

# VASTNED RETAIL

## Press release annual figures 2010

### VASTNED RETAIL: INCREASED PROPERTY VALUES AND POSITIVE INVESTMENT RESULT OF € 99.2 MILLION IN 2010

*Reinier van Gerrevink, VastNed Retail CEO: 'We have observed some highly positive signs in our retail portfolio over the past financial year. There was evidence of value increases, and the occupancy rate stabilised. This was due in large part to the numerous high street shops in our portfolio which, in contrast to other types of property, proved highly resistant to the impact of the crisis. Currently, high street shops make up 55% of our property portfolio, and we aim to raise this further. We are currently focusing in particular on acquisitions in the heart of Istanbul city centre. Our strong balance sheet position has allowed us also to make a large number of acquisitions in other countries during the past year. Furthermore, the Spanish part of our portfolio, which was hit somewhat harder by the financial crisis, also showed some signs of life. After the occupancy rate in this part of our portfolio dropped below 90% last year, our Spanish team concluded a large number of major leases that have raised the occupancy rate in Spain to almost 92%. Our highest priority is to achieve positive results in lettings and occupancy. The values in the property portfolio are going up again in spite of the pressure on the letting market. This was due to lower yields.*

*Furthermore, in order to look after the interests of our fund and our shareholders in the best way possible, we have agreed with VastNed Offices/Industrial to terminate our collaboration as of January 1, 2012. Our collaboration agreement has worked well in the past, partly because it created synergy benefits. However, it also on occasion revealed bottlenecks. For this reason, both funds have had separate supervisory boards since 2006. The current market demands greater focus, which the funds have responded to in this way.*

*With reference to the loan capital financing of our investment properties, we are very pleased with the private placement concluded in the autumn, which has reduced our dependence on bank loans. As stated before, we have a solid balance sheet position, which will allow us to remain active in the acquisition market for the foreseeable future. Due to these acquisitions and those made last year, we anticipate, before the non-recurring costs related to the termination of the collaboration with VastNed Offices/Industrial, a marginal increase of the direct investment result in 2011.'*

*(in brackets 2009 financial year)*

- **Direct investment result: €67.8 million (€68.6 million);**
- **Indirect investment result: €31.4 million positive (€130.0 million negative);**
- **Investment result: €99.2 million positive (€61.4 million negative);**
- **Direct investment result per share: €3.68 (€4.03);**
- **Indirect investment result per share: €1.71 positive (€7.64 negative);**
- **Investment result per share: €5.39 positive (€3.61 negative);**
- **Shareholders' equity per share as at December 31, 2010: €52.75 (December 31, 2009: €51.42);**
- **Average occupancy rate: 95.2% (96.8%);**
- **Occupancy rate at year-end 2010: 95.2% (95.5%);**
- **Solvency as at December 31, 2010: 54.6% (December 31, 2009: 55.9%).**

#### Profile

VastNed Retail invests in high street shops, shopping centres and retail warehouses located in good and top locations in its core countries: the Netherlands, Spain, France, Belgium and Turkey. The value of the investment properties was € 1,995.5 million as at December 31, 2010 (December 31, 2009: € 1,861.4 million).

# VASTNED RETAIL

## Investment properties

The developments in the area of occupancy rate, rent levels, value movements, investments and disposals in the property portfolio in the 2010 financial year were as follows:

### Occupancy rate

The occupancy rate at year-end 2010 was 95.2% (year-end 2009: 95.5%). The average occupancy rate in 2010 was 95.2% (96.8%). The occupancy rate by country was as follows.

| Country | Occupancy rate in % |               |         |         |
|---------|---------------------|---------------|---------|---------|
|         | Year-end 2010       | Year-end 2009 | FY 2010 | FY 2009 |
| NL      | 96.6                | 98.1          | 97.6    | 98.1    |
| E       | 91.9                | 92.3          | 91.7    | 93.9    |
| F       | 93.4                | 92.4          | 92.9    | 96.9    |
| B       | 98.8                | 99.1          | 99.0    | 99.3    |
| Tr      | 95.8                | 84.8          | 83.3    | 80.3    |
| P       | 100.0               | 100.0         | 100.0   | 100.0   |
| T       | 95.2                | 95.5          | 95.2    | 96.8    |

