vastned
Venues for Premium Shopping

Press release

Vastned on course with updated strategy

Stable results in 2011

Key points annual figures 2011 (in brackets: annual figures 2010)

- **Direct investment result: € 67.0 million (€ 67.8 million);**
- **Average occupancy rate stable at 95.4% (95.2%);**
- **Value movements property portfolio € 32.4 million positive (€ 35.5 million positive), value increase 1.7%;**
- **Roll-out of updated strategy:**
  - **Acquisitions, mostly of high street shops, of € 97.6 million (€ 95.3 million);**
  - **Optimisation financing;**
  - **Attractive lettings;**
- **Like-for-like rent growth 0.9% (high streets 1.8% and other 0.2%);**
- **Operating expenses as % of gross rental income: 12.8% (11.7%) due to higher leasing and maintenance costs;**
- **Loan-to-value: 43.1% (41.4%);**
- **Shareholders' equity per share as at 31 December 2011: € 53.72 (31 December 2010: € 52.75);**
- **Direct investment result per share: € 3.61 (€ 3.68).**

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Press release

ROTTERDAM, 8 March 2012 – Vastned, the European retail property investment fund focusing on high street shops, achieved stable results in the 2011 financial year and is on course with its updated strategy.

Taco de Groot, Vastned Chief Executive Officer:

'For Vastned 2011 was a year of milestones in the future development of the company. The management collaboration with VastNed Offices/Industrial was ended and Vastned became an independent fund fully focused on retail property. In September we presented in this context our updated strategy, which at the end of the year was summarised in the catchphrase 'Venues for Premium Shopping'. This strategy aims for better quality, more stability and more predictability. Its main points are a substantial increase of the proportion of prime high street retail property in our portfolio and increased focus on the tenant in all our activities. The third pillar of our updated strategy is a further optimisation of the company's conservative financing strategy through diversification of financing sources.

In 2011, the turbulent developments in the European economy and in the euro had a devastating impact. There are few signs that market conditions are becoming less challenging. This is why we have used the past six months to optimise our internal organisational processes and to further improve the functioning of our team so as to enhance the focus on quality. A good example of this is our new, decisive approach of our international customers, which extends across national boundaries. In addition, we have also worked purposefully on rolling out our strategy: step by step, pragmatically and realistically. This approach is beginning to bear fruit. In this unusual climate, the Vastned team has succeeded in working in a goal-oriented way and managed to achieve stable results in 2011.

Our activities aimed at tenants are more intensive than ever. This was partly responsibly for the fact that in 2011 we were able to sign an impressive volume - € 15.5 million - in new leases with international brands like Zara, Pull & Bear, Kenzo and Paule Ka. This development has continued after the conclusion of the financial year with leases to retailers like Desigual in Namur and telecom provider Turkcell in Istanbul, which confirms the quality of our property portfolio and is a tribute to the efforts of our team.
The proportion of high street retail property in our portfolio was 49% at year-end 2011, a small increase due to the acquisition of a high street property in Namur in the fourth quarter of 2011 and a relatively higher value increase of the high street shops in our property portfolio compared to the other investment properties.

Vastned has also made progress on improving its debt financing in 2011. In addition to the current bank financings, we aim to increase the share of alternative financing, such as private placements, to approx. 25% of the loan portfolio.

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Including the private placement announced in January 2012, currently 14% of the loan portfolio constitutes alternative financing. The direct investment result for 2011 was € 3.61 per share.
Taking into account the interim dividend distributed in August 2011, we will propose to the general meeting of shareholders to distribute a final dividend of € 2.52 per share.'

Portfolio
Investment properties
The developments in the area of occupancy rate, rent levels, value movements, investments and disposals in the property portfolio in the 2011 financial year were as follows:

Occupancy rate
Due to positive leasing results in 2011, the occupancy rate at year-end 2011 of 95.1% was virtually equal to year-end 2010 (95.2%). The average occupancy rate rose marginally and was 95.4% in the 2011 financial year (95.2%). The occupancy rate by country was as follows.

