	5,006	
ADJUSTED RESULT	31,795	27,093
Net reduction debt		
Distributable result	31,795	27,093

The adjusted result is not subject to any further change in respect of potential non-exempt capital gains regarding the sale of investment properties. 80% of the net adjusted result, less the net reduction during the financial year of the indebtedness, must be paid out, as calculated in accordance with Article 13 of the RREC R.D.

Note 19

Calculation of pay-out ratio (in € 000) - statutory	31.03.16	31.03.15
Ordinary net earnings	35,904	33,807
Diluted net earnings	35,904	33,807
Distributable earnings	31,795	27,093
Minimum profit distribution	25,436	21,674
Proposed gross dividend	28,372	23,434
Pay-out ratio	89.23%	86.49%

Calculation of pay-out ratio (in € 000) - consolidated	31.03.16	31.03.15
Ordinary net earnings	42,035	35,238
Diluted net earnings	42,035	35,238
Distributable earnings	36,793	28,877
Minimum profit distribution	29,434	23,102
Proposed gross dividend	28,372	23,434
Pay-out ratio	77.11%	81.15%

Note 20

Investment and amortisation table (in € 000)	Intangible non-current assets		Other tangible non-current assets	
	31.03.16	31.03.15	31.03.16	31.03.15
Acquisition value				
Balance at the end of the previous financial year	655	541	971	867
Acquisitions	113	114	1.348	204
Transfers and disposals of assets			-87	-100
Transfers to/from other accounts				
At the end of the financial year	768	655	2.232	971
Amortisation and impairment losses				
Balance at the end of the previous financial year	535	514	614	570
Balance of acquired companies	11		0	0
Amortisation[3]	75	21	143	125
Transfers and disposals of assets	0		-79	-80
At the end of the financial year	621	535	678	614
Net book value	147	120	1.554	357

3 Amortisation of non-current intangible assets and other non-current tangible assets are recognised in the income statement under 'property management costs'. The depreciation costs on cars are included in the personnel costs.

Note 21

Investment and revaluation table (in € 000)	Investment properties		Assets held for sale		Total	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
Balance at the end of the previous financial year	837,121	745,916	4,819	4,385	841,940	750,301
Acquisition through purchase or contribution real estate companies	142,929	28,383	697		143,626	28,383
Capitalised interest cost	300	250	0		300	250
Acquisiton and contribution of investment properties	19,918	70,777	2,677		22,595	70,777
Disposal through sale of real estate companies		-6,874				-6,874
Disposal of investment properties	-3,970	-2,314	-7,489	-5,474	-11,459	-7,788
Transfers to assets held for sale	-7,499	-5,908	7,499	5,908		
Change in fair value (+/-)	11,999	6,889	19		12,018	6,889
At the end of the financial year	1,000,799	837,121	8,222	4,819	1,009,022	841,940
OTHER INFORMATIONS						
Investment value of the property	1,025,536	857,862	8,427	4,939	1,033,963	862,801

Project developments (in € 000)	31.03.16	31.03.15
Balance at the end of the previous financial year	34,171	8,077
Increase during the financial year	1,264	28,119
Reception during the financial year	-24,107	-2,026
At the end of the financial year	11,328	34,171

Investment properties are recorded at fair value, using the fair value model in accordance with IAS 40. This fair value is equal to the amount at which a building could be traded between well-informed and willing parties acting under normal competitive conditions. It was determined by independent experts in two phases. In the first phase, the experts determine the investment value of each property, based on the discounted value of the future net rental income. The discount rate used mainly depends on the discount rates applied in the real estate market. These take account of the asset's location, and the quality of the buildings and the tenant on the date of valuation. The future rents amount to the contractual rental income over the period of the rental agreement in force and the acceptable and reasonable hypothesis concerning rental income from future rental agreements in the light of the current conditions. This value matches the price which a third party investor (or hypothetical purchaser) would pay to acquire the asset with the aim of enjoying the rental income and of generating a return on his investment. In a second phase, the experts deduct an estimated amount for transfer taxes (registration taxes and/or capital gain taxes) which the purchaser or the seller must pay to execute a transfer of ownership. The investment value minus the estimated transfer taxes is then the fair value according to the provisions of IAS 40. The transfer of ownership of real estate in Belgium is subject to transfer taxes. The amount of this tax depends on the transfer method, the capacity of the purchaser and the geographical location of the asset. The first two elements, and consequently the total amount of the taxes to be paid are, therefore, only known once the transfer of ownership has been completed. The range of property transfer options and the corresponding taxes is as follows:

- sale agreements for real estate: 12.50% for assets located in the Brussels Capital Region and in the Walloon Region, 10% for assets located in the Flemish Region;

- sale of real estate under the broker system: 5% to 8% depending on the Regions;

- long-term lease agreements for real estate (up to 50 years for the right of building and up to 99 years for the long-term lease right): 0.20%;

- sale agreements for real estate whereby the purchaser is a public law institution (e.g., an entity of the European Union, of the Federal Government, of a regional government or of a foreign government): exemption from duties;

- contribution in kind of real estate in return for the issuance of new shares to the benefit of the contributor: exemption from duties;

- sale agreement for shares of a real estate company: absence of duties;

- merger, split and other company reorganisations: absence of duties; etc.

As a result, the effective percentage of the registration taxes varies from 0% to 12.50%, whereby it is impossible to predict which percentage is applicable to the transfer of a given Belgian property before the actual transfer takes place. In January 2006, all the experts involved in determining the value of Belgian regulated real estate companies were asked to determine a weighted average percentage of the effective taxes for the real estate portfolios of the RRECs. For transactions of properties with a value of over EUR 2.50 million and in view of the range of methods of transferring ownership (see above), the experts calculated the weighted average taxes at 2.50%, based on a representative sample of 220 market transactions that took place between 2003 and 2005, worth a total of EUR 6 billion. As regards transactions involving buildings whose total value is lower than EUR 2.50 million, transfer rights of 10% to 12.50% are applied, depending on the Region in which the premises are located. Retail Estates nv considers its real estate portfolio as a whole, which can be disposed of as a whole or as a limited number of larger parts. In compliance with the valuation at "fair value" by its real estate valuation surveyors Cushman & Wakefield and CBRE, the value of this real estate was reduced by 2.50%, which reflects the expected transaction costs for the disposal of this real estate according to the valuation surveyors. For a detailed description of the valuation rules used by the real estate valuation surveyors CBRE and Cushman & Wakefield, we refer to the real estate experts' reports on pages 106 and 107.

During the financial year 2015-2016, 7 real estate companies were acquired for an amount of EUR 77.04 million. The acquisition of the property companies was paid in cash. This resulted in a EUR 142,93 million increase in investment properties variation in working capital of EUR 5.17 million and increase of the financial debts with EUR 60.72 million. In the past financial year 10 retail properties and 1 retail property of the Distri-Land portfolio were sold, which resulted in a decrease of the investment properties and the non-current assets held for sale of EUR 11.46 million.

During the financial year 2014-2015 real estate companies were acquired for an amount EUR 17.73 million. These real estate companies had a total of EUR 2.65 million in cash. The net cash flow from the purchase of real estate companies amounted in this way to EUR 15.08 million. This resulted in a EUR 28.38 million increase in investment properties, and a EUR -13.81 million variation in working capital. In the financial year of 2014-2015, one real estate company was sold, resulting in a positive net cash flow of EUR 6.69 million. Due to this there was a decrease of the investment properties with an amount of EUR 6.87 million and a variation in working capital of EUR 0.18 million. In financial year of 2014-2015 9 retail properties were also sold, which resulted in a decrease of investment properties and assets held for sale of EUR 7.79 million.

Notes on IFRS 13

Investment properties - valuation

Investment properties are recorded at fair value. Fair value is determined on the basis of one of the following levels of the IFRS 13 hierarchy:

- Level 1: valuation on the basis of quoted prices in active markets
- Level 2: valuation on the basis of directly or indirectly (external) observable information
- Level 3: valuation fully or partly based on non (external) observable information

According to the IFRS classification, investment properties are level 3.

Investment properties are accounted for on the basis of valuation reports, drawn up by independent and expert real estate valuers. These reports are based on:

- Information provided by the company, such as current rents, terms and conditions of lease agreements, (as the case may be) rent reductions, investments, etc. This information results from the public RREC's financial and management system and is governed by the company's general applicable control system.
- The real estate experts' assumptions and valuation models used. The assumptions mainly relate to the market situation, such as yields and discount rates. They are based on their professional assessment and perception of the market.

The following methods were used:

The investment value is mostly calculated on the basis of a GIY (Gross Initial Yield) capitalisation of the current annual base rent due, as the case may be taking into account corrections such as the estimated market rental value, vacancy rates, step-rents, rent-free periods, etc. The GIY depends on the common yields on the investment markets, taking into account the location, the suitability of the site, the quality of the tenants and the building as at valuation.

In case of buildings where the property rights are divided in on the one hand, bare ownership and, on the other hand, rights of superficies or long lease rights, the value of the superficies or long lease rights is determined by updating (Discounted Cash Flow) the net rental income, i.e. after deduction of the superficies or ground rent, until the end of the long lease or superficies agreement.

The value of the bare ownership is determined by updating (Discounted Cash Flow) the periodical superficies or ground rent until the expiry date of this agreement.

The information provided to the real estate experts and the assumptions and valuation models used are checked by the company's controller and the public RREC's management. All material differences (positive as well as negative) in absolute and relevant terms (versus previous quarter and versus previous year) are compared and analysed every quarter. On this basis, the management meets with the real estate experts with a view to accurately and fully reflecting all the information regarding the various sites in the valuations.

The gross market rental yield of the portfolio of Retail Estates nv currently ranges between 6% and 10%, depending on the location. We also refer to the overview per cluster on pages 86 to 105.

Sensitivity of valuations

The sensitivity of the fair value in relation to changes in the significant non observable information used for determining the fair value of the properties classified in level 3 (in accordance with the IFRS fair value hierarchy) is the following: the effect of the increase of 1% of the rental income leads to an increase of the fair value of the portfolio of EUR 9.21 million. The effect of an increase of the yield of 100 bps leads to a decrease of the portfolio's fair value of EUR 128 million. The effect of a decrease of the yield of 100 bps leads to an increase of the portfolio's fair value of EUR 172 million.

Note 22

Non-current assets or groups of assets held for sale (in € 000)	31.03.16	31.03.15
Assets held for sale	8,222	4,819
Total assets held for sale	**8,222**	**4,819**

Recorded under assets held for sale are those assets for which a sales agreement has been signed but the final deed of sale had not yet been enacted. These assets are usually sold within a year. It is not expected that there will be any decreases in value regarding these assets as a result of the sale.

On 31 March 2016 these assets comprise 3 retail properties (fair value EUR 4.66 million), 3 parking spaces (EUR 0.0019 million) and a house (EUR 0,69 million), and plots of land in Westende with a fair value of EUR 2.84 million. No agreement was yet signed for these plots of land in Westende, they are actively put for sale since they do not correspond to the Group's strategy. If these plots of land are not sold to individuals before 31 December 2017, they are taken back by the party of which the Group at the time acquired commercial real estate, including these plots of land. This land has been accounted for at conventional value.

Note 23

Trade receivables and doubtful debtors

Trade receivables (in € 000)	31.03.16	31.03.15
Trade receivables	2,140	1,488
Invoices to be issued	195	194
Doubtful debtors	-1,192	-731
Income to be collected		
Coupon real estate certificats		
Distri-Land	220	216
Other	10	
Total trade receivables	**1,373**	**1,168**

The outstanding trade receivables amount to EUR 0.95 million. EUR 0.25 million concerns the revolving and reserve fund. Given the guarantees received – both rental guarantees and the bank guarantees requested – the credit risk concerning trade receivables is limited to about 50% of the outstanding amount on 31 March 2016, equal to a risk of EUR 0.35 million (after deducting doubtful debtors).

For more details about the Distri-Land coupon, we refer to the section 'Real estate certificats' in the valuation rules (pages 124 and 125 of this annual report).

Impairment on doubtful debtors - roll forward (in € 000)	31.03.16	31.03.15
At the end of the previous financial year	-731	-699
From acquired companies	-368	-72
Provisions	-281	-154
Recoveries	136	157
Write-offs	52	36
At the end of the financial year	**-1,192**	**-731**

The accrual for doubtful debtors is established as follows: the rental arrears list is closely monitored internally. Based on a management assessment, or if obvious and demonstrable reasons exist to suggest that the claim cannot be recovered, a provision is set up. Trade receivables are payable in cash. The table below shows an overview of the age structure of the trade receivables for which no value reduction was registered.