### Leasing activity

The leasing activity in the 2010 financial year was € 10.9 million (€ 10.8 million) or 8.1% of gross rental income (8.1%). The lettings took place on average at 3.3% below the former rent level. There was pressure especially on the letting results in Spain and France, but it was largely offset by good letting results in the Netherlands and Turkey.

| Country | Total leasing activity 2010<br>based on contract rents |         |         |         |         |   |         |         |         |         |
|---------|--|---------|---------|---------|---------|---|---------|---------|---------|---------|
|         | Movement gross rent %                                  |         |         |         |         | Volume as a % of theoretical gross rent |         |         |         |         |
|         | Q1 2010  | Q2 2010 | Q3 2010 | Q4 2010 | FY 2010 | Q1 2010                                 | Q2 2010 | Q3 2010 | Q4 2010 | FY 2010 |
| NL      | 24.8   | 12.1    | 10.0    | (11.2)  | 10.7    | 1.0                                     | 0.9     | 0.9     | 0.7     | 3.4     |
| E       | (16.4)   | (15.6)  | (0.6)   | (16.7)  | (10.7)  | 2.4                                     | 2.2     | 3.7     | 2.1     | 10.4    |
| F       | (23.8)   | -       | 26.2    | 3.1     | (9.3)   | 5.6                                     | 0.1     | 1.6     | 3.2     | 10.4    |
| B       | 2.3  | 1.2     | (11.6)  | (6.6)   | (2.8)   | 3.0                                     | 1.3     | 1.2     | 2.9     | 8.6     |
| Tr      | -  | 1.3     | 1.5     | 48.3    | 19.1    | 10.4                                    | 7.1     | 10.6    | 16.1    | 42.9    |
| T       | (10.4)   | (3.6)   | 4.5     | (0.6)   | (3.3)   | 2.8                                     | 1.3     | 2.0     | 2.1     | 8.1     |

| Country | Total leasing activity 2010<br>based on effective rent levels |         |         |         |         |
|---------|---|---------|---------|---------|---------|
|         | Movement gross rent %   |         |         |         |         |
| Count   | Q1 2010   | Q2 2010 | Q3 2010 | Q4 2010 | FY 2010 |
| NL      | 23.9  | 11.7    | 9.0     | (17.1)  | 8.9     |
| E       | (20.9)  | (18.0)  | (30.0)  | (23.6)  | (24.0)  |
| F       | (25.4)  | -       | 18.2    | (21.1)  | (18.0)  |
| B       | (0.8)   | (0.4)   | (13.1)  | (16.6)  | (7.9)   |
| Tr      | -   | (4.0)   | 1.5     | 48.3    | 18.2    |
| T       | (12.7)  | (5.5)   | (11.8)  | (12.3)  | (11.2)  |

# VASTNED RETAIL

## Lease incentives

The lease incentives (applying straightlining over the duration of the lease up to the first termination date) rose to 2.3% (1.6%) in the 2010 financial year.

| <i>IFRS lease incentives in %</i> |            |            |            |            |            |            |
|-----------------------------------|------------|------------|------------|------------|------------|------------|
| Country                           | Q1<br>2010 | Q2<br>2010 | Q3<br>2010 | Q4<br>2010 | FY<br>2010 | FY<br>2009 |
| NL                                | (0.4)      | (0.6)      | (0.5)      | (0.5)      | (0.5)      | (0.6)      |
| E                                 | (5.3)      | (5.9)      | (6.0)      | (5.9)      | (5.8)      | (3.7)      |
| F                                 | (1.6)      | (1.6)      | (1.8)      | (1.7)      | (1.7)      | (1.3)      |
| B                                 | (2.1)      | (1.8)      | (1.7)      | (1.8)      | (1.9)      | (1.2)      |
| Tr                                | -          | -          | -          | -          | -          | -          |
| P                                 | -          | -          | -          | -          | -          | -          |
| T                                 | (2.1)      | (2.3)      | (2.3)      | (2.3)      | (2.3)      | (1.6)      |

## Value movements investment properties

The value movements of VastNed Retail's property portfolio based on appraisals by independent appraisers and internal appraisals showed a total value movement of € 35.5 million positive (€ 147.5 million negative). The theoretical net yield on the property portfolio was 6.6% (6.7%) at year-end 2010.