	Occupancy rate in %			
Country	***Year-end 2011***	***Year-end 2010***	***FY 2011***	***FY 2010***
Netherlands	96.5	96.6	96.6	97.6
France	94.3	93.4	94.4	92.9
Spain	92.4	91.9	92.6	91.7
Belgium	96.6	98.8	97.6	99.0
Turkey	100.0	95.8	96.0	83.3
Portugal	100.0	100.0	100.0	100.0
Total	**95.1**	**95.2**	**95.4**	**95.2**

Leasing activity
In the 2011 financial year, new leases and lease renewals were concluded totalling € 15.5 million (€ 10.9 million), or 10.8% of gross rental income (8.1%). The leases featured some eye-catching transactions, for example 662 sqm at Spuistraat 13 in The Hague to fashion chain Pull & Bear, 604 sqm at Oudegracht 153 in Utrecht to Mango, 159 sqm at Cours Georges Clémenceau 12 in Bordeaux to fashion house Paule Ka, 418 m^2 at Rue des Chats Bossus 13 in Lille to fashion house Kenzo, 1,269 sqm at Gasthuisstraat 7 in Turnhout to fashion chain Hennes & Mauritz and 2,800 sqm at Istiklal Caddesi 161 in Istanbul to fashion giant Zara. Furthermore, a lease renewal was concluded with hypermarket giant E. Leclerc for 10,173 sqm as a major anchor for the Madrid Sur shopping centre in Madrid. In all countries except Spain the new leases and lease renewals were concluded at higher rents than before.

Despite the challenging economic conditions in Spain, our local team has succeeded in raising the occupancy rate to a limited extent, which did however

require concessions in terms of rent levels. As a result, the leases in the total portfolio were concluded on average 2.7% below the previous rent level.
Taking account of the various forms of lease incentives, the leases were concluded at on average 6.8% below the previous rent level.

Total leasing activity FY 2011 based on contract rents			
Country	Volume as a % of theoretical gross rent	Movement gross rent % effective	Movement gross rent % headline
Netherlands	6.0	0.9	6.0
France	5.2	2.9	17.4
Spain	14.8	(21.9)	(18.7)
Belgium	14.1	1.3	4.2
Turkey	149.8	-	-
Total	**10.8**	**(6.8)**	**(2.7)**

Lease incentives
The lease incentives (applying straightlining over the duration of the lease up to the first termination date) remained stable at 2.3% of gross rental income in the 2011 financial year.

IFRS lease incentives in %						
Country	*Q1 2011*	*Q2 2011*	*Q3 2011*	*Q4 2011*	*FY 2011*	*FY 2010*
Netherlands	(0.5)	(0.6)	(0.5)	(0.6)	(0.5)	(0.5)
France	(1.7)	(1.7)	(1.7)	(2.8)	(1.9)	(1.7)
Spain	(5.7)	(8.5)	(5.7)	(5.5)	(6.3)	(5.8)
Belgium	(1.3)	(1.2)	(1.3)	(1.6)	(1.4)	(1.9)
Turkey	-	-	-	-	-	-
Portugal	-	-	-	-	-	-
Total	**(2.1)**	**(2.8)**	**(2.1)**	**(2.3)**	**(2.3)**	**(2.3)**

Value movements investment properties
The value movements in Vastned's property portfolio based on appraisals by independent appraisers (87% of the property portfolio) and internal appraisals (13%, being smaller properties that are appraised externally each quarter) totalled € 32.4 million positive (€ 35.5 million positive). On average, the value movements were 1.7% positive.
The net yield on the property portfolio was 6.4% as at 31 December 2011 (6.6% as at 31 December 2010).

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Value movements (€ million)						
Country	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	FY 2010
Netherlands	6.9	5.3	(11.0)	0.4	1.6	11.4
France	0.7	9.6	4.3	5.1	19.7	22.1
Spain	0.6	(2.3)	(4.9)	(5.0)	(11.6)	(4.5)
Belgium	10.4	1.7	4.0	3.1	19.2	4.5
Turkey	1.5	0.3	0.9	0.7	3.4	2.2
Portugal	0.1	-	-	-	0.1	(0.2)
Total	**20.2**	**14.6**	**(6.7)**	**4.3**	**32.4**	**35.5**

Value movements as a percentage of starting values and net yields							
Country	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Net yield at year-end 2011	Net yield at year-end 2010
Netherlands	0.9	0.7	(1.2)	0.1	0.2	6.1	6.2
France	0.2	2.3	0.9	1.1	4.7	5.8	6.1
Spain	0.2	(0.6)	(1.2)	(1.2)	(2.8)	7.7	7.8
Belgium	3.4	0.5	1.3	1.0	6.4	6.3	6.6
Turkey	5.3	1.0	3.0	0.8	12.4	5.1	5.8
Portugal	0.6	0.1	-	(0.1)	0.7	7.2	8.8
Total	**1.0**	**0.7**	**(0.3)**	**0.2**	**1.7**	**6.4**	**6.6**

Acquisitions

In 2011 four acquisitions were made totalling € 97.6 million. Of the acquisitions listed below, the acquisition in Turkey is included in investment properties in pipeline. The acquisitions contribute positively to the high street shop focus and the quality of Vastned's property portfolio. The acquisitions in Istanbul and Bordeaux are located on the very best locations in their specific markets.