	31.03.16	31.03.15
Due < 30 days	88	608
Due 30-90 days	6	11
Due > 90 days	129	3
Not due	471	135

Note 24

Tax receivables and other current assets (in € 000)	31.03.16	31.03.15
Taxes		
VAT receivable	90	351
Property tax receivable	1,367	1,041
Salary and social security		
Other	9	7
Total tax receivables and other current assets	1,466	1,399

Note 25

Cash and cash equivalents (in € 000)	31.03.16	31.03.15
Cash	1,315	1,469
Total cash and cash equivalents	1,315	1,469

Note 26

Deferred charges and accrued income (in € 000)	31.03.16	31.03.15
Completed, property returns not due	95	111
Rental discounts and rental benefits to be appropriated		
Property costs paid in advance	219	392
Interest and other financial costs paid in advance	336	202
Other	79	277
Total deferred charges and accrued income	729	982

The deferred charges mainly concern assurances and maintenance costs of the ERP software.

Note 27

Shareholders' equity

Capital

Capital evolution		Capital movement	Total remaining capital after the transaction	Number of shares created	Total number of shares
Date	Transaction	(in € 000)	(in € 000)		
12/07/1988	Incorporation	-	74	3,000	3,000
27/03/1998	IPO and 1st listing on Euronext Brussels	20,563	20,637	1,173,212	1,176,212
30/04/1999	Capital decrease (incorporation of losses)	-5,131	15,505	-	1,176,212
30/04/1999	Merger by acquisition	1,385	16,891	283,582	1,459,794
30/04/1999	Capital decrease (incorporation of losses)	-2,267	14,624	-	1,459,794
30/04/1999	Incorporation of losses	-174	14,451	-	1,459,794
30/04/1999	Incorporation of issue premium and revaluation gain	4,793	19,244	-	1,459,794
30/04/1999	Cash contribution	10,854	30,098	823,348	2,283,142
1/07/2003	Cash contribution	12,039	42,137	913,256	3,196,398
31/12/2003	Public bid on real estate certificates Distri-Land	4,907	47,043	372,216	3,568,614
5/11/2004	Partial incorporation of issue premium	33,250	80,294	-	3,568,614
5/11/2004	Annulment of 20 bearer shares	-1	80,293	-20	3,568,594
10/08/2005	Merger by absorption	1	80,294	130	3,568,724
21/11/2006	Merger by absorption	10	80,303	228	3,568,952
30/11/2007	Contribution in kind in the context of a partial split	3,804	84,107	169,047	3,737,999
30/06/2008	Contribution in kind in the context of a partial split	1,882	85,989	83,632	3,821,631
5/09/2008	Contribution in kind	534	86,523	23,750	3,845,381
30/04/2009	Contribution in kind	5,625	92,148	250,000	4,095,381
24/11/2009	Contribution in kind in the context of a partial split	6,944	99,092	308,623	4,404,004
5/02/2010	Contribution in kind	4,380	103,472	194,664	4,598,668
31/03/2010	Contribution in kind in the context of a partial split	910	104,382	40,459	4,639,127
05/05/2010	Contribution in kind	3,288	107,671	146,135	4,785,262
21/06/2010	Contribution in kind	2,662	110,332	118,293	4,903,555
30/11/2010	Contribution in kind	2,212	112,544	98,301	5,001,856
30/11/2010	Contribution in kind	1,280	113,824	56,872	5,058,728
30/11/2010	Contribution in kind	66	113,890	2,935	5,061,663

Capital evolution		Capital movement	Total remaining capital after the transaction	Number of shares created	Total number of shares
Date	Transaction	(in € 000)	(in € 000)		
27/06/2011	Contribution in kind	5,520	121,399	245,348	5,395,408
30/03/2012	Contribution in kind in the context of a partial split	937	122,336	41,666	5,437,074
4/07/12	Contribution in kind	4,694	127,030	208,607	5,645,681
27/07/12	Contribution in kind - stock optional dividend	3,768	130,798	167,441	5,813,122
28/06/13	Contribution in kind	540	131,338	24,009	5,837,131
28/06/13	Capital increase in cash	32,699	164,037	1,453,280	7,290,411
28/11/14	Contribution in kind	6,054	170,091	269,062	7,559,473
28/05/15	Capital increase in cash	28,345	198,436	1,259,740	8,819,213
29/01/16	Contribution in kind	1,060	199,496	47,107	8,866,320

The company's share capital is fixed at one hundred and ninety-nine million four hundred ninety-five thousand six hundred fifty-four euros and twenty-one cents (EUR 199,495,654.21).

Moreover, it is represented by eight million eight hundred and sixty-six thousand three hundred and twenty (8,866,320) shares, without par value, of which each represents an equal share of the capital.

The capital is paid up in full.

We refer to chapter 6 of the articles of association of Retail Estates nv (on pages 172 till 175 of this report).

Note 28

Issue premium evolution (in € 000)		
Date	**Transaction**	**Issue premiums**
Previous financial year		101,839
28/05/15	Capital increase in cash	47,870
29/01/16	Contribution in kind	1,790
Total issue premiums 31/03/2016		**151,499**

Note 29

Impact on fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties (in € 000)	31.03.16	31.03.15
Balance at the end of the previous financial year	-20,861	-18,387
Change during the financial year	-4,081	-2,474
Total impact on fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties	**-24,942**	**-20,861**

As stated in note 21, Retail Estates nv considers its real estate portfolio as an entity than can be disposed of as a whole, or as a limited number of larger parts. In accordance with valuation at 'fair value' from its valuation surveyors Cushman & Wakefield and CBRE, the value of the properties was reduced by 2.50% subject to the valuation surveyors' expected transaction charges at the disposal of the properties. On 1 April 2004 (the date of the first application of the IAS/IFRS standards), the transfer charges that were deducted from the investment value amounted to EUR 4.90 million. This amount was recognised under this item in the shareholders' equity.

Note 30

Other non-current financial liabilities (in € 000)	31.03.16	31.03.15
Authorised hedging instruments (also refer to note 35)	28,155	24,587
Other		13,814
Total other non-current financial liabilities	**28,155**	**38,401**

The debts concerning the minority shareholders for an amount of EUR 13.81 million pertain to the recognition of the debt for the further acquisition of the shares in Retail Warehousing Invest nv, which are not yet fully owned by Retail Estates nv.

The deferred taxes concern the spread taxations of realised capital gain of subsidiaries. There are neither not-recognised financial losses, nor other sources of deferred taxes.

Note 31

Trade debts and other current debts (in € 000)	31.03.16	31.03.15
Trade debts	807	796
Invoices to be received	6,172	4,126
Taxes payable	57	191
Other current debts	279	322
Total trade debts and other current debts	**7,315**	**5,435**

Note 32

Other current liabilities (in € 000)	31.03.16	31.03.15
Dividends payable	34	33
Other	15,599	15,333
Total other current liabilities	**15,633**	**15,366**

Despite the transfer of the debts for the acquisition of the shares of Retail Warehousing Invest nv from long to short term, the "Other current liabilities" continue to remain on the same level as last year. This is attributable to the fact that in the meanwhile the shares of Mijn Retail nv are 100% owned by Retail Estates NV.

Note 33

Accrued charges and deferred income (in € 000)	31.03.16	31.03.15
Property returns received in advance	2,642	1,818
Completed, not due interests and other financial costs	3,015	2,380
Other	307	212
Total accrued charges and deferred income	**5,963**	**4,410**

The deferred revenues mainly concern rents paid in advance.

Note 34

Breakdown by due date of credit lines (in € 000)	31.03.16	31.03.15
Non-current		
Bilateral loans - variable or fixed rate	398,225	310,631
Financiële leasing	9	
Bond loan	29,788	29,748
Subtotal	**428,023**	**340,379**
Current		
Bilateral loans - variable or fixed rate	42,593	57,209
Financiële leasing	4	
Subtotal	**42,597**	**57,209**
Total	**470,620**	**397,588**

Breakdown by maturity of non-current financial debts (in € 000)	31.03.16	31.03.15
Between one and two year(s)	100,378	93,705
Between two and five years	257,080	214,013
More than five years	70,555	32,661

Breakdown by the variable or fixed-rate nature of the loans (in € 000)	31.03.16	31.03.15
Variable rate loans	368,599	293,506
Fixed rate loans	102,007	104,082

Retail Estates nv has the following unused credit facilities (in € 000)	31.03.16	31.03.15
Expiring within one year	25,000	
Expiring after one year	99,512	95,212

Estimate of the future interest expenses	Total future interest expenses	
	31.03.16	31.03.15
Within one year	16,969	15,827
Between one and five year(s)	48,217	37,604
More than five years	16,284	3,986
Total	81,470	57,417

Non-current and current financial debts

75.63% of the loans have a fixed rate or are hedged by an interest rate swap contract. The estimate of future interest takes into account the debt position on 31 March 2016 and interest hedges under current contracts. For the EUR 114.70 million unhedged portion of the registered debts, the Euribor rate on 31 March 2016 and the banking margin is applied.

The bond loan was emitted on 23 April 2014 with a 7-year term and an interest rate of 3.556%.

Interest charges analysis – interest sensitivity

The degree to which Retail Estates nv can finance itself significantly impacts its profitability. Property investment generally entails a relatively high level of debt financing. To optimally limit this risk, Retail Estates nv applies a relative cautious and conservative strategy (see mentioned above). In this manner, a rise in the interest rate has no substantial impact on the total result. However, interest rate increases or decreases have an impact on the market value of the concluded IRS-contracts and therefore on the shareholders' equity and the unrealised IAS 39 result. If the interest rate rose by 1%, this would have a positive impact of EUR 16.97 million on the shareholders' equity and the unrealised IAS 39 result. If the interest rate declined by 1%, this would have a negative impact of EUR -18.09 million on the shareholders' equity and the unrealised IAS 39 result.

In principle, Retail Estates nv has an agreement with its banks for a debt ratio covenant of 60%.

Note 35

Financial instruments on 31 March 2016

Summary of financial instruments as at closing date 31.03.16 (in € 000)	Categories	Book value	Fair value	Level
I. Non-current assets				
Financial non-current assets	C	0	0	2
Loans and receivables	A	10	10	2
II. Current assets				
Trade receivables and other receivables	A	2,839	2,839	2
Cash and cash equivalents	B	1,315	1,315	2
Total financial instruments on the assets side of the balance sheet		**4,164**	**4,164**	
I. Non-current liabilities				
Interest-bearing liabilities	A			2
Credit institutions	A	428,013		2
Other	A	9	9	2
Other non-current liabilities	A	0	0	2
Other financial liabilities	C	28,155	28,155	2
II. Current liabilities				
Interest-bearing liabilities	A	42,601	42,601	2
Current trade debts and other debts	A/C	36,704	36,704	2/3
Total financial instruments on the liabilities side of the balance sheet		**535,482**	**107,469**	

The categories correspond with the following financial instruments:

A. Financial assets or liabilities (including receivables and loans) held until maturity, at the amortised cost.
B. Investments held until maturity, at the amortised cost.
C. Assets or liabilities, held at the fair value through the profit and loss account, except for financial instruments determined as hedging instruments.

The aggregate financial instruments of the Group correspond with level 2 in the fair values hierarchy. Fair value valuation is carried out regularly.

Level 2 in the fair values hierarchy includes the other financial assets and liabilities, in respect of which the fair value is based on other information, which can, directly or indirectly, be determined for the relevant assets or liabilities.

The valuation techniques regarding the fair value of the level 2 financial instruments are the following:

- The categories 'other financial liabilities' and 'financial fixed assets' concern Interest Rate Swaps (IRS), in respect of which the fair value is determined by means of interest rates applicable in active markets, and generally provided by financial institutions.
- The fair value of the other level 2 financial assets and liabilities is almost equal to their book value:
    - either because they have a short-term maturity (like trade receivables and debts),
    - or because they have a variable interest rate.

The fair value of debts having a fixed interest rate is valuated by means of an actualisation of their future cash flows, taken into account the Group's credit risk.

Financial instruments at amortised cost

Given the short-term nature of the trade receivables and payables, the fair value is approximately close to the nominal value of these financial assets and liabilities. On 31 March 2016, Retail Estates nv has EUR 368.60 million of financial debts at variable interest rates and EUR 102.01 million of financial debts at fixed interest rates. Of the debts at variable interest rates, EUR 253.90 million are hedged by interest swap contracts. The fixed interest rates at which these long-term debts were originally concluded in most cases no longer correspond to prevailing money market rates, leading to a difference between their book values and their fair values. The following table compares the total amount of the fixed-rate debts at book value and at fair value at the end of the 2015-2016 financial year. Here, the fair value of the fixed-rate debts is estimated by discounting their future cash flows at an interest rate that reflects the Group's credit risk. The fair value of the fixed-rate debts is mentioned in the underlying table, the book value is equal to the amortised cost. The financial debts with a variable rate have a book value close to their fair value.

