

Press release



Vastned operating results stable

Spanish results further under pressure

Key points Q1 2012 (in brackets: Q1 2011)

- Direct investment result excluding tax measure in Spain stable at € 16.4 million (€ 16.8 million)
- Direct investment result including new tax measure in Spain amounts to € 15.6 million
- Average occupancy rate stable at 95.4% (95.2%)
- Value movements in high street portfolio +1.5%; in other investments - 2.9% (total excluding Spain +0.1%)
- Like-for-like rent growth 0.2% (high street +2.2%, other -1,3%)
- Strategy progress:
 - Acquisition of high street shops in Bordeaux
 - Disposals of non-core investments in the Netherlands totalling € 27 million
 - As at 31 March 2012 50% of the property portfolio were high street shops
 - Second US private placement of € 50.0 million
 - All the loans that expired in 2012 have been refinanced.

Press release

ROTTERDAM, 9 May 2012 – Vastned, the European retail property investment fund focusing on high street shops, has realised stable operating results in the first quarter of 2012. The direct investment result did come under some pressure from higher financing expenses and in particular from higher taxes due to a new fiscal measure in Spain. The occupancy rate was stable and there was modest rent growth. Vastned is making steady progress on implementing its strategy.

Taco de Groot, Vastned Chief Executive Officer:

'We can look back on a stable operational quarter, in which we focused on raising the share of top quality high street retail property in our portfolio and on our tenants.

Our activities focused on tenants are stronger than ever, which has led to a healthy volume in new lease contracts of € 3.9 million in total, or 2.8% of the total rental income. The volume in leases concluded with new tenants for vacated retail space was ample to offset the loss of rental income due to departing tenants. As a result the occupancy rate remained stable; at the end of March it was 95.5%. A number of transactions have corroborated our strategy and approach: our leases in Istanbul's prime shopping street show that we have the right retail properties in the right top locations. That is what retailers want, and what we can provide.

We have also enhanced our high street profile through acquisitions and disposals. We sold 26 non-core retail properties in the Netherlands for a total sales price that was above book value and acquired two high street shops in the heart of Bordeaux. The share of high street shops in our property portfolio increased to 50% in the first quarter of 2012. The value movements, which were 1.3% positive for our high street properties compared to 2.9% negative for the other investments, show the solidity of high street investments.

Vastned has also made progress on its debt financing in the first quarter of 2012. As announced earlier, we aim to increase the share of alternative financing, such as private placements, to approx. 25% of the loan portfolio. Including the private placement announced in January 2012, currently 13% of the loan portfolio constitutes alternative financing. We have meanwhile refinanced all the loans that were to expire in 2012. This brings stability to our operations, also because the ratio of short-term loans in our loan portfolio has been reduced to just 12%.

Finally a word about the adverse economic climate in Spain which is also affecting Vastned. Our Spanish property portfolio is well let, in particular the high street shops in the centre of major cities, but the value of the total property portfolio is under pressure. Furthermore, at the end of March a new tax law was enacted in Spain that means that our Spanish interest expenses are no longer fully tax deductible. This will affect our results this year. Currently we are examining how we can limit the impact of this measure.'

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Portfolio

Investment properties

The developments in the area of occupancy rate, rent levels, value movements, investments and disposals in the property portfolio in the first quarter of 2012 were as follows:

Occupancy rate

The average occupancy rate in the first quarter of 2012 was 95.4% (95.2%). The occupancy rate as at 31 March 2012 was 95.5%, which was marginally higher than 31 December 2011 (95.1%). The occupancy rate by country was as follows.

Country	Total property portfolio			High street shops	Other
	Q1 2012	31 March 2012	31 December 2011	31 March 2012	31 March 2012
Netherlands	96.7	97.1	96.5	97.5	96.6
France	95.0	94.6	94.3	97.5	90.9
Spain	92.1	91.3	92.4	100.0	90.7
Belgium	96.9	98.8	96.6	99.3	98.4
Turkey	100.0	100.0	100.0	100.0	n/a
Portugal	100.0	100.0	100.0	100.0	n/a
Total	95.4	95.5	95.1	98.0	93.7

Leasing activity

In the first quarter of 2012, new leases and lease renewals were concluded totalling € 3.9 million (€ 3.0 million), or 2.8% of gross rental income (2.1%). The most important lettings were Big Bazar and Timmermans Tuinmeubelen coming to Retail Park Roermond, lifting the occupancy rate to 92.8% and fashion giant Desigual signing a long-term lease for 552 sqm in the Belgian City of Namur. In Istanbul, Turkish telecom company Turkcell leased 170 sqm at Istiklal Caddesi 119. After the balance sheet date another major leasing was realised of approx. 2,500 sqm of retail space to H&M. In France and Turkey the rents at which new leases and lease renewals were concluded were on average higher than before.