Acquisitions High street shops		
Country/City	Address	Acquisition price (€ million)
France, Bordeaux	City centre 9 units	10.3
Turkey, Istanbul	Abdi Ipekçi Caddesi 41	30.1
Belgium, Namur	Place de l´Ange 4, 'Jardin d'Harscamp'	16.8
Total high street		**57.2**
	Acquisitions Other	
The Netherlands, Zwijndrecht	Shopping centre Walburg (33 units)	40.4
Total		**97.6**

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

Disposals
Disposals remained limited to € 16.2 million in the 2011 financial year. An overview is presented below.

Disposals		
Country, city	***Address***	***Net yield (* € 1 million)***
The Netherlands		
Amsterdam	Jan Evertsenstraat 100, 106 and	1.7
Mijdrecht	108	5.1
Vriezenveen	Prinses Margrietlaan 24-52	0.3
	Westeinde 19 (1 unit)	
France		
Lille	Avenue Foch 21	0.6
	Rue de la Clef 43	<0.1
	Rue Jacquemars Giélée 106	0.6
	Rue de la Monnaie 83 (partially)	0.9
	Square Dutilleul (partially)	0.1
Belgium		
Antwerp	Carnotstraat 18-20	1.6
Vilvoorde	Leuvensestraat 43	0.2
Turkey		
Istanbul	'Bomonti Park'	
	Kazim Orbay Caddesi 3	5.1
Total		**16.2**

After balance sheet date several property portfolios of smaller properties which did not fit the updated strategy were disposed of for approx. € 23.0 million. The proceeds were slightly above book value.

Investment result Vastned shareholders 2011
The investment result in the 2011 financial year was € 96.1 million (€ 99.2 million). The investment result comprises the direct investment result, which fell marginally to € 67.0 million (€ 67.8 million) and the indirect investment result, which was € 29.1 million (€ 31.4 million) mainly due to positive value movements of the investment properties.

Composition 2011 investment result

Gross rental income
The total gross rental income was € 132.5 million in the 2011 financial year (€ 126.6 million). This € 5.9 million increase was due to acquisitions made in 2010 and 2011. The gross rental income rose by € 1.1 million due to like-for-like growth, but fell by € 1.1 million due to disposals made in 2010 and 2011.

Gross rental income (€ million)						
Country	**Q1 2011**	**Q2 2011**	**Q3 2011**	**Q4 2011**	**FY 2011**	**FY 2010**
Netherlands	12.8	13.2	13.3	13.3	52.6	48.5
France	6.2	6.6	6.7	6.7	26.2	24.6
Spain	7.6	7.3	7.5	7.4	29.8	29.7
Belgium	5.3	5.3	5.3	5.4	21.3	21.0
Turkey	0.5	0.3	0.4	0.4	1.6	1.7
Portugal	0.3	0.2	0.3	0.2	1.0	1.1
Total	**32.7**	**32.9**	**33.5**	**33.4**	**132.5**	**126.6**

Operating expenses (including ground rents and net service charge expenses)
Operating expenses expressed as a percentage of gross rental income increased from 11.7% to 12.8%, or € 16.9 million (€ 14.8 million) mainly due to increased external consultancy and leasing costs.

Value movements investment properties
As stated earlier, the value movements of the investment properties were € 32.4 million (€ 35.5 million) in the 2011 financial year.

Net result on investment property disposals
The net result on disposals in relation to the appraisal value after deduction of sales costs was € 2.4 million positive (€ 0.7 million positive).

Net financing costs
The average interest rate on the total interest-bearing loan capital saw a limited rise from 4.1% to 4.2%. The increase was limited despite the higher 3-month Euribor rate in 2011 and higher interest margins because compared to 2010 a relatively higher proportion of the loan portfolio was financed at a floating interest rate.
The net financing costs including value movements of financial derivatives rose to € 33.8 million (€ 30.9 million), particularly due to higher interest-bearing debts due to on balance net acquisitions. Net interest expenses increased from € 30.9 million to € 35.1 million. The value movements of the interest rate derivatives not designated as full hedges under IFRS were € 1.3 million positive on balance (nil). This was due especially to the interest rate swap concluded in 2010, in which part of the fixed coupon of the private placement bond concluded at that time was converted into a floating rate. This swap gained a positive value due to the falling long-term market rate in 2011.