Financial debts at fixed interest rate	31.03.16		31.03.15	
	Book value	Fair value	Book value	Fair value
Financial debts at fixed interest rate	102,007	120,021	104,082	113,933

Financial instruments at fair value

Fair value of financial assets and liabilities (in € 000)	31.03.16	31.03.15
Fair value of financial derivatives	-28,155	-24,587
Total fair value of financial assets and liabilities	**-28,155**	**-24,587**

The Group uses financial derivatives (interest rate swaps) to hedge interest rate risks arising from operational, financing and investment activities. Financial derivates are initially booked at cost price and revalued to fair value on the subsequent 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. EUR 4.99 million was recorded in the income statement regarding financial instruments. EUR 1.88 million relates to the linear depreciation of the value on 31 December 2015 of the derivatives that do not longer qualify as cash flow hedges. EUR 3.11 million relates to the changes in fair value of the derivatives for the period 31 December 2015 to 31 March 2016. Swaps qualifying as cash flow hedges are directly recognized in the equity and are not included in the income statement. The interest rate swaps are level 2 instruments.

Overzicht swaps:

Other non-current liabilities	Starting date	Ending date	Interest rate	Notional amount (in € 000)	Hedge accounting
1	05/2012	04/2016	3.04%	7,591	NO
2	12/2011	06/2016	1.70%	25,000	NO
3	11/2011	11/2016	3.03%	10,000	NO
4	12/2006	12/2016	4.05%	37,000	NO
5	10/2007	12/2016	4.21%	6,000	NO
6	03/2010	03/2017	4.94%	8,500	YES
7	06/2012	06/2017	3.22%	20,000	NO
8	07/2007	07/2017	4.77%	10,000	NO
9	06/2012	09/2017	3.03%	10,000	NO
10	09/2012	09/2017	3.35%	6,000	NO
11	03/2008	03/2018	4.08%	5,000	NO
12	04/2014	03/2018	1.91%	20,500	NO
13	11/2013	11/2018	3.69%	30,000	NO
14	09/2014	09/2019	2.69%	21,000	NO
15	02/2015	01/2020	1.48%	20,000	NO
16	01/2016	01/2021	1.82%	10,000	NO
17	01/2017	01/2022	1.44%	45,000	YES
18	06/2016	06/2022	1.03%	30,000	YES
19	10/2017	10/2022	1.70%	15,000	NO
20	06/2016	06/2023	1.04%	25,000	NO
21	06/2016	06/2023	1.03%	10,000	NO
22	06/2017	06/2023	1.36%	40,000	NO
23	03/2009	12/2023	3.89%	7,310	NO
24	06/2017	06/2024	1.29%	35,000	NO

Note 36

Calculation debt ratio (in € 000)	31.03.16	31.03.15
Liabilities	541,445	466,227
To be excluded:	**34,118**	**29,434**
I. Non-current liabilities	**28,155**	**25,024**
Provisions	0	82
Authorised hedging instruments	28,155	24,587
Deferred taxes	0	355
II. Current liabilities	**5,963**	**4,410**
Provisions		
Authorised hedging instruments		
Accrued charges and deferred income	5,963	4,410
Total debt	**507,327**	**436,793**
Net reduction debt		
Total assets	**1,015,615**	**847,439**
DEBT RATIO	**49.95%**	**51.54%**

Note 37

Related parties

The company's related parties are its subsidiaries and its directors and members of the board of directors/executive officers. The transactions with the subsidiaries are eliminated in the consolidation.

Directors and members of the board of directors/executive officers

The board of directors' and executive officers' remuneration is entered in the "corporate operating costs" (see note 10):

(in € 000)	31.03.16	31.03.15
Directors	501	438
Total	**501**	**438**

Directors and executive officers do not receive any other benefits from the company. Retail Estates nv has no executive committee. These amounts are all short-term benefits. We refer to the remuneration report on page 40.

Note 38

Auditor's fee (VAT excl.)	31.03.16	31.03.15
Remuneration of the auditor for the audit assignment	92	104
Remuneration for exceptional duties or special assignments		
- Other audit assignments	5	17
- Tax consultancy assignments	9	3
- Other assignments outsite the audit assignment		170

In compliance with Article 133, §6, of the Companies Code, the one-to-one rule must be judged at the level of Retail Estates nv. It was not exceeded. The other assignments, besides the audit assignments, mainly concern due diligence assignments.

Note 39

Acquired real estate companies and investment properties

Per 31.03.2015

The purchases and own developments in the 2014-2015 financial year resulted in a EUR 71.29 million real estate increase (without project developments). The total rental income increased by EUR 2.17 million in the financial year 2014-2015 as a result of these investments. If these acquisitions had taken place on 1 April 2014, the rental income would have increased by EUR 4.53 million. The operating result increased by EUR 3.94 million as a result of these investments.

Per 31.03.2016

The purchases and own developments in the 2015-2016 financial year resulted in a EUR 166.52 million real estate increase. The total rental income increased by EUR 6.90 million in the financial year 2015-2016 as a result of these investments. If these acquisitions had taken place on 1 April 2015, the rental income would have increased by EUR 11.65 million. The operating result increased by EUR 10.13 million as a result of these investments.

Sold real estate companies and investment properties

Per 31.03.2015

In the financial year 2014-2015, 1 company was sold for a net selling price of EUR 8.22 million, reducing the investment properties by EUR 6.87 million. Moreover, 9 retail properties were sold for a net selling price of EUR 8.08 million, reducing the investment properties by EUR 7.79 million. Rental income fell by EUR 0.75 million as a result of this divestment. If these sales had taken place on 1 April 2014, rental income would have been EUR 0.94 million lower.

Per 31.03.2016

During the financial year of 2015-2016 10 retail properties and 1 retail property of the Distri-Land portfolio were sold for a net sales price of EUR 11.80 million, which resulted in a decrease of the investment properties by EUR 11.46 million. Rental income fell by EUR 0.22 million as a result of this divestment. If these sales had taken place on 1 April 2015, rental income would have been EUR 0.79 million lower.

Note 40

Events after the balance sheet date

Private placement of a ten-year bond

On 29 April 2016, Retail Estates nv successfully proceeded to a private placement of a ten-year bond, for a total amount of EUR 30 million, with maturity on 29 April 2026. For an amount of EUR 26 million of the total placement, the bonds have been placed with a floating interest rate and for an amount of EUR 4 million with a fixed interest rate. The net proceeds of the bond will be used for the financing of the working capital of Retail Estates nv. By means of this bond, funding resources are further diversified and the average maturity of the debt is prolonged.

Bijlage 41

List of consolidated companies and changes in the circle of consolidation

As at 31 March 2016, the following subsidiaries are part of the consolidation perimeter of Retail Estates nv:

Subsidiary	External financial debts[4] (in € 000)	Investment properties[4] (in € 000)	Rental income[5] (in € 000)	Participation percentage
Retail Warehousing Invest nv	12,394	52,948	3,426	62.50%
Finsbury Properties nv	0	5,645	0	100%
Fimitobel nv	0	2,092	1	100%
Paneuropean Retail Properties nv	0	81,401	5,333	100%
Paneuropean Property Investments nv	0	30,358	0	100%
Vlaamse Leasing Maatschappij nv	0	11,635	533	100%
Localiège nv	0	3,283	120	100%
Texas Management nv	0	5,278	14	100%
TBK bvba	0	10,325	33	100%

4 Value at closing date of the consolidated figures (31.03.2016).

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

During the past financial year, Retail Estates nv acquired the control of Fimitobel nv, Paneuropean Retail Properties nv, Paneuropean Investments nv, Localiège nv, Vlaame Leasing Maatschappij nv, Texas Management nv en TBK bvba. The board of directors of Retail Estates nv established the mergers by absorption of the subsidiaries Mijn Retail nv, Aalst Logistics nv en Frun Park Wetteren nv, in the past financial year.

For more information, see chapter 3 of the management report (pages 31 till 36). None of these acquisitions was considered as a business combination under IFRS 3.

Minority interests - Retail Warehousing Invest nv

On 4 July 2012, the control was acquired over Retail Warehousing Invest nv by the acquisition of an interest of 62.50% of its shares. The agreement concluded with a view to acquiring the control provides that Retail Estates nv, at the latest on 1 July 2016, acquires all shares of this company that are not yet fully owned by Retail Estates nv, on the basis of the same valuation formula laid down in order to acquire control on 4 July 2012. Upon acquisition of the minority interest, the underlying real estate value used in this formula will be checked against the valuation of the real estate expert applicable at that time and, as the case may be, be limited to that valuation in accordance with Article 37 of the RREC Law of 12 May 2014.

Minority interests – accounting

As of 31 December 2012, the balance sheet has been drawn up on the assumption that all minority interests are acquired (in accordance with IFRS), irrespective of the timing of such acquisition and on the assumption that such acquisition is paid in cash. This reflects the maximum debt ratio on the basis of the available information and the development stage of the projects. The impact on the current liabilities amounts to EUR 15.63 million.

Note 42

Determination of the amount in accordance with Article 617 of the Belgian Companies Code

The amount referred to in Article 617 of the Belgian Companies Code, of the paid-up capital or if that amount is higher, of the called-up capital, increased with all the reserves that cannot be distributed (in accordance with the law or with the provisions of the articles of association), is determined in Article 13, §1, of the RREC R.D.

This calculation takes place on the basis of the statutory annual accounts of Retail Estates nv.

(in € 000)	31.03.16	31.03.15
Non-distributable elements of the shareholders' equity before distribution of results	**400,426**	**315,934**
Paid-up capital	194,545	166,902
Non-available issue premiums pursuant to the articles of association	151,499	101,839
Reserve for the positive balance of the variations of the fair value of real estate	96,955	89,185
Reserve for the impact on the fair value of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties	-19,887	-18,025
Reserve for the balance of the changes in fair value of authorised hedging instruments qualifying for hedge accounting	-5,556	-24,322
Reserve for the balance of the changes in fair value of authorised hedging instruments not qualifying for hedge accounting	-17,573	
Other reserves	443	355
Profit and loss of the financial year that must be allocated to the non-distributable reserves in accordance with Article 13, §1, of the RREC R.D.	**1,621**	**4,339**
Result on portfolio	9,189	6,436
Revaluation of participations[6]	-2,562	-2,097
Changes in fair value of financial assets and liabilities (non-effective hedges - IAS 39) and of financial non-current assets	-5,006	
Total shareholders' equity, statutory, non-distributable	**402,047**	**320,273**
Shareholders' equity, statutory	474,409	382,990
Planned dividend distribution	28,372	23,434
Shareholders' equity, statutory, after distribution of dividends	**446,037**	**359,556**
Remaining reserve after distribution	**43,990**	**39,283**

6 Contains the changes in the fair value of the participations of the 100% subsidiaries, and the total changes concerning the subsidiaries of which Retail Estates does not own 100% of the shares.

7. Free translation of the Statutory Auditor's report to the General Shareholders' Meeting on the consolidated financial statements for the year ended 31 March 2016

In accordance with the legal requirements, we report to you on the performance of our mandate of Statutory Auditor. This report includes our opinion on the consolidated financial statements, as well as the required additional statements. The consolidated financial statements comprise the consolidated statement of the balance sheet as at 31 March 2016 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Retail Estates NV ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with the International Financial Reporting Standards 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. The total of the consolidated statement of financial position amounts to '000' EUR 1,015,615 and the consolidated statement of comprehensive income shows a profit of '000' EUR 42,035.

Board of Directors' responsibility for the preparation of the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards 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. The Board of Directors is also responsible for the set-up of the internal control it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the Statutory Auditor's judgment, including his assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Statutory Auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and consolidated financial position as at 31 March 2016 and of its consolidated financial performance and its consolidated cash flows for the year 31 March 2016 then ended in accordance with the International Financial Reporting Standards 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.

Other Matter

The consolidated financial statements of Retail Estates NV for the year ended 31 March 2015 have been audited by another auditor, who issued an unqualified audit opinion on these consolidated financial statements on 27 May 2015.