In the first quarter of 2012, our Spanish team again faced great challenges in maintaining the occupancy rate in the local economic conditions. Again, it proved necessary to make concessions on rent levels. As a result, new leases, which represented 1.7% of the total gross rental income in Spain, were concluded on average at 27.2% below the former rent level.

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Total leasing activity Q1 2012 based on contract rents

<i>Country</i>	<i>Volume as a % of theoretical gross rent</i>	<i>Movement gross rent % headline</i>
Netherlands	2.1	(2.9)
France	2.3	5.7
Spain	1.7	(27.2)
Belgium	5.3	(7.8)
Turkey	22.8	9.3
Total	2.8	(6.5)

On average, the new leases were concluded at 6.5% below the old rent level. Taking the various forms of lease incentives into account, this was 9.1%.

Lease incentives

The lease incentives (applying straightlining over the duration of the lease up to the first termination date) rose to 3.2% of the gross rental income in the first quarter of 2012.

IFRS lease incentives in %

<i>Country</i>	<i>Q1 2012</i>	<i>Q1 2011</i>
Netherlands	(0.9)	(0.5)
France	(1.7)	(1.7)
Spain	(9.4)	(5.7)
Belgium	(1.5)	(1.3)
Turkey	(0.5)	-
Portugal	-	-
Total	(3.2)	(2.1)

Value movements investment properties

The value movements of Vastned's property portfolio based on appraisals by independent appraisers showed a total value movement of € 17.2 million negative (€ 20.2 million positive). On average, the value movements were 0.8% negative. The net yield on the property portfolio was 6.5% as at 31 March 2012 (6.4% as at 31 March 2011).

The negative value movements were mainly due to the Spanish property portfolio. The appraisal of this portfolio reflects the adverse economic situation of that country. Excluding the Spanish value movements, there was a value increase of 0.1%. Analysed by sector, the value of the high street shops rose by 1.5% on average, while the value of the other investments fell by 2.9%.

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<i>Value movements (€ million)</i>				
<i>Country</i>	<i>Q1 2012</i>	<i>Q1 2011</i>	<i>Value 31 March 2012</i>	<i>Value movement Q1 2012 (in %)</i>
Netherlands	(2.2)	6.9	774.9	(0.3%)
France	1.1	0.7	484.4	0.2%
Spain	(19.7)	0.6	392.2	(4.8%)
Belgium	3.0	10.4	337.3	0.9%
Turkey	0.5	1.5	105.2	0.5%
Portugal	0.1	0.1	12.5	0.9%
Total	(17.2)	20.2	2.106.5	(0.8%)

Acquisitions

In the first quarter of 2012, two retail properties in Bordeaux, France, were acquired in a single € 7.6 million acquisition. One property is in the city's busiest shopping street, at Rue Sainte Catherine 131, and is leased to international telecom specialist The Phone House. The other property, located at Cours de l'Intendance 61, is currently leased to the French bank Crédit Mutuel. These two high street shops in Bordeaux are located in the very best locations in their specific market. After balance sheet date, a high street shop was acquired in an A-1 location in the centre of The Hague on the corner of Vlamingstraat and Wagenstraat, which is on a long-term lease to H&M.

These investments help to enhance Vastned's risk return profile and its focus on the very best high streets.

Disposals

At the start of the first quarter of 2012 a portfolio of 21 retail properties in the Netherlands was sold for approx. € 23 million. 11 properties in this portfolio have been transferred in the first quarter of 2012. The net sales proceeds came to € 11.8 million. The remaining 12 properties are expected to be transferred at the end of the second quarter. Subsequently, a retail warehouse and a retail property at Kerkstraat 6-18 respectively Kerkplein 23-26 in Zeewolde were sold for € 2.8 million. Finally, three units in a shopping centre in Stadskanaal, the Netherlands, were sold for € 1.6 million.