	Financial costs					
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	FY 2010
Interest (* € 1 million)	8.2	8.7	9.0	9.2	35.1	30.9
Average interest % on loan capital	4.21	4.16	4.19	4.18	4.19	4.10
Interest coverage ratio (ICR)	3.2	3.1	3.1	2.9	3.1	3.4

General expenses
The general expenses increased from € 6.6 million in 2010 to € 7.1 million in 2011. The increase was due in particular to additional consultancy expenses incurred in connection with the updated strategy and the termination as of 14 October 2011 of the collaboration agreement between Vastned Management, VastNed Offices/Industrial and Vastned Retail, which ended the process of charging costs on to VastNed Offices/Industrial. The € 2.3 million termination compensation received from VastNed Offices/Industrial was adequate to cover the direct costs related to the termination of the collaboration agreement.

Income tax payable on the reporting period
Income tax totalled € 0.1 million in 2011 (€ 0.2 million).

Movement deferred tax assets and liabilities
The movements of deferred tax assets and liabilities comprised a € 0.6 million allocation (€ 1.7 million allocation). This was due mostly to value decreases in the Spanish property portfolio and value increases in the Turkish property portfolio.

Investment result attributable to non-controlling interests
The investment result attributable to minority shareholders of € 12.8 million (€ 9.5 million) consists of the direct and indirect investment results attributable to non-controlling interests of both € 6.4 million (€ 6.4 million and € 3.1 million) respectively. More favourable value movements in 2011 compared to 2010 in Intervest Retail's property portfolio, in which Vastned holds a 72.4% interest, led to an increase of the indirect investment result attributable to non-controlling interests.

Financing

Solvency and loan capital financing
As at 31 December 2011, Vastned's balance sheet showed a healthy financing structure with a loan-to-value of 43.1% (31 December 2010: 41.4%) and a solvency, being group equity plus deferred tax liabilities divided by the balance sheet total, of 52.6% (31 December 2010: 54.6%). With this solvency and an interest coverage ratio of 3.1 Vastned complies with all the loan covenants. Financing contracts are usually concluded with covenants stipulating a minimum solvency of 45% and an interest coverage ratio of between 2.0 and 2.5.

Solvency and loan capital		
	31 December 2011	31 December 2010
Solvency	52.6%	54.6%
LTV	43.1%	41.4%
Duration based on contract expiry dates	3.6	3.7
Duration based on interest review dates	4.3	4.7

As at 31 December 2011 82.4% of the loan portfolio was long-term with an average remaining duration of 3.6 years based on contract expiry dates. An amount of € 22.2 million of the long-term loans will expire in within one year (recognised as short-term loan capital).
Due to the fallen market rate a € 9.1 million value decrease of financial derivatives was recognised directly in equity (€ 0.2 million).

Breakdown of interest-bearing loan capital at year-end 2011				
(€ million)	Fixed interest	Floating interest	Total	% of total
Long-term	616.5	138.5	755.0	82.4
Short-term	22.2	139.5	161.7	17.6
Total	638.7	278.0	916.7	100.0
% of total	69.7	30.3	100.0	

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

Dividend proposal
We will propose to the general meeting of shareholders of 2 May 2012 to declare a final dividend charged to the freely distributable reserves of € 2.52 per ordinary share, being the 2011 direct investment result of € 3.61 per share less the interim dividend of € 1.09 per share. Taking into account the fiscal distribution obligation mentioned above and the share price at that time, it will be possible to receive the dividend either fully in cash (€ 2.52) or in Vastned shares approaching a value of € 2.52 per share, charged to the share premium reserve. To comply with the conditions for a fiscal investment institution, at least € 23.6 million (approx. € 1.27 per share) must be distributed in cash. If this amount is not achieved as a result of shareholders opting for stock dividend, the distribution of the stock dividend will be adjusted pro rata in such a way that at least € 23.6 million is distributed in cash. The final dividend will be made payable on 21 May 2012.

Outlook 2012

The economic growth forecasts in most Western European countries are flat or even negative, pushing some European countries into a mild recession. Much depends on the decisiveness of the European policy makers in tackling the euro crisis. Although there are signs that steps in the right direction are being taken, the decision-making process is frustratingly slow.

The ECB's measures to free up liquidity for banks appear to be providing a significant boost on the way to a recovery.
Due to these developments, however, employment and consumer spending in most countries in which Vastned is active will remain under pressure. Spain has felt the full impact of this over the past year. This sharply contrasts with the positive developments in the Turkish economy where - with a young, growing population, strong competitiveness and limited problems in the banking sector - employment and consumer spending trends are positive.