Report on other legal and regulatory requirements

The Board of Directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not impact our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Sint-Stevens-Woluwe, 25 May 2016

The Statutory Auditor
PwC Bedrijfsrevisoren BCVBA
Represented by

Damien Walgrave
Bedrijfsrevisor

8. A. Statutory income statement

INCOME STATEMENT (in € 000)	31.03.16	31.03.15
Rental income	50,322	46,679
Rental related expenses	-500	-492
Net rental income	**49,822**	**46,187**
Recovery of property expenses		
Recovery of rental charges and taxes normally payable by tenants on let properties	4,758	4,747
Rental charges and taxes normally payable by tenants on let properties	-5,005	-5,015
Other rental related income and expenses	-41	-51
Property result	**49,534**	**45,869**
Technical costs	-1,799	-1,315
Commercial costs	-339	-255
Charges and taxes on unlet properties	-294	-119
Property management costs	-525	-858
Other property costs	-2	-3
Property costs	**-2,959**	**-2,550**
Operating property result	**46,575**	**43,319**
Operating corporate costs	-2,489	-2,537
Other current operating income and expenses		
Operating result before result on portfolio	**44,086**	**40,783**
Result on disposals of investment properties	282	427
Result on sales of other non-financial assets		
Changes in fair value of investment properties	9,189	6,436
Other result on portfolio		

INCOME STATEMENT (in € 000)	31.03.16	31.03.15
Operating result	**53,556**	**47,646**
Financial income	3,595	2,800
Net interest charges	-16,244	-16,574
Authorised hedging instruments' costs	-5,006	
Other financial charges	-30	-32
Financial result	**-17,685**	**-13,806**
Result before taxes	**35,871**	**33,840**
Taxes	33	-33
Net result	**35,904**	**33,807**
Note:		
Net current result	**28,841**	**25,109**
Result on portfolio	9,471	6,863
Revaluation participations6	2,598	1,836
IAS 39 result	-5,006	

8. B. Statutory statement of other comprehensive income

Statement of other comprehensive income (in € 000)	31.03.16	31.03.15
Net result	35,904	33,807
Other components of other comprehensive income, recyclable in income statements:		
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-1,862	-2,040
Changes in the the fair value of authorised hedging instruments qualifying for hedge accounting as defined by IFRS	1,193	-915
COMPREHENSIVE INCOME	35,235	30,853

9. Statutory balance sheet

ASSETS (in € 000)	31.03.16	31.03.15
Non-current assets	957,102	782,409
Goodwill		
Intangible non-current assets	145	120
Investment properties	798,654	729,976
Other tangible non-current assets	1,554	357
Financial non-current assets	156,748	51,955
Trade receivables and other non-current assets	2	2
Current assets	30,206	23,116
Non-current assets or groups of assets held for sale	7,525	4,819
Trade receivables	1,235	1,132
Tax receivables and other current assets	19,807	15,070
Cash and cash equivalents	1,009	1,231
Deferred charges and accrued income	631	865
TOTAL ASSETS	987,308	805,525

SHAREHOLDERS' EQUITY AND LIABILITIES (in € 000)	31.03.16	31.03.15
Shareholders' equity	**474,409**	**382,990**
Capital	194,545	166,902
Issue premiums	151,499	101,839
Reserves	92,461	80,441
Net result of the financial year	35,904	33,807
Liabilities	**512,898**	**422,536**
Non-current liabilities	**451,908**	**352,328**
Provisions		
Non-current financial debts	423,773	328,005
Credit institutions	423,763	328,005
Long term financial lease	10	
Other non-current liabilities	28,135	24,322
Deferred taxes		
Current liabilities	**60,990**	**70,208**
Current financial debts	34,477	54,769
Credit institutions	34,473	54,769
Short term financial lease	4	
Trade debts and other current debts	5,775	11,439
Other current liabilities	15,632	73
Accrued charges and deferred income	5,106	3,928
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**987,308**	**805,525**

10. Statutory statement of changes in shareholders' 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 2014	160,961	93,094	77,177	26,677	357,909
- Net appropriation of profits 2014-2015					
- Transfer of portfolio result to reserves			4,876	-4,876	
- Transfer of net current result to reserves			-70	70	
- Reclassification between reserves					
- Dividends of the financial year 2013-2014				-21,871	-21,871
- Capital increase					
- Capital increase through contribution in kind	6,054	8,744			14,798
- Increase in shareholders' equity as a result of mergers			1,609		1,609
- Costs of capital increase	-113				-113
- Other			-195		-195
- Global result 31/03/2015			-2,955	33,807	30,853
Balance according to IFRS on 31 March 2015	166,902	101,838	80,441	33,807	382,990
- Net appropriation of profits 2015-2016					
- Transfer of portfolio result to reserves			8,272	-8,272	
- Transfer of net current result to reserves			2,101	-2,101	
- Reclassification between reserves					
- Dividends of the financial year 2014-2015				-23,434	-23,434
- Capital increase	28,344	47,870			76,214
- Capital increase through contribution in kind	1,060	1,790			2,850
- Increase in shareholders' equity as a result of mergers			2,608		2,608
- Costs of capital increase	-1,762				-1,762
- Other			-291		-291
- Global result 31/03/2016			-669	35,903	35,235
Balance according to IFRS on 31 March 2016	194,545	151,499	92,461	35,903	474,409

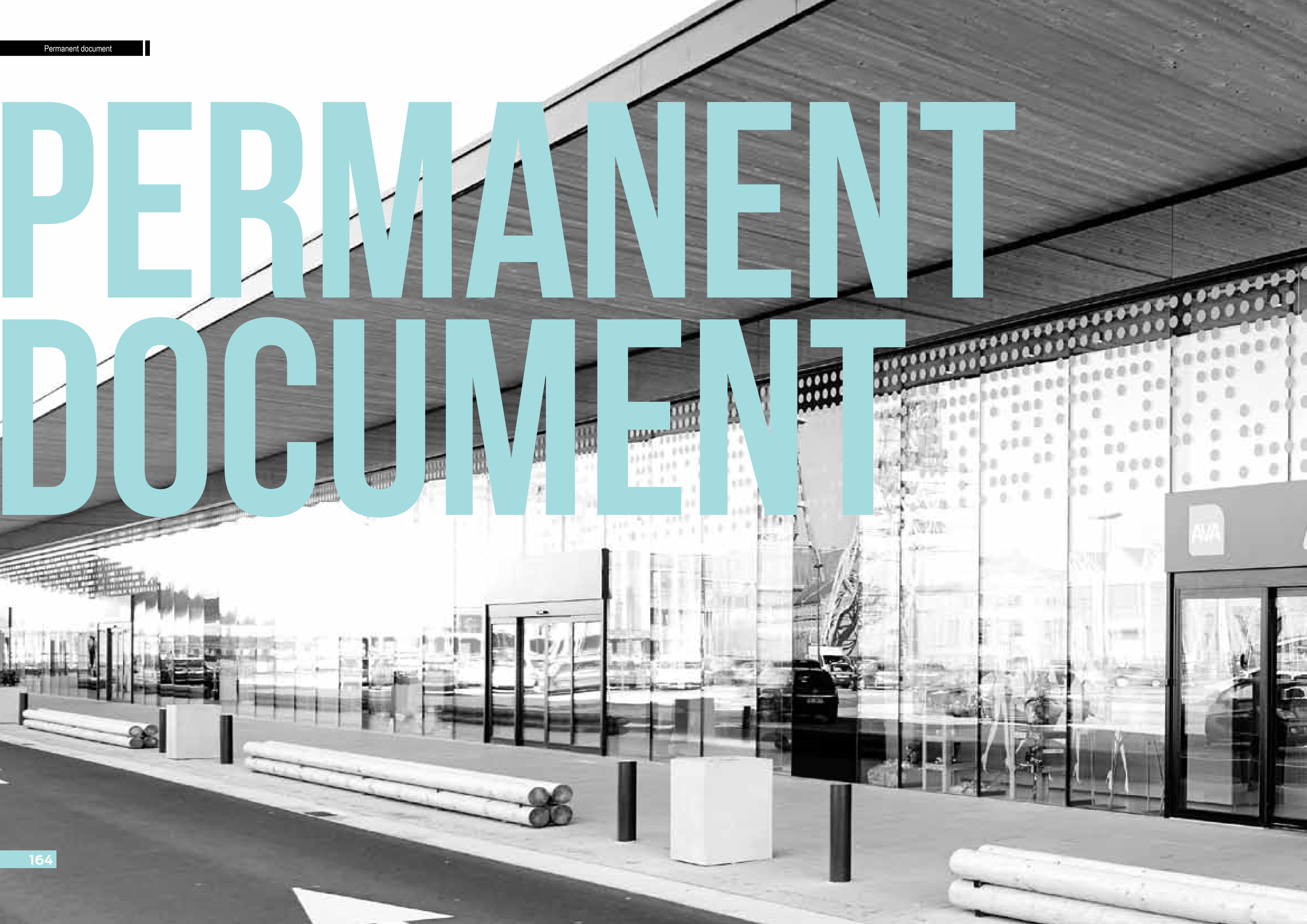
* Detail of the reserves (in € 000)	Legal reserve	Reserve for the positive/ negative balance of changes in the fair value of real estate properties	Available reserves	Impact on the fair value of estimated transfer rights and costs resulting from the hypo-thetical disposal of investment properties	Changes in the effective part of the fair value of authorised hed-ging instruments qualifying for hedge accounting as defined by IFRS	Changes in the ef-fective part of the fair value of aut-horised hedging instruments are not subjected to qualify for hedge accounting as defined by IFRS	Results carried for-ward from previous financial years	TOTAL
Balance according to IFRS on 31 March 2014	**333**	**87,241**	**8,761**	**-15,985**	**-23,407**		**20,234**	**77,177**
- Net appropriation of profits 2014-2015								
- Transfer of portfolio result to reserves		4,876						4,876
- Transfer of net current result to reserves							-70	-70
- Reclassification between reserves		-3,160	2,965	195				
- Capital increase through contribution in kind								
- Increase in shareholders' equity as a result of mergers	23	228					1,358	1,609
- Costs of capital increase								
- Other				-195				-195
- Global result 31/03/2015				-2,040	-915			-2,955
Balance according to IFRS on 31 March 2015	**356**	**89,185**	**11,726**	**-18,025**	**-24,322**		**21,522**	**80,442**
- Net appropriation of profits 2015-2016								
- Transfer of portfolio result to reserves		8,272						8,272
- Transfer of net current result to reserves							2,101	2,101
- Reclassification between reserves		-499	208	291	21,058	-21,058		
- Capital increase through contribution in kind								
- Increase in shareholders' equity as a result of mergers	87	-3					2,524	2,608
- Costs of capital increase								
- Other				-291				-291
- Global result 31/03/2016				-1,862	-2,292	3,485		-669
Balance according to IFRS on 31 March 2016	443	96,955	11,934	-19,887	-5,556	-17,573	26,147	92,461

11. Statutory result affectation

Statutory result allocation (in € 000)	31.03.16	31.03.15
Net result	35,904	33,807
Allocation to / transfer from reserves		
- Allocation to / transfer from the reserves for the balance of changes in fair value of investment properties		
Financial year	-9,189	-6,436
- Allocation to / transfer from the reserves of estimated transfer rights and costs resulting from the hypothetical disposal of investment properties		
- Allocation to / transfer from the reserves for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	5,006	
- Allocation to / transfer from other reserves[7]	-2,598	-1,836
- Increase in shareholders' equity as a result of mergers	2,524	1,358
Remuneration of capital	28,372	23,434
Remuneration of capital - other		
Result to be carried forward	3,275	3,459

7 This includes the revaluation of the subsidiaries' participation, at fair value.

PERMANENT DOCUMENT



07

PERMANENT DOCUMENT

BE–MINE BOULEVARD, BERINGEN →

01

General information

Identicifation

Name

The official name of the company is Retail Estates nv "Public regulated real estate company according to Belgian law" or "Public RREC according to Belgian law" ('Belgian REIT').

Registered office

The registered office of the company is located at Industrielaan 6, 1740 Ternat, Belgium. Under article 2 of the articles of association, the registered office of the company may be relocated to any place in Belgium following a decision by the board of directors, without the need to amend the articles of association.

Company number

The company has been entered in the register of legal persons under the company number 0434.797.847.

Legal form, establishment, publication

The public limited company "Retail Estates – Vastgoedbevak naar Belgisch recht" (currently "Openbare GVV naar Belgisch recht" – "Public RREC according to Belgian law") was established by a legal instrument executed by the civil notary Urbain Drieskens at Houthalen on 12 July 1988 and subsequently published in the appendix to the Belgian Official Gazette on 29 July 1988 under number 880729-313.

The articles of association were most recently amended by means of a notarised record drawn up on 29 January 2016, by Tim Carnewal, associated notary in Brussels, and published in the Appendices to the Belgian Official Gazette of 25 February after, under number 16029057.

The company makes a public call on savings under article 439 of the Companies Code.

Duration

The company was established for an open-ended period of time.

Social purpose

Article 3 of the articles of association:
"The purpose of the company is limited to the following:

(a) to make real estate available to users, directly or through a company in which it holds shares, in accordance with the provisions of the RREC Law and its implementing decrees and regulations; and

(b) to own real estate, within the limits of the RREC legislation as specified in Article 2, 5º, i to x of the RREC Law.