Investment result Vastned shareholders in the first quarter of 2012

The investment result in the first quarter of 2012 was € 1.8 million (€ 32.7 million). The investment result comprises the direct investment result, which fell to € 15.6 million (€ 16.8 million) and the indirect investment result, which was € 13.8 million negative (€ 15.9 million positive) mainly due to negative value movements of the investment properties.

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Composition investment result first quarter 2012

Gross rental income

The total gross rental income in the first quarter of 2012 was € 33.3 million (€ 32.7 million). Therefore the gross rental income increased with € 0.6 million, consisting of a € 1.1 million increase due to acquisitions made in 2011 and 2012, a € 0.4 million decrease due to disposals realised and a decrease of € 0.1 million due to movements in rents based on indexation and new contracts. For the latter part the increase in the gross rental income in the Netherlands, France and Belgium due to indexations and lease renewals could not make up the fall in gross rental income in Spain resulting from adverse market conditions and associated lease incentives granted.

<i>Gross rental income (€ million)</i>		
<i>Country</i>	<i>Q1 2012</i>	<i>Q1 2011</i>
Netherlands	13.2	12.8
France	6.9	6.2
Spain	7.0	7.6
Belgium	5.5	5.3
Turkey	0.4	0.5
Portugal	0.3	0.3
Total	33.3	32.7

Operating expenses (including ground rents and net service charge expenses)

Operating expenses expressed as a percentage of gross rental income decreased from 12.7% to 12.4%, or to € 4.1 million (€ 4.2 million).

Value movements investment properties

As stated earlier, the value movements of the investment properties in the first quarter of 2012 were € 17.2 million negative (€ 20.2 million positive).

Net result on investment property disposals

The net result on disposals compared to the appraisal value after deduction of sales costs was € 0.2 million positive (€ 1.2 million positive).

Net financing costs

The average interest rate on the total interest-bearing loan capital saw a limited rise from 4.21% to 4.27%. The net financing costs including value movements of financial derivatives rose to € 9.0 million (€ 8.3 million), particularly due to higher interest-bearing debts due to on balance net acquisitions. Net interest expenses increased from € 8.2 million to € 9.2 million.

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Financing costs

	<i>Q1 2012</i>	<i>Q1 2011</i>
Interest (* €1 million)	9.2	8.2
Average interest % on loan capital	4.27	4.21
Interest coverage ratio (ICR)	2.9	3.2

General expenses

The general expenses were € 2.1 million (€ 1.8 million) in the first quarter of 2012. The increase was mainly due to no longer being able to charge on part of the general expenses to VastNed Offices/Industrial after the termination of the collaboration agreement.

Income tax payable on the reporting period

Income tax was € 0.7 million (€ 0.2 million) in the first quarter of 2012. This item includes an expected additional € 0.8 million tax expense related to a tax law change in Spain, as a result of which interest is no longer fully tax deductible as of 1 January 2012. Vastned is currently studying potential alternative tax structures with a view to limiting the impact of the amended tax legislation.

Movement deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were € 3.5 million positive (€ 1.2 million negative).

Investment result attributable to non-controlling interests

The investment result attributable to non-controlling interests of € 2.1 million (€ 5.7 million) fell mainly due to lower positive value movements in the Belgian property portfolio compared to the same period last year.

Financing

Solvency and loan capital financing

As at 31 March 2012, Vastned's balance sheet showed a healthy financing structure with a loan-to-value of 42.6% (31 March 2011: 41.1%) and a solvency, being group equity plus deferred tax liabilities divided by the balance sheet total, of 53.1% (31 March 2011: 55.9%). With this solvency and an interest coverage ratio of 2.9 (31 March 2011: 3.2) Vastned complies with all the loan covenants.

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Solvency and loan capital		
	31 March 2012	31 March 2011
Solvency	53.1%	55.9%
LTV	42.6%	41.1%
Duration based on contract dates (years)	3.8	3.6
Duration based on interest review dates (years)	4.3	4.5

As at 31 March 2012, 88.4% of the loan portfolio was long-term with an average duration of 3.8 years based on contract expiry dates. All the loans that expired in 2012 have been refinanced.