Partly in view of the economic developments mentioned above, Vastned has updated its strategy in 2011, further focusing its acquisitions and disposals policy on high street shops in prime locations in large and medium-sized cities. Vastned expects that these locations provide the best possible resistance to economic headwind and will be able to take advantage of changes in the retail landscape caused by e-commerce and an ageing population. The updated strategy also addresses the financing of the property portfolio. In view of stricter credit provision regulation by European banks, Vastned will increase the proportion of non-bank financing in its loan portfolio to 25%, inter alia by issuing private placement bonds, and striving for longer durations.

The rotation in the property portfolio resulting from the new focus on high street shops in on prime locations can put some pressure on rental income, but will generate better yields in the future. Whether and how the extent to which these issues might affect the direct investment result for 2012 is hard to say, as this will depend on the speed with which this can be realised. The general expenses will rise in some measure in 2012 due to the ending of the collaboration agreement with VastNed Offices/Industrial. Vastned expects that its well-spread, high-quality property portfolio will be able to show limited like-for-like growth in 2012 in spite of the difficult economy. Interest rates are expected to remain low in 2012, but the broadening of financing base will increase the interest expenses somewhat.

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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.

Amended financial calendar

Date	Re	Location
2 May 2012	General meeting of shareholders	Hotel De L'Europe Amsterdam
4 May 2012	Ex final dividend trading	
4 through 18 May 2012	Option period final dividend	
9 May 2012 before trading	Press release Q1 2012 figures	
9 May 2012 10 am webcast	Comments on Q1 2012 figures	
2 August 2012 before trading	Press release HY1 2012 figures	
2 August 2012 11 am meeting	Comments on HY1 2012 figures	Hilton Amsterdam
6 August 2012	Ex interim dividend trading	
27 August 2012	Payment date interim dividend	
2 November 2012 before trading	Press release 9M 2012 figures	
2 November 2012 10 am webcast	Comments on 9M 2012 figures	

Further information:

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On Friday 9 March at 11 am an analysts' meeting will be held in which further comments will be made on the 2011 annual figures. This meeting can be followed on www.vastned.com.

Rotterdam, 8 March 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 December 2011	31 December 2010
Results (x € 1,000)		
Gross rental income	132,532	126,638
Direct investment result	66,964	67,783
Indirect investment result	29,133	31,393
Investment result	**96,097**	**99,176**
Balance sheet (x € 1,000)		
Investment properties	2,129,029	1,995,538
Equity	1,105,701	1,074,905
Equity VastNed Retail shareholders	1,000,393	975,570
Long-term liabilities	835,653	686,942
Solvency in accordance with the banks' definition (in %)	52.6	54.6
Loan to value (in %)	43.1	41.4
Interest coverage ratio	3.1	3.4
Financial occupancy rate (in %)	95.4	95.2
Average number of ordinary shares in issue	18,574,595	18,409,519
Number of ordinary shares in issue (end of period)	18,621,185	18,495,220
Per share (x € 1)		
Equity Vastned Retail shareholders at beginning of period (including final dividend)	52.75	51.42
Final dividend previous financial year	(2.58)	(2.78)
Equity Vastned Retail shareholders at beginning of period (excluding final dividend)	50.17	48.64
Direct investment result	3.61	3.68
Indirect investment result	1.56	1.71
Investment result	5.17	5.39
Value movements financial derivatives taken directly to equity	(0.44)	(0.03)
Translation differences net investments	(0.07)	(0.04)
Other movements	(0.02)	(0.11)
Interim dividend	(1.09)	(1.10)
Equity Vastned Retail shareholders at end of period (including final dividend)	**53.72**	**52.75**
Share price (end of period)	34.60	51.98
Premium (Discount) (in %)	(35.6)	(1.5)