| <i>Value movements (€ million)</i> |            |            |            |            |            |            |
|------------------------------------|------------|------------|------------|------------|------------|------------|
| Country                            | Q1<br>2010 | Q2<br>2010 | Q3<br>2010 | Q4<br>2010 | FY<br>2010 | FY<br>2009 |
| NL                                 | 2.8        | 4.3        | 1.7        | 2.6        | 11.4       | (23.9)     |
| E                                  | (1.7)      | (0.5)      | (1.0)      | (1.3)      | (4.5)      | (90.2)     |
| F                                  | 2.8        | 3.0        | 9.2        | 7.1        | 22.1       | (33.4)     |
| B                                  | 1.9        | 1.3        | 1.0        | 0.3        | 4.5        | 0.5        |
| Tr                                 | 0.4        | 0.3        | 0.5        | 1.0        | 2.2        | 0.4        |
| P                                  | (0.1)      | -          | -          | (0.1)      | (0.2)      | (0.9)      |
| T                                  | 6.1        | 8.4        | 11.4       | 9.6        | 35.5       | (147.5)    |

| <i>Value movements as a percentage of starting values and net yields</i> |            |            |            |            |            |                                  |                                  |
|--|------------|------------|------------|------------|------------|----------------------------------|----------------------------------|
| Country  | Q1<br>2010 | Q2<br>2010 | Q3<br>2010 | Q4<br>2010 | FY<br>2010 | Net yield at<br>year-end<br>2010 | Net yield at<br>year-end<br>2009 |
| NL   | 0.4        | 0.6        | 0.5        | 0.3        | 1.6        | 6.2                              | 6.2                              |
| E  | (0.4)      | (0.1)      | (0.2)      | (0.3)      | (1.1)      | 7.8                              | 7.8                              |
| F  | 0.7        | 0.7        | 2.3        | 1.7        | 5.5        | 6.1                              | 6.6                              |
| B  | 0.6        | 0.4        | 0.3        | 0.1        | 1.5        | 6.6                              | 6.5                              |
| Tr   | 1.3        | 0.6        | 1.7        | 3.2        | 7.5        | 5.8                              | 5.8                              |
| P  | (0.7)      | (0.3)      | 0.3        | (1.0)      | (1.8)      | 8.8                              | 9.3                              |
| T  | 0.3        | 0.4        | 0.6        | 0.5        | 1.9        | 6.6                              | 6.7                              |

# VASTNED RETAIL

## Acquisitions

In 2009 a number of acquisitions were made totalling €95.3 million. Of the acquisitions listed below, the acquisitions in Turkey are included in investment properties in pipeline.

| <b>Acquisitions</b> |                                      |                               |
|---------------------|--------------------------------------|-------------------------------|
| Country             | Address                              | Acquisition price (€ million) |
| <i>City</i>         |                                      |                               |
| Netherlands         |                                      |                               |
| Rotterdam           | Zuidplein Hoog 743, 747, 910 and 912 | 7.6                           |
| Spijkenisse         | Nieuwstraat (17 shops)               | 13.1                          |
| Utrecht             | Winkelcentrum Overvecht (15 shops)   | 21.5                          |
| Spain               |                                      |                               |
| Málaga              | Plaza de la Constitución 9           | 5.2                           |
| Turkey              |                                      |                               |
| Istanbul            | Istiklal Caddesi 85                  | 20.6                          |
| Istanbul            | Istiklal Caddesi 161                 | 27.3                          |
| <b>Total</b>        |                                      | <b>95.3</b>                   |

## Investment properties in pipeline

The investment properties in pipeline totalled €72.1 million at year-end 2010. In addition to the acquisitions listed, the pipeline comprises the properties in Plaisir and Arras, both in France, and Lelystad and Houten, both in the Netherlands.