Breakdown of interest-bearing loan capital as at 31 March 2012				
(€ million)	Fixed interest	Floating interest	Total	% of total
Long-term	656.2	136.2	792.4	88.4
Short-term	32.2	71.8	104.0	11.6
Total	688.4	208.0	896.4	100.0
% of total	76.8	23.2	100.0	

In the context of the previously mentioned objective to expand the proportion of alternative financing (such as private placements), the issue of a new € 50.0 million private placement bond was completed in early 2012.

Outlook 2012

Vastned maintains the outlook for 2012 published at the time of the annual figures 2011. The worsened conditions in the Spanish market and the effects of the amended tax legislation must however emphatically be taken into account.

About Vastned

Vastned is a European retail property fund focusing on *venues for premium shopping*. It invests in selected geographical markets in Europe and Turkey, whereby Vastned concentrates on the best retail property in the most popular shopping streets in the bigger cities (high streets). Vastned also owns attractive shopping centres and retail warehouses. Its tenants are strong and leading international and national retail brands. The property portfolio has a size of approximately € 2.1 billion.

Financial calendar

Date	Re	Location
4 through 18 May 2012	Option period final dividend	
9 May 2012 10 am webcast	Comments on Q1 2012 figures	
2 August 2012 <i>before trading</i>	Press release HY1 2012 figures	Hilton Amsterdam
2 August 2012 11 am meeting	Comments on HY1 2012 figures	
6 August 2012	Ex interim dividend trading	
27 August 2012	Payment date interim dividend	
2 November 2012 <i>before trading</i>	Press release 9M 2012 figures	
2 November 2012 10 am webcast	Comments on 9M 2012 figures	

Further information:

Arnaud du Pont, Investor Relations Director
Tel + 31 10 2424310 or email: arnaud.du.pont@vastned.com.

On Wednesday 9 May at 10 am a webcast will be held in which further comments will be made on the first quarter figures 2012. This presentation can be followed on www.vastned.com.

Rotterdam, 9 May 2012

Future looking statements

This press release contains a number of forward-looking statements. These statements are based on current expectations, estimates and prognoses of the board of management and on the information currently available to the company. The statements are subject to certain risks and uncertainties which are hard to evaluate, such as the general economic conditions, interest rates and amendments to statutory laws and regulations. The board of management of Vastned cannot guarantee that its expectations will materialise. Furthermore, Vastned does not accept any obligation to update the statements made in this press release.

KEY FIGURES	31 March 2012	31 December 2011	31 March 2011
Results (x €1,000)			
Gross rental income	33,302	132,532	32,735
Direct investment result	15,591	66,964	16,788
Indirect investment result	(13,818)	29,133	15,940
<i>Investment result</i>	1,773	96,097	32,728
Balance sheet (x €1,000)			
Investment properties	2,106,503	2,129,029	2,047,297
Equity	1,108,566	1,105,701	1,127,231
Equity Vastned Retail shareholders	1,001,116	1,000,393	1,021,846
Long-term liabilities	871,734	835,653	679,844
Solvency in accordance with the banks' definition (in %)	53.1	52.6	55.9
Loan to value (in %)	42.6	43.1	41.1
Interest coverage ratio	2.9	3.1	3.2
Financial occupancy rate (in %)	95.4	95.4	95.2
Average number of ordinary shares in issue	18,621,185	18,574,595	18,495,220
Number of ordinary shares in issue (end of period)	18,621,185	18,621,185	18,495,220
Per share (x €1)			
Equity Vastned Retail shareholders at beginning of period (including final dividend)	53.72	52.75	52.75
Final dividend previous financial year	-	(2.58)	-
<i>Equity Vastned Retail shareholders at beginning of period (excluding final dividend)</i>	53.72	50.17	52.75
Direct investment result	0.84	3.61	0.91
Indirect investment result	(0.74)	1.56	0.86
<i>Investment result</i>	0.10	5.17	1.77
Value movements financial derivatives taken directly to equity	(0.07)	(0.44)	0.74
Translation differences net investments	0.01	(0.07)	(0.01)
Other movements	-	(0.02)	-
Interim dividend	-	(1.09)	-
<i>Equity Vastned Retail shareholders at end of period (including final dividend)</i>	53.76	53.72	55.25
Share price (end of period)	38.67	34.60	51.65
Premium (Discount) (in %)	(28.1)	(35.6)	(6.5)