DIRECT AND INDIRECT INVESTMENT RESULT **(x € 1,000)**

	FY 2011	FY 2010	Q4 2011	Q4 2010
Direct investment result				
Gross rental income	132,532	126,638	33,432	32,094
Ground rents paid	(587)	(573)	(147)	(146)
Net service charge expenses	(2,026)	(1,900)	(601)	(526)
Operating expenses	(14,283)	(12,325)	(4,002)	(3,119)
Net rental income	115,636	111,840	28,682	28,303
Financial income	2,174	812	544	309
Financial expenses	(37,290)	(31,698)	(9,762)	(8,486)
Net financing costs	(35,116)	(30,886)	(9,218)	(8,177)
General expenses	(7,057)	(6,605)	(1,561)	(1,492)
Direct investment result before taxes	**73,463**	**74,349**	**17,903**	**18,634**
Current income tax expense	(87)	(181)	94	22
Direct investment result after taxes	**73,376**	**74,168**	**17,997**	**18,656**
Direct investment result attributable to non-controlling interests	(6,412)	(6,385)	(1,628)	(1,576)
Direct investment result attributable to Vastned Retail shareholders	**66,964**	**67,783**	**16,369**	**17,080**
Indirect investment result				
Value movements investment properties in operation	38,879	37,930	5,429	8,821
Value movements investment properties under renovation	-	(725)	-	-
Value movements investment properties in pipeline	(6,478)	(1,729)	(929)	805
Total value movements investment properties	**32,401**	**35,476**	**4,500**	**9,626**
Net result on disposals investment properties	2,446	682	1,099	235
Value movements financial derivatives	1,279	32	(233)	528
Indirect investment result before taxes	**36,126**	**36,190**	**5,366**	**10,389**
Movement deferred tax assets and liabilities	(591)	(1,671)	2,261	(796)
Indirect investment result after taxes	**35,535**	**34,519**	**7,627**	**9,593**
Indirect investment result attributable to non-controlling interests	(6,402)	(3,126)	(785)	(229)
Indirect investment result attributable to Vastned Retail shareholders	**29,133**	**31,393**	**6,842**	**9,364**
Investment result attributable to Vastned Retail shareholders	**96,097**	**99,176**	**23,211**	**26,444**
Per share **(x € 1)**				
Direct investment result attributable to Vastned Retail shareholders	3.61	3.68	0.88	0.92
Indirect investment result attributable to Vastned Retail shareholders	1.56	1.71	0.36	0.51
Investment result attributable to Vastned Retail shareholders	**5.17**	**5.39**	**1.24**	**1.43**

CONSOLIDATED PROFIT AND LOSS ACCOUNT
(x € 1,000)

	2011	2010	Q4 2011	Q4 2010
Net income from investment properties				
Gross rental income	132,532	126,638	33,432	32,094
Ground rents paid	(587)	(573)	(147)	(146)
Net service charge expenses	(2,026)	(1,900)	(601)	(526)
Operating expenses	(14,283)	(12,325)	(4,002)	(3,119)
Net rental income	115,636	111,840	28,682	28,303
Value movements investment properties in operation	38,879	37,930	5,429	8,821
Value movements investment properties under renovation	-	(725)	-	-
Value movements investment properties in pipeline	(6,478)	(1,729)	(929)	805
Total value movements investment properties	32,401	35,476	4,500	9,626
Net result on disposals of investment properties	2,446	682	1,099	235
Total net income from investment properties	**150,483**	**147,998**	**34,281**	**38,164**
Expenditure				
Financial income	2,174	812	544	309
Financial expenses	(37,290)	(31,698)	(9,762)	(8,486)
Value movements financial derivatives	1,279	32	(233)	528
Net financing costs	(33,837)	(30,854)	(9,451)	(7,649)
General expenses	(7,057)	(6,605)	(1,561)	(1,492)
Total expenditure	**(40,894)**	**(37,459)**	**(11,012)**	**(9,141)**
Investment result before taxes	**109,589**	**110,539**	**23,269**	**29,023**
Current income tax expense	(87)	(181)	94	22
Movement deferred tax assets and liabilities	(591)	(1,671)	2,261	(796)
	(678)	(1,852)	2,355	(774)
Investment result after taxes	**108,911**	**108,687**	**25,624**	**28,249**
Investment result attributable to minority interests	(12,814)	(9,511)	(2,413)	(1,805)
Investment result attributable to Vastned Retail shareholders	**96,097**	**99,176**	**23,211**	**26,444**
Per share (x € 1)				
Investment result per share attributable to Vastned Retail shareholders	5.17	5.39	1.25	1.43
Diluted investment result per share attributable to Vastned Retail shareholders	5.17	5.39	1.25	1.43

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(x € 1,000)

	2011	2010	Q4 2011	Q4 2010
Investment result	108,911	108,687	25,624	28,249
Value movements financial derivatives taken directly to equity	(9,081)	(233)	(2,449)	16,355
Translation differences net investments	(1,249)	(677)	(747)	(1,636)
Taxes on other comprehensive income	943	(229)	125	(2,122)
Other comprehensive income	(9,387)	(1,139)	(3,071)	12,597
Total comprehensive income	**99,524**	**107,548**	**22,553**	**40,846**
Attributable to:				
Vastned Retail shareholders	86,732	97,933	20,145	38,875
Non-controlling interests	12,792	9,615	2,408	1,971
	99,524	**107,548**	**22,553**	**40,846**
Per share (x € 1)				
Total comprehensive income attributable to Vastned Retail shareholders	4.66	5.32	1.08	2.10