By real estate is understood:

i. real estate as defined in Articles 517 et seq. of the Civil Code and rights in rem to real estate, to the exclusion of real estate related to forestry, agriculture and mining;

ii. voting shares issued by real estate companies over which the company exercises joint or exclusive control;

iii. option rights to real estate;

iv. shares of public or institutional regulated real estate companies, provided joint or exclusive control is exercised over institutional RRECs;

v. the rights resulting from contracts in which the company was given one or more goods in lease, or in which other analogous user rights were granted;

vi. shares in public fixed-capital real estate investment funds (Bevak/Sicafi);

vii. rights to own participating interest in foreign institutions for collective investment in real estate that are registered in the list referred to in Article 260 of the Belgian Act of 19 April 2014;

viii. rights to own participating interest in institutions for collective investment in real estate that are established in another Member State of the European Economic Area and that are not registered in the list referred to in Article 260 of the Belgian Act of 19 April 2014, insofar as they are subject to oversight equivalent to that exercised over the public fixed-capital real estate investment funds;

ix. shares issued by companies (i) with a legal personality; (ii) governed by the laws of another Member State of the European Economic Area; (iii) whose shares are authorised to be traded on a regulated market and/or are subject to a regime of prudential supervision; (iv) whose principal activity is the acquisition or construction of immovable property in anticipation of making it available to users, or the direct or indirect ownership of shares in certain types of entities with similar corporate purposes; and (v) that are exempted from the tax on income from the profits coming from the activities referred to in the stipulation under (iv), subject to compliance with specific legal requirements, and that at least are obliged to distribute a part of their income among their shareholders (called "Real Estate Investment Trusts" (abbreviated "REITs"));

x. real estate certificates, within the meaning of Article 5, § 4 of the Act of 16 June 2006;

xi. all other goods, shares or rights defined as real estate by the regulations applicable to the regulated real estate companies.

In the framework of the provision of real estate, the company may in particular carry out all activities related to the establishment, construction (without prejudice to the prohibition to act as a property developer, except in the case of occasional transactions), the remodelling, renovation, development, acquisition, disposal, furnishing, letting, sub-letting, exchange, transfer, contribution, development, placing under the system of co-ownership or joint ownership of property as above described, the granting or acquisition of building rights, usufruct, ground lease or other real or personal rights on properties as described above, the management and exploitation of real estate.

The company may, by means of contribution in cash or in kind, merger, demerger or other corporate restructuring, registration, participation, membership, financial support or in any other way, acquire a share (or be a member) of any existing or to be established companies, businesses or associations in Belgium or abroad, having a purpose that is similar or complementary to that of the company (including participating interest in a subsidiary in respect of which there is a power of control that provides services to the tenants of the buildings of the company and/or its subsidiaries) or that are of such a nature to realise or facilitate the realisation of its purpose and, in general, execute all transactions connected directly or indirectly to its corporate purpose.

The company can act as a real estate developer, provided it only does so on an occasional basis. The company can grant mortgages or other forms of security as well as extend loans to, and serve as a guarantor for, a subsidiary, within the limits of the RREC legislation.

On a temporary or subsidiary basis, the company can also invest in securities which are not real estate. Such investments shall be diversified in order to ensure an adequate allocation of risk. The company can hold non-committed liquid assets. The liquid assets can be held in all currencies, in the form of demand and term deposits, as well as all easily convertible money market instruments.

In addition, the company can engage in transactions involving hedging instruments, provided the latter are carried out for the sole purpose of hedging the interest rate and exchange risk, expressly excluding any speculative transactions.

The company and its subsidiaries can let one or more properties under finance leases. Such finance leases, with a purchase option, can only be granted on a subsidiary basis, unless the properties in question are intended to be used in the public interest (in which case, this activity can form part of the company's main business).

In general, the company is obliged to carry out all of its activities and transactions in accordance with the rules and within the limits provided for by the RREC legislation and any other applicable legislation."

Financial year

The financial year of the company shall start on 1 April and end on 31 March of each year. The first financial year as a real estate investment company (currently "regulated real estate company") ran from 1 April 1998 to 31 March 1999.

Inspection of documents

The non-consolidated and consolidated annual accounts, articles of association, annual reports and other information disclosed publicly to shareholders may be obtained free of charge at the registered office of the company. The non-consolidated and consolidated annual accounts and the supplementary reports shall be lodged with the National Bank of Belgium. The articles of association may be obtained from the Clerk of the Brussels Commercial Court or on the website www.retailestates.com.

Notices convening general meetings shall be published in the appendices to the Belgian Official Gazette and in the newspaper De Standaard. The convening notices and all relevant documents shall simultaneously be made available on the website at www.retailestates.com > Investor Relations > Shareholders' agenda > (Extraordinary) general meeting.

All press releases and other financial information published by Retail Estates nv may be viewed on the same website.

The annual reports of the company shall be sent to holders of registered shares, other holders of securities who have fulfilled the formalities prescribed by the Companies Code and to any person who request them. They shall also be obtainable at the registered office of the company.

Legal regime

Regulated real estate company

The RREC system was established by the Royal Decree of 13 July 2014 and the Law of 12 May 2014.

The concept of a regulated real estate company is based on the Real Estate Investment Trusts (USA – "REITs").

The intention of lawmakers was for an RREC to guarantee optimum transparency of real estate investments and to assure a maximum disbursement of cash flow, while allowing investors to enjoy numerous benefits. The RRECs are regulated by the FSMA, and are subject to some specific regulations, of which the most important are:

- the legal status must be that of a private limited company or a partnership limited by shares, with a minimum capital of EUR 1,200,000;
- indebtedness must be limited to 65%;
- the portfolio must be stated at fair value (real value) without a possibility of write-downs;
- independent experts must make an annual estimate of the real estate assets, which must be updated at the end of the first three quarters of each financial year;
- at least 80 % of the current result must be paid out as a dividend;
- the risk must be spread, i.e. not more than 20% of the assets may be invested in one and the same real estate complex;

- virtually complete exemption from corporation tax;
- an advance levy (currently 27%) must be deducted from the payable dividend. This is by way of discharge of obligations, insofar as natural persons are concerned, who acquired the shares as part of the management of their private property;
- there must be a stock exchange listing;
- the activity must be confined to real estate investments; additionally, the RREC may place assets in securities;
- possibility to request that branches of the RREC be given the status of an institutional RREC.

The objective of all these rules is to limit risks. Companies that merge with an RREC are subject to a 16.995% tax over the unrealised gains and tax-free reserves, i.e. the 'exit tax', plus a supertax at the prevailing rate.

02

Articles of association

Corporate form - name - registered office - corporate purpose - term of existence

Article 1: Corporate form and name

The company takes the form of a limited liability company under Belgian law with the name "Retail Estates". This name shall be immediately followed by the words "Public regulated real estate company under Belgian law" or "Public RREC under Belgian law" ("Société immobilière réglementée publique de droit belge" or "SIR publique de droit belge" / "Openbare gereglementeerde vastgoedvennootschap naar Belgisch recht" or "Openbare GVV naar Belgisch recht") and all documents issued by the company shall contain this mention.

The company solicits its financial resources in Belgium or abroad by means of a public offering of shares, and therefore publicly appeals to savings within the meaning of Article 438(1) of the Companies Code. The company's shares are authorised to be traded on a regulated market.

The company is subject to the statutory framework governing public regulated real estate companies under Belgian law, hereafter called "public RREC".

The company is subject to the regulated real estate companies' legislation, applicable at any time, and particularly to the provisions of the Law of 12 May 2014 regarding regulated real estate companies (the "RREC Law") and the Royal Decree of 13 July 2014 regarding regulated real estate companies (the "RREC R.D.") (this law and its implementing decree are hereinafter referred to as the "RREC legislation").

Article 2: Registered office

The registered office is located at 6 Industrielaan, 1740 Ternat.

The registered office can be transferred to any other location in Belgium, pursuant to a decision of the board of directors, which complies with the applicable legislation on the use of languages, without an amendment to these articles being required.

The board of directors can also establish administrative offices, places of business, branches and subsidiaries, both in Belgium and abroad.

Article 3: Corporate purpose

The purpose of the company is limited to the following:

(a) to make real estate available to users, directly or through a company in which it holds shares, in accordance with the provisions of the RREC Law and its implementing decrees and regulations; and

(b) to own real estate, within the limits of the RREC legislation as specified in Article 2, 5º, i to x of the RREC Law.

By real estate is understood:

i. real estate as defined in Articles 517 et seq. of the Civil Code and rights in rem to real estate, to the exclusion of real estate related to forestry, agriculture and mining;

ii. voting shares issued by real estate companies over which the company exercises joint or exclusive control;

iii. option rights to real estate;

iv. shares of public or institutional regulated real estate companies, provided joint or exclusive control is exercised over institutional RRECs;

v. the rights resulting from contracts in which the company was given one or more goods in lease, or in which other analogous user rights were granted;

vi. shares in public fixed-capital real estate investment funds (Bevak/Sicafi);

vii. rights to own participating interest in foreign institutions for collective investment in real estate that are registered in the list referred to in Article 260 of the Belgian Act of 19 April 2014;

viii. rights to own participating interest in institutions for collective investment in real estate that are established in another Member State of the European Economic Area and that are not registered in the list referred to in Article 260 of the Belgian Act of 19 April 2014, insofar as they are subject to oversight equivalent to that exercised over the public fixed-capital real estate investment funds;

ix. shares issued by companies (i) with a legal personality; (ii) governed by the laws of another Member State of the European Economic Area; (iii) whose shares are authorised to be traded on a regulated market and/or are subject to a regime of prudential supervision; (iv) whose principal activity is the acquisition or construction of immovable property in anticipation of making it available to users, or the direct or indirect ownership of shares in certain types of entities with similar corporate purposes; and (v) that are exempted from the tax on income from the profits coming from the activities referred to in the stipulation under (iv), subject to compliance with specific legal requirements, and that at least are obliged to distribute a part of their income among their shareholders (called “Real Estate Investment Trusts” (abbreviated “REITs”));

x. real estate certificates, within the meaning of Article 5, § 4 of the Act of 16 June 2006;

xi. all other goods, shares or rights defined as real estate by the regulations applicable to the regulated real estate companies.

In the framework of the provision of real estate, the company may in particular carry out all activities related to the establishment, construction (without prejudice to the prohibition to act as a property developer, except in the case of occasional transactions), the remodelling, renovation, development, acquisition, disposal, furnishing, letting, sub-letting, exchange, transfer, contribution, development, placing under the system of co-ownership or joint ownership of property as above described, the granting or acquisition of building rights, usufruct, ground lease or other real or personal rights on properties as described above, the management and exploitation of real estate.

The company may, by means of contribution in cash or in kind, merger, demerger or other corporate restructuring, registration, participation, membership, financial support or in any other way, acquire a share (or be a member) of any existing or to be established companies, businesses or associations in Belgium or abroad, having a purpose that is similar or complementary to that of the company (including participating interest in a subsidiary in respect of which there is a power of control that provides services to the tenants of the buildings of the company and/ or its subsidiaries) or that are of such a nature to realise or facilitate the realisation of its purpose and, in general, execute all transactions connected directly or indirectly to its corporate purpose.

The company can act as a real estate developer, provided it only does so on an occasional basis. The company can grant mortgages or other forms of security as well as extend loans to, and serve as a guarantor for, a subsidiary, within the limits of the RREC legislation.

On a temporary or subsidiary basis, the company can also invest in securities which are not real estate. Such investments shall be diversified in order to ensure an adequate allocation of risk. The company can hold non-committed liquid assets. The liquid assets can be held in all currencies, in the form of demand and term deposits, as well as all easily convertible money market instruments.

In addition, the company can engage in transactions involving hedging instruments, provided the latter are carried out for the sole purpose of hedging the interest rate and exchange risk, expressly excluding any speculative transactions.

The company and its subsidiaries can let one or more properties under finance leases. Such finance leases, with a purchase option, can only be granted on a subsidiary basis, unless the properties in question are intended to be used in the public interest (in which case, this activity can form part of the company's main business).

In general, the company is obliged to carry out all of its activities and transactions in accordance with the rules and within the limits provided for by the RREC legislation and any other applicable legislation.

Article 4: Prohibitions

The company may not act as a property developer in the sense of the RREC legislation, except concerning occasional transactions.

The company is prohibited from:

1. participating in a fixed price syndicate or guarantee association;

2. lending financial instruments, except for loans that are granted under the conditions and in accordance with the provisions of the Belgian Royal Decree of 7 March 2006; and

3. acquiring financial instruments issued by a company or a private association that was declared bankrupt, has concluded an amicable settlement with its creditors, is the object of judicial reorganisation proceedings, has been granted deferment of payments or in respect of which a similar measure has been taken abroad.