DIRECT AND INDIRECT INVESTMENT RESULT

(x €1,000)

	Q1 2012	Q1 2011
Direct investment result		
Gross rental income	33,302	32,735
Ground rents paid	(149)	(144)
Net service charge expenses	(550)	(573)
Operating expenses	(3,428)	(3,444)
<i>Net rental income</i>	<u>29,175</u>	<u>28,574</u>
Financial income	515	466
Financial expenses	(9,714)	(8,713)
<i>Net financing costs</i>	<u>(9,199)</u>	<u>(8,247)</u>
General expenses	(2,062)	(1,789)
<i>Direct investment result before taxes</i>	<u>17,914</u>	<u>18,538</u>
Current income tax expense	(727)	(165)
<i>Direct investment result after taxes</i>	<u>17,187</u>	<u>18,373</u>
Direct investment result attributable to non-controlling interests	(1,596)	(1,585)
<i>Direct investment result attributable to Vastned Retail shareholders</i>	<u>15,591</u>	<u>16,788</u>
Indirect investment result		
Value movements investment properties in operation	(17,040)	25,031
Value movements investment properties in pipeline	(154)	(4,874)
<i>Total value movements investment properties</i>	<u>(17,194)</u>	<u>20,157</u>
Net result on disposals investment properties	218	1,153
Value movements financial derivatives	211	(51)
<i>Indirect investment result before taxes</i>	<u>(16,765)</u>	<u>21,259</u>
Movement deferred tax assets and liabilities	3,484	(1,168)
<i>Indirect investment result after taxes</i>	<u>(13,281)</u>	<u>20,091</u>
Indirect investment result attributable to non-controlling interests	(537)	(4,151)
<i>Indirect investment result attributable to Vastned Retail shareholders</i>	<u>(13,818)</u>	<u>15,940</u>
<i>Investment result attributable to Vastned Retail shareholders</i>	<u>1,773</u>	<u>32,728</u>
Per share (x €1)		
Direct investment result attributable to Vastned Retail shareholders	0.84	0.91
Indirect investment result attributable to Vastned Retail shareholders	(0.74)	0.86
Investment result attributable to Vastned Retail shareholders	<u>0.10</u>	<u>1.77</u>

EPRA NAV and EPRA NNAV

	31-03-2012		31-12-2011	
	per share		per share	
Equity Vastned Retail shareholders	1,001,116	53.76	1,000,393	53.72
Market value of financial derivatives	45,300	2.43	44,091	2.37
Deferred taxes	27,947	1.50	31,242	1.68
<i>EPRA NAV</i>	1,074,363	57.69	1,075,726	57.77
Market value of financial derivatives	(45,300)	(2.43)	(44,091)	(2.37)
Market value of interest-bearing debts	9,506	0.51	10,958	0.59
Deferred taxes	(15,410)	(0.82)	(17,135)	(0.92)
<i>EPRA NNAV</i>	1,023,159	54.95	1,025,458	55.07

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(x €1,000)

	Q1 2012	Q1 2011
Net income from investment properties		
Gross rental income	33,302	32,735
Ground rents paid	(149)	(144)
Net service charge expenses	(550)	(573)
Operating expenses	(3,428)	(3,444)
<i>Net rental income</i>	<u>29,175</u>	<u>28,574</u>
Value movements investment properties in operation	(17,040)	25,031
Value movements investment properties in pipeline	(154)	(4,874)
<i>Total value movements investment properties</i>	<u>(17,194)</u>	<u>20,157</u>
Net result on disposals of investment properties	218	1,153
<i>Total net income from investment properties</i>	<u>12,199</u>	<u>49,884</u>
Expenditure		
Financial income	515	466
Financial expenses	(9,714)	(8,713)
Value movements financial derivatives	211	(51)
<i>Net financing costs</i>	<u>(8,988)</u>	<u>(8,298)</u>
General expenses	(2,062)	(1,789)
<i>Total expenditure</i>	<u>(11,050)</u>	<u>(10,087)</u>
<i>Investment result before taxes</i>	<u>1,149</u>	<u>39,797</u>
Current income tax expense	(727)	(165)
Movement deferred tax assets and liabilities	3,484	(1,168)
	<u>2,757</u>	<u>(1,333)</u>
<i>Investment result after taxes</i>	<u>3,906</u>	<u>38,464</u>
Investment result attributable to non-controlling interests	(2,133)	(5,736)
<i>Investment result attributable to Vastned Retail shareholders</i>	<u>1,773</u>	<u>32,728</u>
Per share (x €1)		
Investment result per share attributable to Vastned Retail shareholders	0.10	1.77
Diluted investment result per share attributable to Vastned Retail shareholders	0.10	1.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(x €1,000)