CONSOLIDATED BALANCE SHEET
(x € 1,000)

	41,274 2011	41,274 2010
Assets		
Investment properties in operation	2,034,900	1,921,861
Other assets in respect of lease incentives	4,548	1,586
	2,039,448	1,923,447
Investment properties in pipeline	89,581	72,091
Total investment properties	2,129,029	1,995,538
Tangible fixed assets	1,115	1,080
Financial derivatives	1,529	978
Deferred tax assets	478	478
Total fixed assets	**2,132,151**	**1,998,074**
Debtors and other receivables	9,560	8,764
Income tax	483	411
Cash and cash equivalents	4,339	7,383
Total current assets	**14,382**	**16,558**
Total assets	**2,146,533**	**2,014,632**
Equity and liabilities		
Capital paid-up and called	93,106	92,476
Share premium reserve	470,705	471,370
Hedging reserve in respect of financial derivatives	(39,765)	(31,649)
Translations reserve	(2,029)	(780)
Other reserves	382,279	344,977
Investment result attributable to Vastned Retail shareholders	96,097	99,176
Equity Vastned Retail shareholders	1,000,393	975,570
Equity non-controlling interests	105,308	99,335
Total equity	**1,105,701**	**1,074,905**
Deferred tax liabilities	23,781	25,329
Provisions in respect of employee benefits	841	1,023
Long-term interest-bearing loans	755,031	612,059
Financial derivatives	44,689	37,290
Long-term tax liabilities	1,042	2,677
Guarantee deposits	10,269	8,564
Total long-term liabilities	**835,653**	**686,942**
Payable to banks	139,494	121,544
Redemption long-term liabilities	22,212	92,013
Financial derivatives	2,347	1,211
Income tax	3,515	3,211
Other liabilities and accruals	37,611	34,806
Total short-term liabilities	**205,179**	**252,785**
Total equity and liabilities	**2,146,533**	**2,014,632**

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 minority interests	Total equity
Balance as at 1 January 2010	91,326	472,554	(31,083)	(103)	467,822	(61,383)	939,133	95,960	1,035,093
Direct investment result						67,783	67,783	6,385	74,168
Indirect investment result						31,393	31,393	3,126	34,519
Value movements financial derivatives			(566)				(566)	104	(462)
Translation differences net investments				(677)			(677)		(677)
Total comprehensive income	-	-	*(566)*	*(677)*	-	*99,176*	*97,933*	*9,615*	*107,548*
Stock dividend	1,150	(1,150)					-		-
Costs of stock dividend		(34)					(34)		(34)
Final dividend previous financial year in cash						(41,117)	(41,117)	(6,240)	(47,357)
Interim dividend 2010 in cash					(20,345)		(20,345)		(20,345)
Allocation from profit appropriation					(102,500)	102,500	-		-
Balance as at 31 December 2010	92,476	471,370	(31,649)	(780)	344,977	99,176	975,570	99,335	1,074,905
Direct investment result						66,964	66,964	6,412	73,376
Indirect investment result						29,133	29,133	6,402	35,535
Value movements financial derivatives			(8,116)				(8,116)	(22)	(8,138)
Translation differences net investments				(1,249)			(1,249)		(1,249)
Total comprehensive income	-	-	*(8,116)*	*(1,249)*	-	*96,097*	*86,732*	*12,792*	*99,524*
Stock dividend	630	(630)					-		-
Costs of stock dividend		(35)					(35)		(35)
Final dividend previous financial year in cash						(41,577)	(41,577)	(6,435)	(48,012)
Interim dividend 2011 in cash					(20,297)		(20,297)		(20,297)
Allocation from profit appropriation					57,599	(57,599)	-		-
Acquisition of shares in subsidiaries							-	(384)	(384)
Balance as at 31 December 2011	93,106	470,705	(39,765)	(2,029)	382,279	96,097	1,000,393	105,308	1,105,701

CONSOLIDATED CASH FLOW STATEMENT
(x € 1,000)