Article 5: Term

The company is incorporated for an indefinite term.

Capital - shares

Article 6: Capital

6.1. Share capital

The company's share capital is fixed at one hundred and ninety-nine million four hundred ninety-five thousand six hundred fifty-four euros and twenty-one cents (EUR 199,495,654.21).

It is divided into eight million eight hundred and sixty-six thousand three hundred and twenty (8,866,320) shares, without par value, each of which represents an equal share of the capital

The capital is paid up in full.

6.2. Authorised capital

The board of directors is authorised to increase the share capital on one or more occasions, up to a maximum amount of one hundred and sixty-four million, thirty-seven thousand, eighty-seven euros, and seventy-four cents (EUR 164,037,087.74).

This authorisation is conferred on the board of directors for a period of five years, as from the publication in the annexes to the Belgian State Gazette of the amendment to the articles of association, adopted by the extraordinary general meeting of 9 December 2013. This authorisation can be renewed. The board of directors shall determine the price, the issue premium, and the issue conditions for new shares, unless these decisions are taken by the general meeting.

Within the above limits, and without prejudice to mandatory provisions of the Companies Code, the board of directors can decide to increase the capital, by means of contributions in cash or in kind, the incorporation of reserves or issue premiums, with or without the issuance of new shares, on a case-by-case basis. The board of directors is also authorised, by the general meeting, to issue other securities, including, without limitation, (subordinated or non-subordinated) convertible bonds, warrants, non-voting shares, and preferred shares with regard to dividends and/or liquidation proceeds.

Moreover, the board of directors is allowed to limit or remove the preferential right granted by the Companies Code to the shareholders, including those in favour of one or more persons other than the employees of the company or a subsidiary, provided an irreducible allocation right is granted to the existing shareholders upon the distribution of new shares. This irreducible allocation right shall meet the requirements determined by the RREC legislation and Article 6.4 of these articles of association.

This right need not be granted in the event of a contribution of cash made in the context of an optional dividend distribution, under the circumstances provided by Article 6.4 of these articles of association.

Capital increases by means of a contribution in kind shall be carried out in accordance with the requirements determined by the RREC legislation and Article 6.4 of these articles of association. Such contributions can include a right to a dividend in the context of an optional stock dividend distribution.

Without prejudice to the authorisation granted to the board of directors in accordance with the preceding paragraphs, the board of directors is authorised to proceed with one or more capital increases, in the event of a takeover bid for all of the company's shares, under the conditions set forth in Article 607 of the Companies Code, provided the company has received an acknowledgement of the takeover bid from the Financial Services and Markets Authority (FSMA) within a period of three years from the extraordinary general meeting of 9 December 2013. If applicable, the board of directors must respect the irreducible allocation right provided for by the RREC legislation. Capital increases carried out by the board of directors pursuant to this authorisation will be deducted from the remaining authorised capital, mentioned in the first paragraph of this article.

When capital increases carried out pursuant to these authorisations entail an issue premium, the amount thereof shall be allocated to a non-distributable "issue premium" reserve which shall serve, like the capital, as a guarantee to third parties, and which can only be reduced or abolished pursuant to a decision of the general meeting, deliberating in accordance with the conditions set forth in Article

612 of the Companies Code, without prejudice to its incorporation in the company's capital.

6.3. Acquisition, transfer and pledge of own shares

The company can acquire, pledge or retransfer its own shares on the conditions provided for by law.

The board of directors is authorised, within the limits of Articles 620 et seq. of the Companies Code, to decide that the company can acquire, pledge and transfer its own shares when such acquisition or transfer is necessary to avoid serious, imminent harm to the company. This authorisation is valid for a period of three (3) years, as from the publication in the annexes to the Belgian State Gazette of the authority granted by the extraordinary general meeting of 24 October 2014, and can be extended by the general meeting for the same period of time.

The board of directors is authorised, for a period of five (5) years following the extraordinary general meeting of 24 October 2014, to acquire, pledge and transfer the company's own shares on the company's behalf, at a unit price which cannot be less than eighty-five percent (85%) of the closing market price on the day preceding the date of the transaction (acquisition, sale or pledge) and cannot exceed one hundred and fifteen percent (115%) of the closing market price on the day preceding the date of the transaction (acquisition, sale or pledge), subject to the requirement that the company cannot, at any time, hold more than 20% of the total outstanding shares.

The above-mentioned authorisations extend to acquisitions and transfers of the company's shares by its subsidiaries within the meaning of the first paragraph of Article 627 of the Companies Code, including instances when such acquisitions are made by persons acting in the name and on behalf of a subsidiary.

6.4. Capital increase

Any capital increase shall meet the requirements of Articles 581 through 609 of the Companies Code and the RREC legislation.

The company's capital can be increased pursuant to a decision of the general meeting, deliberating in accordance with Article 558 and, if applicable, Article 560 of the Companies Code, or pursuant to a decision of the board of directors within the limits of the authorised capital. It is, however, forbidden for the company to subscribe, directly or indirectly, to its own capital.

In the event of a capital increase by means of a cash contribution, pursuant to a decision of the general meeting, or within the limits of the authorised capital, the shareholders' preferential right can only be restricted or cancelled if an irreducible allocation right is granted to the shareholders of record at the time that the new shares are awarded. This irreducible allocation right shall meet the following requirements, determined by the RREC legislation:

1. it applies to all new shares issued in their entirety;
2. it is granted to the shareholders in proportion to the percentage of capital that their shares represent at the time of the transaction;
3. a maximum share price is announced no later than the day before the opening of the public subscription period; and
4. the public subscription period lasts, in this case, for at least three trading days.

This irreducible allocation right applies to the issuance of shares, (subordinated or non-subordinated) convertible bonds, and warrants, but does not have to be allocated to a cash contribution with a limitation or cancellation of the preferential right, in addition to a contribution in kind, in the context of the distribution of an optional stock dividend, provided the grant thereof is effectively open to all shareholders.

Capital increases by means of contributions in kind are subject to the rules set forth in Articles 601 and 602 of the Companies Code.

Moreover, the following requirements must be met in the event of the issuance of securities, following a contribution in kind, in accordance with the RREC legislation:

1. the contributor's identity must be disclosed in the report prepared by the board of directors pursuant to Article 602 of the Companies Code, and also, if applicable, in the notice of the general meeting called to vote on the capital increase;

2. the issue price cannot be less than the lower value of the following: (a) a net value per share dated no more than four months before the date of the contribution agreement or, at the company's choosing, before the date of the document enacting the capital increase and (b) the average closing market (share) price over the thirty calendar days preceding this same date;

   In this regard, it is permitted to deduct, from the amount indicated in point (b) above, an amount corresponding to the portion of undistributed gross dividends of which the new shares could be deprived, provided that the board of directors specifically justifies, in its special report, the amount of accrued dividends to be deducted, and sets forth the financial conditions for the transaction in the annual financial report;

3. unless the issue price or, under the circumstances provided in Article 6.6 below, the share-exchange ratio, as well as the associated formalities, is determined and communicated to the public, at the latest, on the working day following the conclusion of the contribution agreement, with a mention of the time period within which the capital increase will effectively be carried out, the document enacting the capital increase shall be drawn up within a maximum period of four months; and

4. the report mentioned in point 1 above must also make clear the effect of the proposed contribution on the situation of the existing shareholders, in particular their share of the company's profit, the net value per share, and the capital, as well as the impact on voting rights.

These additional conditions are not applicable in the event of the contribution of a right to a dividend in the context of an optional stock dividend distribution, provided the grant thereof is effectively open to all shareholders.

If the general meeting decides to require the payment of an issue premium, this amount must be booked in a non-distributable reserve, which can only be reduced or abolished pursuant to a decision of the general meeting, deliberating in accordance with the conditions provided to amend the articles of association and respecting the procedure provided to reduce the share capital. The issue premium shall serve, like the share capital, as a common guarantee for the benefit of third parties.

6.5. Capital reduction

A capital reduction can only take place if similarly situated shareholders are treated equally and if the applicable provisions of the Companies Code are observed.

6.6. Mergers, divisions and equivalent transactions

In accordance with the RREC legislation, the additional requirements set forth in Article 6.4 in the event of a contribution in kind are applicable mutatis mutandis to mergers, divisions and equivalent transactions within the meaning of Articles 671 to 677, 681 to 758 and 772/1 of the Companies Code.

Article 7: Characteristics of the shares

At the shareholders' choosing, the shares can be registered or in dematerialised form.

Any shareholder can, at any time, request the conversion of his or her shares.

The shares shall remain in registered form when the law so requires.

Effective 01.01.2015, securities whose beneficiaries remain unknown shall be offered for sale, in accordance with the applicable legislation.

The board of directors can, within the limits fixed by law, determine the formalities for the conversion of former bearer securities into dematerialised (and/or registered) form.

Registered securities shall be recorded in the register of shares kept at the company's registered office. Title to shares can only be established through the recording in this register.

Dematerialised securities are represented by a book entry, in the name of the owner or holder, with a settlement institution or authorised account holder.

All shares are fully paid up, and without par value.

Article 8: Exercising of the rights attached to the shares

The shares are indivisible, and the company only recognises one owner per share. When several persons can claim rights to the same share, the exercising of the rights attached to this share shall be suspended until a single person is designated as the owner with regard to the company.

Article 9: Other securities

The company is authorised to issue the securities mentioned in Article 460 of the Companies Code, with the exception of profit sharing instruments and analogous securities, provided that the specific rules stipulated by the RREC legislation and these articles are respected.

Article 10: Stock exchange listing and disclosure of substantial shareholdings

The company's shares must be admitted to trading on a regulated market in Belgium, in accordance with the RREC legislation.

Every shareholder is obliged to notify the company and the Financial Services and Markets Authority (FSMA) of their possession of securities with voting effects, their voting rights, or similar financial instruments issued by the company, in accordance with the legislation on the disclosure of substantial shareholdings.

The thresholds above which the notification obligation comes into effect, for the purposes of the legislation on the disclosure of substantial shareholdings, is fixed at three percent (3%), five percent (5%) and multiples of five percent (5%) of the total number of outstanding voting rights.

With the exception of the derogations provided for by the Companies Code, no-one is allowed more votes at a general meeting of the company than the number of votes attached to the securities which the person in question had declared to own at least twenty (20) days before the date of the general meeting.

Management and supervision

Article 11:
Composition of the board of directors

The company is managed by a board of directors. The board shall be composed of a minimum of three and a maximum of twelve members, who need not necessarily be shareholders in the company, appointed by the general meeting of shareholders for a maximum term of six years, and elligible to be removed by the general meeting at all times. The directors may be re-elected.

The board of directors shall have at least three independent directors, within the meaning of Article 526ter of the Companies Code.

For the exercise of their mandates, the directors must have the necessary professional integrity and appropriate expertise as provided for in the RREC legislation, and may not fall within the scope of the prohibitions laid down in the RREC legislation.

In the event of a vacancy on the board of directors, the remaining directors shall have the right, acting as a board, to temporarily appoint another director to fill the vacancy until the next general meeting, at which time the vacancy will be filled definitively.

The director so appointed shall serve out the term of the director he or she was appointed to replace.

Article 12:
Chairperson and meetings of the board of directors

The board of directors can appoint a chairperson from amongst its members.

The board of directors shall meet when called by the chair, by two directors, or the managing director(s), whenever the interests of the company so require.

Notices of meetings shall indicate the place, date, time, and agenda of the meeting, and shall be sent by regular mail, fax, or email, at least 24 hours in advance.

In exceptional circumstances, when the above-mentioned convocation deadlines cannot be met, the time periods can be shortened. When this proves necessary, notice can be given by telephone, in addition to the above-mentioned means.

The meeting is presided over by the chairperson or, if the chair is absent, by a director appointed by the directors present. The person presiding over the meeting can appoint a secretary, who need not be a director.

Any director can, by letter, fax, email, or any other written means, give a proxy to another member of the board to represent him or her at a given meeting. No member of the board can represent more than two other directors.

Each director that attends or is represented at a meeting is deemed to have been validly notified thereof. A director can also, before or after a board meeting which he or she did not attend, waive his or her right to claim a defect or irregularity with respect to the fulfilment of the convocation formalities. In any case, the proper fulfilment of the convocation formalities need not be proven when all directors are present or validly represented and express their agreement with the agenda.

Meetings of the board of directors can validly be held by videoconference or conference call. In this case, the meeting will be considered to have been held at the company's registered office if at least one director was physically present at this location.

The directors can use the information they acquire in their capacity as directors only in the scope of their official duties.