	Q1 2012	Q1 2011
Investment result	3,906	38,464
Value movements financial derivatives taken directly to equity	(1,540)	15,714
Translation differences net investments	299	(139)
Taxes on other comprehensive income	200	(1,713)
Other comprehensive income	(1,041)	13,862
<i>Total comprehensive income</i>	2,865	52,326
Attributable to:		
Vastned Retail shareholders	723	46,276
Non-controlling interests	2,142	6,050
	2,865	52,326
Per share (x €1)		
Total comprehensive income attributable to Vastned Retail shareholders	0.04	2.50

CONSOLIDATED BALANCE SHEET

(x €1,000)

	31-mrt 2012	41,274 2011	31-mrt 2011
Assets			
Investment properties in operation	2,011,470	2,034,900	1,976,241
Other assets in respect of lease incentives	4,459	4,548	1,913
	<hr/> 2,015,929	<hr/> 2,039,448	<hr/> 1,978,154
Investment properties in pipeline	90,574	89,581	69,143
<i>Total investment properties</i>	<hr/> 2,106,503	<hr/> 2,129,029	<hr/> 2,047,297
Tangible fixed assets	1,066	1,115	982
Financial derivatives	2,213	1,529	2,016
Deferred tax assets	478	478	479
<i>Total fixed assets</i>	<hr/> 2,110,260	<hr/> 2,132,151	<hr/> 2,050,774
Debtors and other receivables	11,993	9,560	11,496
Income tax	490	483	911
Cash and cash equivalents	2,239	4,339	4,816
<i>Total current assets</i>	<hr/> 14,722	<hr/> 14,382	<hr/> 17,223
<i>Total assets</i>	<hr/> 2,124,982	<hr/> 2,146,533	<hr/> 2,067,997
Equity and liabilities			
Capital paid-up and called	93,106	93,106	92,476
Share premium reserve	470,705	470,705	471,370
Hedging reserve in respect of financial derivatives	(41,114)	(39,765)	(17,962)
Translations reserve	(1,730)	(2,029)	(919)
Other reserves	382,279	382,279	344,977
Investment result previous financial year attributable to Vastned Retail shareholders	96,097	-	99,176
Investment result attributable to VastNed Retail shareholders	1,773	96,097	32,728
Equity Vastned Retail shareholders	<hr/> 1,001,116	<hr/> 1,000,393	<hr/> 1,021,846
Equity non-controlling interests	107,450	105,308	105,385
<i>Total equity</i>	<hr/> 1,108,566	<hr/> 1,105,701	<hr/> 1,127,231
Deferred tax liabilities	20,726	23,781	28,273
Provisions in respect of employee benefits	445	841	498
Long-term interest-bearing loans	792,367	755,031	617,400
Financial derivatives	47,053	44,689	23,146
Long-term tax liabilities	1,122	1,042	2,677
Guarantee deposits	10,021	10,269	7,850
<i>Total long-term liabilities</i>	<hr/> 871,734	<hr/> 835,653	<hr/> 679,844
Payable to banks	71,844	139,494	140,154
Redemption long-term liabilities	32,213	22,212	83,133
Financial derivatives	1,999	2,347	729
Income tax	3,439	3,515	3,069
Other liabilities and accruals	35,187	37,611	33,837
<i>Total short-term liabilities</i>	<hr/> 144,682	<hr/> 205,179	<hr/> 260,922
<i>Total equity and liabilities</i>	<hr/> 2,124,982	<hr/> 2,146,533	<hr/> 2,067,997

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(x €1,000)