	2011	2010
Cash flow from operating activities		
Investment result	108,911	108,687
Adjustments for:		
Value movements investment properties	(32,401)	(35,476)
Net result on disposals investment properties	(2,446)	(682)
Net financing costs	33,837	30,854
Income tax	678	1,852
Cash flow from operating activities before changes in working capital and provisions	108,579	105,235
Movement current assets	(2,880)	4,197
Movement short-term liabilities	(401)	(285)
Movement provisions	1,535	(213)
	106,833	108,934
Interest paid (on balance)	(37,503)	(32,558)
Income tax paid	(2,568)	1,348
Cash flow from operating activities	**66,762**	**77,724**
Cash flow from investment activities		
Acquisition of investment properties and investments	(109,968)	(108,631)
Disposal of investment properties	16,622	17,373
Acquisition of shares in subsidiaries	(384)	-
Cash flow from property	(93,730)	(91,258)
Movement tangible fixed assets	(38)	(82)
Cash flow from investment activities	**(93,768)**	**(91,340)**
Cash flow from financing activities		
Dividend paid	(61,909)	(61,462)
Dividend paid to non-controlling interests	(6,757)	(6,254)
Interest-bearing loans drawn down	226,767	133,630
Interest-bearing loans redeemed	(134,141)	(50,681)
Cash flow from financing activities	**23,960**	**15,233**
Movement in cash and cash equivalents	**(3,046)**	**1,617**
Cash and cash equivalents as at January 1	7,383	5,739
Translation differences on cash and cash equivalents	2	27
Cash and cash equivalents at end of period	**4,339**	**7,383**

EPRA NAV and EPRA NNNAV

	31-12-2011		31-12-2010	
		per share		**per share**
Equity Vastned Retail shareholders	1,000,393	53.72	975,570	52.75
Market value of financial derivatives	44,091	2.37	36,154	1.95
Deferred taxes	31,242	1.68	31,770	1.72
Diluted EPRA NAV	**1,075,726**	**57.77**	1,043,494	56.42
Market value of financial derivatives	(44,091)	(2.37)	(36,154)	(1.95)
Market value of interest-bearing loans [1)]	10,958	0.59	10,764	0.58
Deferred taxes	(17,135)	(0.92)	(16,781)	(0.91)
Diluted EPRA NNNAV	**1,025,458**	**55.07**	1,001,323	54.14

Segment information

	Investment properties 31 December		**Gross rental income**		**Operating costs including ground rents paid and net service charge expenses**		**Net rental income**	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Netherlands	792,130	754,255	52,603	48,467	7,906	6,080	44,697	42,387
France	475,219	424,610	26,195	24,612	2,333	2,516	23,862	22,096
Spain	411,873	416,626	29,816	29,706	4,470	4,060	25,346	25,646
Belgium	333,744	303,287	21,300	21,037	1,743	1,810	19,557	19,227
Turkey	103,659	84,452	1,604	1,686	327	283	1,277	1,403
Portugal	12,404	12,308	1,014	1,130	117	49	897	1,081
Total	**2,129,029**	**1,995,538**	**132,532**	**126,638**	**16,896**	**14,798**	**115,636**	**111,840**

	Value movements investment properties		**Net result on disposals investment properties**		**Movement in deferred tax assets and liabilities**		**Total**	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Netherlands	1,600	11,402	276	409	-	(426)	1,876	11,385
France	19,749	22,060	198	92	297	15	20,244	22,167
Spain	(11,647)	(4,481)	-	-	927	(862)	(10,720)	(5,343)
Belgium	19,215	4,458	1,617	181	66	(12)	20,898	4,627
Turkey	3,401	2,262	355	-	(1,853)	(391)	1,903	1,871
Portugal	83	(225)	-	-	(28)	5	55	(220)
	32,401	35,476	2,446	682	(591)	(1,671)	34,256	34,487
Of which attributable to third parties	(5,962)	(3,114)	(447)	(50)	(18)	3	(6,427)	(3,161)
	26,439	**32,362**	**1,999**	**632**	**(609)**	**(1,668)**	**27,829**	**31,326**

The press release has not been audited.

For the principles of consolidation, the valuation of assets and liabilities and the determination of the result, reference is made to the 2010 annual accounts.

The financial enclosures of this press release have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union.

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 Vastned Retail.

– *IFRS 1 First-time Adoption of International Financial Reporting Standards (Limited Exemption from Comparative IFRS 7 Disclosures for First-time adaptors)* ;
– *IAS 24 Related Party Disclosures (Revised definition of related parties)* ;
– *IAS 32 Financial Instruments: Presentation (Amendments relating to classification of right issues;*
– *IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* ;
– *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments* .

- A number of improvements to IFRS standards have taken effect. This concerns a set of smaller revisions of IFRS standards that do not have a material effect on Vastned Retail's equity and investment result.

The financial statements are stated in euros, whereby amounts are rounded off to the nearest thousand, unless stated otherwise.

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 2010 annual accounts.
Actual results may deviate from these estimates.

During 2010 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.