Article 13:
Deliberations

Except in the case of force majeure, the board of directors can validly deliberate and take decisions only if at least half its members are present or represented. If this condition is not met, a new meeting can be called, which can validly deliberate and take decisions on the items on the agenda of the previous meeting if at least two directors are present or represented.

Barring exceptional cases, the meeting can, in principle, only deliberate and vote on the items that are on the agenda.

Pursuant to Article 521 of the Companies Code, in exceptional cases duly justified by their urgency and the corporate interest, the board of directors can take decisions unanimously in writing. However, it cannot use this procedure to draw up the annual accounts or determine the use of the authorised capital.

Board decisions shall be approved by a simple majority of votes cast by those directors who are present or represented or, in the event of one or more of them having abstained, by a majority of the other directors. In the event of a tie, the director presiding over the meeting shall cast the deciding vote.

When a director has a conflict of interest and consequently does not take part in the board's deliberations or vote on a particular decision or transaction, the vote of this director shall not be taken into account for the purpose of calculating the quorum and majority.

Decisions of the board of directors are recorded in minutes, signed by the chairperson of the board, the secretary, and those members who so request. These minutes are kept in a special register. Proxies are attached to the minutes of the meeting for which they were given.

Copies of, or extracts from, these minutes, which are to be used in legal proceedings or otherwise, shall be signed by the chairperson of the board of directors, two directors, or a director entrusted with the daily management. This authority can be delegated to a representative.

Article 14: Prevention of conflicts of interest

The directors, the person(s) in charge of the daily management, and the company's representatives cannot act as a counterparty in a transaction with the company or one of its subsidiaries, or derive any benefit from such a transaction, except when the transaction is proposed in the interest of the company, as well as the transaction is situated within the normal course of the company's strategy, and is conducted in ordinary market conditions.

In this case, the company must first inform the Financial Services and Markets Authority (FSMA).

The transactions mentioned in the first paragraph, as well as the information contained in the aforementioned notice, shall be immediately made public and explained in the annual report and, if applicable, the semi-annual report.

The preceding provisions do not apply to transactions that fall outside the scope of application of the conflicts of interest procedure provided for by the RREC legislation.

Articles 523 and 524 of the Companies Code remain applicable in full.

Article 15: Powers of the board of directors

The board of directors has the power to perform all acts necessary or useful to realise the company's corporate purpose, with the exception of those that are reserved by law, or these articles, to be executed by the general meeting.

The board of directors shall draw up the semi-annual report and the annual report. The board shall appoint one or more experts, in accordance with the RREC legislation, and if applicable, propose any modification to the list of experts, contained in the file accompanying its application to be recognised as an RREC.

The board can determine the remuneration of any representative on whom it confers special powers, in accordance with the RREC legislation.

Article 16: Remuneration of the directors

The directors shall be reimbursed for normal, legitimate expenses and costs incurred in the performance of their duties, provided that these costs were previously discussed with and accepted by the chairperson of the board of directors.

Moreover, in accordance with the RREC legislation, no remuneration can be granted to directors based on a specific transaction of the company or its subsidiaries.

Article 17: Effective management, daily management, and delegation of powers

The effective management of the company must be conferred onto a minimum of two persons.

The persons entrusted with the effective management of the company must have the necessary professional integrity and appropriate expertise to exercise their functions, in accordance with the RREC legislation, and may not fall within the scope of the prohibitions laid down in the RREC legislation.

The board of directors can delegate the daily management of the company to one or more persons, on the understanding that the daily management shall be organised in such a way that the board of directors has at least two directors who can jointly ensure the daily management or supervise the performance thereof.

The board and the persons entrusted with the daily management, within the limits of their powers, can delegate to a representative, who need not be a director, all or some of their powers pertaining to extraordinary or specific questions within the context of a given assignment.

The board of directors can create one or more advisory committees from amongst its members, subject to its responsibility. The board shall determine the composition and the duties of any such committees.

Article 18: Management committee

Without prejudice to Article 17, concerning the daily management and the delegation of powers, and within the limits provided for by Article 524bis of the Companies Code, the board of directors can delegate all or some of its management powers to a management committee, composed of several members, who need not be directors, although this delegation of powers cannot concern the company's general policy, with regard to any acts reserved by law or the articles of association to the board of directors, or decisions or transactions to which Article 524ter of the Companies Code applies, in which case the notification procedure set forth in Article 524ter § 2 will apply.

The board of directors is responsible for overseeing the management committee. The board determines the management committee's working procedure and the conditions for the appointment and removal of its members, as well as their remuneration and the length of their term of office.

When a legal entity is appointed to the management committee, it is obliged to designate, in accordance with the applicable provisions of the Companies Code, a permanent representative to perform its duties in its name and on its behalf.

Article 19: Representation of the company

The company is validly represented in all actions, including those involving a public official or a notary, either by two directors acting jointly or, in the context of the daily management, by a person entrusted with such management. With respect to third parties, they need not produce proof of a prior board decision.

Moreover, the company is validly bound by special representatives acting within the scope of their mandate.

The company can be represented abroad by any person expressly authorised to do so by the board of directors.

Article 20: Audit

The company shall appoint one or more auditors to perform the duties incumbent on them pursuant to the Companies Code and the RREC legislation.

The auditor(s) must be recognised by the Financial Services and Markets Authority (FSMA).

General meetings of the shareholders

Article 21: Meetings

A general meeting shall be held each year, on the first Friday of July, at 10:00 a.m. If this day is a public holiday, the general meeting will be held on the next working day, at the same time.

An extraordinary or special general meeting can be called each time the interests of the company so require.

These general meetings can be called by the board of directors or by the auditor(s) and must be called each time that the shareholders collectively representing one-fifth of the share capital so request.

General meetings are held at the company's registered office, or at any other location mentioned in the notice or otherwise indicated.

One or more shareholders collectively possessing at least 3% of the share capital can, in accordance with the provisions of the Companies Code and its limits, request the inclusion of items on the agenda of any general meeting, and submit proposals for resolutions on the items included or to be included on the agenda. Additional agenda items or proposed resolutions must be submitted to the company no later than on the twenty-second (22nd) day before the date of the general meeting. The directors shall answer the questions put to them by shareholders during the general meeting, or those which have been submitted in writing, about their report or other agenda items, provided that the provision of the information or facts in question could not harm the company's professional interests or undermine their duty of confidentiality to the company. As soon as the notice of the general meeting is published, the shareholders can submit questions in writing, which will be answered during the meeting, provided that they were submitted to the company no later than the sixth day prior thereto.

The auditor(s) shall answer the questions asked by the shareholders about his/her/their audit report.

Article 22: Notice

Pursuant to Article 533 of the Companies Code, a general meeting must be called by means of a notice published in the Belgian State Gazette, a national newspaper (except in those cases expressly mentioned in the Companies Code) and in the media in accordance with the requirements of the Companies Code, at least 30 days before the meeting. If a new meeting must be called, and if the date of the second meeting is mentioned in the first notice, the notice for the second meeting must be published at least 17 days before the meeting.

The notice shall be sent to the holders of shares, bonds, registered warrants and registered depositary receipts which have been issued in collaboration with the company, as well as to the directors and auditors within the above-mentioned period before the meeting; the notice can be sent by regular mail, unless the recipients have individually and expressly agreed in writing to receive the notice by another means of communication. No proof need be provided of the fulfilment of this formality.

The notice shall contain the agenda for the meeting, with a mention of the subjects to be discussed and the proposed resolutions, as well as the date, time, and place of the meeting, and the other information required by the Companies Code.

The documents which must be made available by law and a copy thereof shall be sent pursuant to the applicable provisions of the Companies Code.

A shareholder that participates in, or is represented at, a meeting is considered to have received valid notice thereof. A shareholder can also, before or after a general meeting which he or she does not attend, waive his or her right to rely on any defect or irregularity committed in fulfilment of the convocation formalities.

Article 23: Participation in the general meeting

The right to participate in and vote at a general meeting is subject to the recording of the shares in the shareholder's name on the fourteenth day preceding the general meeting, at twenty-four hours (Belgian time) (hereinafter the "record date"), in either the register of the company's registered shares or in the books held by an authorised account holder or settlement institution, without regard to the number of shares actually held by the shareholder on the date of the general meeting.

The holders of dematerialised shares that wish to take part in a general meeting must produce a certificate issued by their authorised account holder or settlement institution, certifying, as the case may be, the number of dematerialised shares listed in the shareholder's name on the record date, with which the shareholder has declared his or her intention to particate in the general meeting.

The certificate must be submitted to the company's registered office or to an institution identified in the notice of the meeting, no later than six days before the date of the meeting.

The holders of registered shares that wish to participate in a general meeting must notify the company of their intention to do so, by regular mail, fax or email, reaching the company's registered office no later than the sixth day before the date of the meeting.

All shareholders or their proxy holders are obliged, before participating in a meeting, to sign the attendance list, indicating the last name, the first name(s), and the address of the shareholder and the number of shares represented.

Article 24: Proxy voting

Any shareholders can be represented at a general meeting by a proxy holder, who need not be a shareholder.

A shareholder can only appoint one proxy holder for a given general meeting, without prejudice to the derogations provided for in the Companies Code.

In order to be valid, any request to appoint a proxy holder shall include at least the following information: (1) the agenda for the meeting, mentioning the subjects to be discussed and the proposed resolutions; (2) a request for instructions regarding the exercising of voting rights for the various items on the agenda; and (3) an indication of the manner in which the proxy holder should exercise the voting rights, in the absence of instructions from the shareholder.

The proxy form must be signed by the shareholder and be submitted at the company's registered office, or the location indicated in the notice, no later than the sixth day before the general meeting.

Co-owners, beneficial owners and bare owners, creditors and debtors-pledgees must be represented, respectively, by one and the same person.

Article 25: Correspondence voting

If the board of directors so authorises in the notice of the meeting, shareholders can vote on the items on the agenda by correspondence, using a form prepared and made available by the company.

The form for distance voting shall include at least the following information: (1) the name or corporate name of the shareholder, as well as the shareholder's address or registered office; (2) the number of votes the shareholder wishes to cast at the general meeting; (3) the type of shares held; (4) the agenda for the meeting, including proposals for resolutions; (5) the deadline by which the form must reach the company; and (6) the shareholder's signature. The form shall expressly state that it must be signed by the shareholder and sent to the company by registered letter no later than six days before the date of the meeting.

Article 26: Presiding committee

Every general meeting shall be presided over by the chairperson of the board of directors or, in the chair's absence, by a director appointed by the directors present or by a member of the meeting appointed by the latter. The chair shall appoint a secretary.

When the number of persons present so allows, the meeting shall select two scrutineers (returning officers), further to a proposal of the chairman.

The minutes of general meetings are signed by the chairperson of the meeting, the secretary, the scrutineers, the directors, and the auditor(s) present, as well as those shareholders who so request.

The minutes shall be kept in a special register. Proxies shall remain attached to the minutes of the meeting for which they were granted.

Article 27: Number of votes and the exercising of voting rights

Each share carries one vote.

The holders of bonds and warrants can attend the general meeting, but are not entitled to vote.

Article 28: Deliberations and voting

The general meeting can validly deliberate and vote, without regard to the percentage of share capital present or represented, except in those cases where the Companies Code requires a quorum.

The general meeting cannot deliberate on items that do not appear on the agenda, unless all shareholders are physically present or represented at the meeting and unanimously decide to extend the agenda.

Unless provided otherwise by law or by provisions of the articles of association, any decision can be adopted by the general meeting by a simple majority of the votes cast. Blank and invalidly marked ballots shall not be counted when calculating the votes cast.

Decisions regarding approval of the company's annual accounts and discharge of the directors and auditor(s) are adopted by a majority of votes.

When the general meeting is asked to deliberate, amongst other things, on:

- an amendment to the articles,
- an increase in or reduction of the share capital,
- the issuance of shares below the accounting par value,
- the issuance of convertible bonds or warrants,
- the dissolution of the company,

at least half the shares representing the capital must be represented at the meeting. If this condition is not met, a new meeting must be called, which will validly deliberate, regardless of the number of shares represented.

Decisions on the above-mentioned subjects must be approved by a majority of three quarters of the votes cast, without prejudice to other rules of attendance and majority provided for by the Companies Code, including those in relation to the modification of the corporate purpose, the acquisition, the pledge, and the transfer of own shares by the company, the dissolution of the company when, as the result of losses, the company's net asset value falls below a quarter of its share capital, and the conversion of the company into a different corporate form.

Voting shall take place by a show of hands or roll call, unless the general meeting decides otherwise by a simple majority of votes cast.

Article 29: Minutes

The minutes of general meetings are signed by the members of the presiding committee and by those shareholders who so request.

Copies of, or extracts from, the minutes, which are to be used in court or otherwise, shall be signed by the chairperson, the secretary, and the scrutineers or, in their absence, by two directors.