	Capital paid up and capital	Share premium reserve	Hedging reserve in respect of financial derivatives	Translation reserve	Other reserves	Investment result attributable to Vastned Retail shareholders	Equity Vastned Retail shareholders	Equity non- controlling interests	Total equity
Balance as at 1 January 2011	92,476	471,370	(31,649)	(780)	344,977	99,176	975,570	99,335	1,074,905
Direct investment result						16,788	16,788	1,585	18,373
Indirect investment result						15,940	15,940	4,151	20,091
Value movements financial derivatives			13,687				13,687	314	14,001
Translation differences net investments				(139)			(139)		(139)
<i>Total comprehensive income</i>	-	-	13,687	(139)	-	32,728	46,276	6,050	52,326
<i>Balance as at 31 March 2011</i>	92,476	471,370	(17,962)	(919)	344,977	131,904	1,021,846	105,385	1,127,231
Balance as at 1 January 2012	93,106	470,705	(39,765)	(2,029)	382,279	96,097	1,000,393	105,308	1,105,701
Direct investment result						15,591	15,591	1,596	17,187
Indirect investment result						(13,818)	(13,818)	537	(13,281)
Value movements financial derivatives			(1,349)				(1,349)	9	(1,340)
Translation differences net investments				299			299		299
<i>Total comprehensive income</i>	-	-	(1,349)	299	-	1,773	723	2,142	2,865
<i>Balance as at 31 March 2012</i>	93,106	470,705	(41,114)	(1,730)	382,279	97,870	1,001,116	107,450	1,108,566

CONSOLIDATED CASH FLOW STATEMENT

(x €1,000)

	Q1 2012	Q1 2011
Cash flow from operating activities		
Investment result	3,906	38,464
Adjustments for:		
Value movements investment properties	17,194	(20,157)
Net result on disposals investment properties	(218)	(1,153)
Net financing costs	8,988	8,298
Income tax	(2,757)	1,333
<i>Cash flow from operating activities before changes in working capital and provisions</i>	<u>27,113</u>	<u>26,785</u>
Movement current assets	(1,303)	(1,426)
Movement short-term liabilities	(1,702)	(1,216)
Movement provisions	(1,190)	(525)
	<u>22,918</u>	<u>23,618</u>
Interest paid (on balance)	(8,529)	(8,235)
Income tax paid	(170)	(718)
<i>Cash flow from operating activities</i>	<u>14,219</u>	<u>14,665</u>
Cash flow from investment activities		
Acquisition of investment properties and investments	(10,805)	(43,875)
Disposal of investment properties	14,750	11,969
<i>Cash flow from property</i>	<u>3,945</u>	<u>(31,906)</u>
Movement tangible fixed assets	49	97
<i>Cash flow from investment activities</i>	<u>3,994</u>	<u>(31,809)</u>
Cash flow from financing activities		
Dividend paid to non-controlling interests	(45)	(334)
Interest-bearing loans drawn down	69,921	43,610
Interest-bearing loans redeemed	(90,185)	(28,689)
<i>Cash flow from financing activities</i>	<u>(20,309)</u>	<u>14,587</u>
Movement in cash and cash equivalents	(2,096)	(2,557)
Cash and cash equivalents as at 1 January	4,339	7,383
Translation differences on cash and cash equivalents	(4)	(10)
<i>Cash and cash equivalents at end of period</i>	<u>2,239</u>	<u>4,816</u>

NOTES TO THE CONSOLIDATED FINANCIAL INTERIM REPORT 2012

1. General

Vastned Retail N.V., with its registered office in Rotterdam, the Netherlands, is a (closed-end) property investment company with variable capital whose shares are listed on NYSE Euronext Amsterdam.

Vastned Retail makes long-term investments in retail property, focusin on high street shops. Investments are also made in shopping centres and retail warehouses. The investments are located in the Netherlands, France, Spain, Belgium, Turkey and Portugal.

On October 20, 2006, the AFM granted to Vastned Management B.V. the licence as enacted in Book 2, Section 25 (1) (a) of the Act on Financial Supervision pursuant to which this company may act as manager of Vastned Retail.

The consolidated financial interim report of Vastned Retail comprises Vastned Retail and its subsidiaries (jointly referred to as 'the Group') and the interest of the Group in the associates and entities over which its has joint control.

The board of management approved the consolidated financial interim report on 8 May 2012.

The consolidated financial interim report has not been audited.

2. Principles applied in the presentation of the financial interim report

The financial statements are presented in euros; amounts are rounded off to thousands of euros, unless stated differently.

This interim report has been prepared in accordance with IAS 34 'Interim financial reporting' as endorsed by the European Union.