Financial year - annual report - dividends

Article 30: Financial year and the annual report

The financial years starts to run on the first of April and closes on the thirty-first of March the following year.

At the end of each financial year, the board of directors shall draw up a list of assets and liabilities, as well as the financial statements. The board of directors shall also draft a report, in which it explains its management of the company. The auditor shall draft a detailed written report, in preparation for the annual general meeting. These documents shall be prepared in accordance with the applicable statutory provisions.

Article 31: Distribution of dividends

On an annual basis, the company must distribute a dividend to its shareholders, within the permissible limits of the Companies Code and the RREC legislation, the amount of which is prescribed by the RREC legislation.

The board of directors can, within the limits of the applicable provisions of the Companies Code, distribute an interim dividend from the profits for the financial year and determine a payment date.

Article 32: Payment of dividends

The dividends that the general meeting decides to distribute shall be paid at the time and place determined by the general meeting or the board of directors.

Any dividends or interim dividends distributed in violation of the law must be reimbursed by the shareholders who received them, if the company can prove that the shareholders in question had known, or should have known, under the circumstances, that the distribution made in their favour was contrary to the statutory requirements.

Article 33:
Annual report and semi-annual report

The company's annual and semi-annual reports, containing the stand-alone and consolidated annual and semi-annual accounts, and the auditor's report, shall be placed at the disposal of the shareholders, in accordance with the applicable statutory provisions applicable to the issuers of financial instruments admitted to trading on a regulated market and within the RREC legislation.

The company's annual and semi-annual reports shall be made available on its website.

Shareholders have the right to obtain a copy of the annual and semi-annual reports free of charge, at the company's registered office.

Dissolution - liquidation

Article 34:
Appointment and powers of the liquidatorss

In the event of the dissolution of the company, for whatever reason and at any time whatsoever, the liquidation shall be carried out by one or more liquidators appointed by the general meeting. The liquidator(s) can only take office after a confirmation of their appointment by the commercial court. If no liquidator(s) is/are appointed, the members of the board of directors shall be considered liquidators with regard to third parties.

The liquidators shall form a board. To this end, they shall have the broadest powers in accordance with the applicable provisions of the Companies Code, without prejudice to any limits imposed by the general meeting.

The liquidator(s) is/are obliged to call a general meeting each time that the shareholders collectively representing a fifth of the share capital so request.

The general meeting shall determine the fees of the liquidator(s).

The liquidation of the company shall be closed in accordance with the provisions of the Companies Code.

Article 35:
Allocation of liquidation proceeds

After settling all debts, expenses and liquidation costs, the net asset value shall first be used to pay back, in cash or in securities, the paid-up share capital that has not yet been reimbursed.

Any remaining balance shall be divided equally amongst the shares.

General provisions

Article 36:
Choice of domicile

Any director, manager, and liquidator of the company whose domicile is abroad is deemed, for the purpose of his or her official functions, to have elected a domicile at the company's registered office, to which address all communications, notices, and convocations can be validly sent.

The holders of registered shares must notify the company of any change of address; in the absence thereof, all communications, notices and convocations will be validly sent to their last known address.

Article 37:
Applicable law

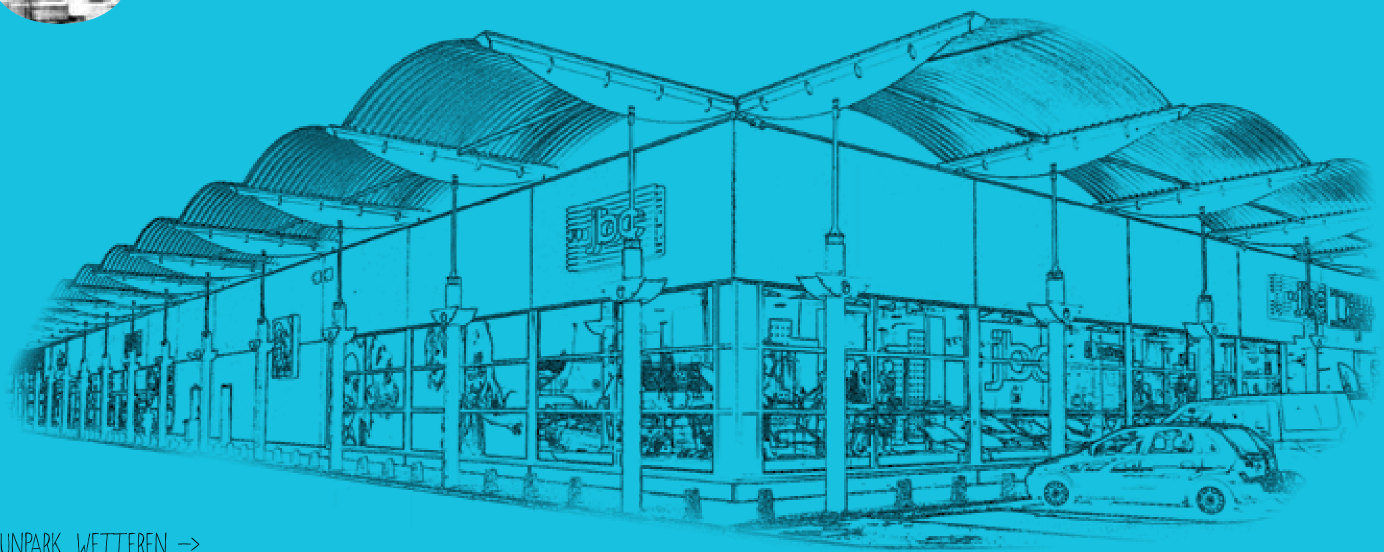
Any provision of these articles that is contrary to the mandatory provisions of the Companies Code and to the RREC legislation shall be deemed null and void; the invalidity of any one of these articles or any part thereof shall have no effect on the remaining articles.


Vanden Borre

MISCELLA-NEOUS

08

MISCELLA-NEOUS



RETAILPARK FRUNPARK, WETTEREN →

01

Statements

Responsibilities

The board of directors of Retail Estates nv is responsible for the contents of this annual report, subject to information provided by third parties, including reports of the auditor and the real estate experts.

The board of directors, whose members are named on pages 56 till 58, hereby declares that, to the best of its knowledge:

- this annual report accurately presents important events and, where applicable, the most important transactions conducted with affiliated parties in the course of the financial year, and the impact of those transactions on the abbreviated financial statements;

- this report makes no omissions that significantly alter the scope of any statement made in the annual report;

- the abbreviated financial statements, which were prepared in accordance with the applicable accounting standards and were thoroughly audited by the auditor, accurately present the property, the financial condition, and the results of Retail Estates nv and the subsidiaries included in the consolidation. The management report further contains the expectations concerning next year's results, plus explanatory notes on the risks and the uncertainties facing the company.

Statements concerning directors

The board of directors of Retail Estates nv hereby confirms that, to its knowledge, none of its directors have ever been convicted of a crime of fraud, been the subject of any official and/or public accusation, had a sanction imposed by a judicial or regulatory body, been banned by a court of law from serving as a member of a management body, or ever appeared before a court of law in the capacity of a director, in connection with bankruptcy.

Forward-looking statements

This annual report contains forward-looking statements, including, but not limited to, statements using such words as "believe", "anticipate", "expect", "intend", "plan", "pursue", "estimate", "can", "will", "continue", and similar expressions. These forward-looking statements are made in the context of known and unknown risks, uncertainties and other factors that might cause the actual results, the financial condition, the performance, or the accomplishments of Retail Estates nv, Finsbury Properties nv, Distri-Land nv, Retail Warehousing Invest nv, Fimitobel nv, Paneuropean Retail Properties nv, Paneuropean Property Investments nv, Localiège nv, Vlaamse Leasing Maatschappij nv, Texas Management nv and TBK bvba or the results of the sector, to differ considerably from the expected results, performance or accomplishments expressed or implied in the aforementioned forward-looking statements. Given these uncertainties, investors are advised not to rely automatically on such forward-looking statements.

Availability of the annual report

This annual report is available in Dutch and French versions.

This annual report was prepared in Dutch. Retail Estates nv checked the translation of, and the correspondence between, the official Dutch version and the French version. The Dutch version shall prevail in the event of contradictions between the Dutch and French versions. For information purposes only, the company has published an electronic version of the annual report on the website of Retail Estates nv (www.retailestates.com). An English version of the annual report is also available on the website. None of the other information published on the website of Retail Estates nv forms part of this annual report.

02

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.

BEL mid-index
Since 1 March 2005, this has been a weighted price index of shares quoted on Euronext that makes allowance for the stock-market capitalisation, with the weightings determined by the free float percentage and the velocity of circulation of the shares in the basket.

Book value of a share
NAV (Net Asset Value) means equity divided by the number of shares.

Bullet loan
A loan repaid in its entirety at the end of the loan term.

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 31 March 2016, before deduction of gratuities or other benefits granted to tenants.

Corporate governance
Good governance means adherence to principles such as transparency, integrity and balance between responsibilities, based on the recommendations of the FSMA and Euronext. In a more general sense, they are part of strict business ethics and require compliance with the Law of 2 August 2002.

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.

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.

Estimated liquidation value
This is the value excluding costs, registration charges, fees and recoverable VAT, based on a scenario whereby the buildings are sold on a building-by-building basis.

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.

Free Float
This is the percentage of shares held by the public. Euronext calculates the free float as the total number of shares in the capital, minus the shares held by companies that form part of the same group, state enterprises, founders, shareholders with a shareholder agreement, and shareholders with a controlling majority.

Gross dividend
The gross dividend per share is the operating profit distributed.

IFRS

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

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

"Interest 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.

Market capitalisation

This is the total number of shares at the end of the financial year multiplied by the closing price at the end of the financial year.

Net cash flow

Operating cash flow, net current result (share of the group) plus the additions to depreciation, impairments on trade receivables, and additions to, and withdrawals from, provisions, plus the achieved higher or lower value relative to the investment value at the end of the previous financial year, minus the exit tax.

Net current cash flow

Operating cash flow, net current result (share of the group) plus the additions to depreciation, impairments on trade receivables and additions to, and withdrawals from, provisions.

Net dividend

The net dividend is equal to the gross dividend after retention of 27 % 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.

OLO/linear bond

Government bond usually deemed equivalent to a virtually risk-free investment, and used as such to mitigate the risk premium compared with listed securities. The risk premium is the additional return expected by the investor for the company's risk profile.

Operational cash flow (EBITDA)

Operating income (EBIT) plus depreciations and impairments.

Operating result (EBIT)

EBIT (Earnings Before Interests and Taxes) is the net current result before interest charges and taxes. Pursuant to the status of Belgian REIT, Retail Estates nv does not have to write down on its buildings. Consequently, the EBIT closely resembles the EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation), because Retail Estates nv applies depreciation only to intangible assets (such as the costs of capital increases) and plant, property and equipment (such as company vehicles and office furniture).

Pay-out ratio

The pay-out ratio indicates the percentage of the net profit that will be paid out as a dividend to shareholders. This ratio is obtained by dividing the paid-out net profit by the total net profit.

Peripheral retail stores

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

Price/earnings ratio (P/E ratio)
This ratio is calculated by dividing the price of the share by the profit per share. The ratio indicates the number of years of earnings which would be required to pay back the purchase price.

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.

Return
The total return achieved by the share in the past 12 months or (most recent price + gross dividend)/price in the previous year.

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).

Securitised real estate
This is an alternative way of investing in real estate, whereby the shareholder or certificate holder, instead of investing personally in the ownership of a property, acquires (listed) shares or share certificates of a company that has purchased a property.

Velocity of circulation
Sum of the shares traded monthly, relative to the total number of shares over the past 12 months.

INFORMATION SHEET

Name:	Retail Estates nv
Status:	Public regulated real estate company ("RREC" - 'Belgian REIT') according to Belgian law
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 regulated real estate company granted:	24 October 2014
Duration:	Unlimited
Management:	Internal
Auditor:	PwC Bedrijfsrevisoren bcvba - Woluwegarden-Woluwedal 18 at B-1932 Brussels, represented by Mr. Damien Walgrave
Financial year closing:	31 March
Capital at 31.03.2016:	EUR 199,495,654.21
Number of shares at 31.03.2016:	8,866,320
Annual shareholders' meeting:	First Friday of July
Share listing:	Euronext – continuous market
Financial services:	KBC Bank
Value of real estate portfolio per 31.03.2016:	Investment value EUR 1,026 million – fair value EUR 1,001 million (incl. value of "Immobilière Distri-Land nv" real estate certificates)
Real estate experts:	Cushman & Wakefield and CBRE
Number of properties per 31.03.2016:	634
Type of properties:	Peripheral retail real estate
Liquidity provider:	KBC Securities

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