For the principles of consolidation, the valuation of assets and liabilities and the determination of the result, reference is made to the 2011 annual accounts.

Effect of new, revised and improved standards

The following revised standards and interpretations have come into effect for the current financial year, but do not affect the presentation, the notes and/or the financial results of the Group.

- IAS 12 *Income Taxes (Limited scope amendment - recovery of underlying assets)* (not yet endorsed by the European Union);
- IFRS 1 *First-time adoption of International Financial Reporting Standards (Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs' and Additional exemption for entities ceasing to suffer from severe hyperinflation)* (not yet endorsed by the European Union);
- IFRS 7 *Financial Instruments: Disclosures (Amendments enhancing disclosures about transfers of financial assets)*.

In the preparation of the consolidated financial interim report, the essential judgments used by the board of management in the application of Vastned Retail's principles for financial reporting and the main estimates are identical to the essential judgments and main estimates used in the 2011 annual accounts.

The actual results may deviate from these estimates.

3. Segment information

	Investment properties		Gross rental income		Operating costs including ground rents paid and net service charge expenses		Net rental income	
	31 March		3 months		3 months		3 months	
	2012	2011	2012	2011	2012	2011	2012	2011
Netherlands	774,938	795,939	13,192	12,816	1,734	1,772	11,458	11,044
France	484,371	425,977	6,928	6,248	687	581	6,241	5,667
Spain	392,190	418,172	7,046	7,644	1,105	1,196	5,941	6,448
Belgium	337,302	312,576	5,491	5,291	561	495	4,930	4,796
Turkey	105,187	82,247	385	484	26	34	359	450
Portugal	12,515	12,386	260	252	14	84	246	168
Total	2,106,503	2,047,297	33,302	32,735	4,127	4,162	29,175	28,573
High street shops	1,060,434	973,214	14,690	13,967	1,545	1,632	13,145	12,335
Other	1,046,069	1,074,083	18,612	18,768	2,582	2,530	16,030	16,238
	2,106,503	2,047,297	33,302	32,735	4,127	4,162	29,175	28,573

	Value movements investment properties		Net result on disposals investment properties		Movement in deferred tax assets and liabilities		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Netherlands	(2,246)	6,879	240	282	-	-	(2,006)	7,161
France	1,125	712	-	-	-	40	1,125	752
Spain	(19,698)	645	-	-	3,338	(647)	(16,360)	(2)
Belgium	2,992	10,387	1	497	27	(27)	3,020	10,857
Turkey	522	1,456	(23)	374	134	(518)	633	1,312
Portugal	111	78	-	-	(15)	(16)	96	62
	(17,194)	20,157	218	1,153	3,484	(1,168)	(13,492)	20,142
Of which attributable to third parties	(660)	(3,796)	-	(137)	(7)	7	(667)	(3,926)
	(17,854)	16,361	218	1,016	3,477	(1,161)	(14,159)	16,216
High street shops	14,270	15,766	340	416	3	(731)	14,613	15,451
Other	(31,464)	4,391	(122)	737	3,481	(437)	(28,105)	4,691
	(17,194)	20,157	218	1,153	3,484	(1,168)	(13,492)	20,142
Of which attributable to third parties	(660)	(3,796)	-	(137)	(7)	7	(667)	(3,926)
	(17,854)	16,361	218	1,016	3,477	(1,161)	(14,159)	16,216

4. Events after balance sheet date

After balance sheet date, two properties in A-1 locations in The Hague and Zwolle have been acquired.

5. Related parties transactions

Except with respect to the issues described below, no material changes occurred in the first three months of 2012 in the nature, scale or volume of transactions with related parties compared to what was set out in the notes to the 2011 annual accounts.

During the first three months of 2012 none of the members of the supervisory board and board of management of Vastned Retail had a personal interest in the investments of the company. To the best of Vastned Retail's knowledge, during the reporting period no transactions took place with persons or institutions that may be considered to be parties with direct interests in Vastned Retail.

Interests of major investors

The AFM has received the following notifications from shareholders holding an interest in Vastned Retail exceeding five percent:

Commonwealth Bank of Australia	5.79%
Société Fédérale de Participations et d'Investissements (SFPI)	5.26%
Stichting Pensioenfonds ABP	5.15%