## Disposals

Disposals remained limited to €8.5 million in 2010. An overview is presented below.

| <b>Disposals</b> |                                     |                       |
|------------------|-------------------------------------|-----------------------|
| Country          | Address                             | Net yield (€ million) |
| <i>City</i>      |                                     |                       |
| Netherlands      |                                     |                       |
| Den Haag         | Plaats 21-23 (apartments)           | 0.7                   |
| Helmond          | Heuvel 32                           | 2.9                   |
| Nijmegen         | Plein 1944 (partial sale)           | 1.1                   |
| Sint Oedenrode   | Markt 15-25 / Veestraat 2a          | 0.4                   |
| Winterswijk      | Misterstraat 43-45/Tuinstraat 26-28 | 1.1                   |
| France           |                                     |                       |
| Aulnoye-Aymeries | Allée des Grands Chênes 34          | 0.1                   |
| Lille            | Avenue Kuhlmann 187                 | 0.1                   |
| Lille            | Place de la Gare 42 (hotel)         | 1.2                   |
| Lille            | Rue de Paris 38 (apartment)         | 0.2                   |
| Lille            | Rue Léon Thiriez 99                 | 0.1                   |
| Lille            | Rue de Fleurs                       | 0.1                   |
| Thonon-les-Bains | Rue des Arts 16 (apartment)         | 0.1                   |
| Belgium          |                                     |                       |
| Hasselt          | Genkersteenweg 76 (apartment)       | 0.2                   |
| Vilvoorde        | Leuvensestraat 43 (apartment)       | 0.2                   |
| <b>Total</b>     |                                     | <b>8.5</b>            |

After deduction of sales costs, these disposals yielded a sales profit of €0.7 million.

## Investment result VastNed Retail shareholders 2010

The investment result in the 2010 financial year was €99.2 million positive (€61.4 million negative). The investment result consists of the direct investment result, which fell by 1.2% to

# VASTNED RETAIL

€67.8 million (€68.6 million) mainly due to negative like-for-like net rental income growth, and the indirect investment result of €31.4 million positive (€130.0 million negative).

## Composition of 2010 investment result

### Gross rental income

The total gross rental income was €126.6 million in the 2010 financial year (€130.6 million). The decrease was due to negative like-for-like growth (€3.9 million) caused by lower occupancy rates in the Spanish and French property portfolios. Furthermore, the gross rental income fell by €2.6 million due to disposals made in 2009 and 2010. On the other hand, gross rental income rose by €2.5 million due to acquisitions made in 2009 and 2010.

| Country | Gross rental income (€ million) |         |         |         |         |         |
|---------|---------------------------------|---------|---------|---------|---------|---------|
|         | Q1 2010                         | Q2 2010 | Q3 2010 | Q4 2010 | FY 2010 | FY 2009 |
| NL      | 12.0                            | 12.1    | 12.0    | 12.4    | 48.5    | 49.1    |
| E       | 7.4                             | 7.3     | 7.5     | 7.5     | 29.7    | 31.4    |
| F       | 6.1                             | 6.0     | 6.2     | 6.3     | 24.6    | 26.9    |
| B       | 5.4                             | 5.2     | 5.2     | 5.2     | 21.0    | 20.8    |
| Tr      | 0.4                             | 0.4     | 0.5     | 0.4     | 1.7     | 1.2     |
| P       | 0.3                             | 0.3     | 0.2     | 0.3     | 1.1     | 1.2     |
| T       | 31.6                            | 31.3    | 31.6    | 32.1    | 126.6   | 130.6   |

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

Operating expenses expressed as a percentage of gross rental income increased from to 11.4% to 11.7% or to €18.8 million. The relative increase was mainly due to the lower occupancy rate, which led to an increase of the net service charge expenses. Also, local taxes went up in Spain, while the allocation to the provision for doubtful debtors fell.

### Value movements investment properties

As stated earlier, the value movements of the investment properties in 2010 were €35.5 million positive (€147.5 million negative). The yields fell slightly due to strong demand for retail investment properties.

### Net result on investment property disposals

In 2010 we sold a limited number of smaller retail properties in the Netherlands; several apartments were sold in both Belgium and France. The net result on disposals after deduction of sales costs was €0.7 million positive compared to the appraisal value.

### Net financing costs

The net financing costs including the value movements of financial derivatives fell to €30.9 million (€33.3 million). The net interest expenses decreased from €32.5 million to €30.9 million due to lower interest-bearing debts as a result of the share issue of September 2009 and due to net disposals on balance. The average interest rate on the total interest-bearing capital remained virtually the same at 4.10%. The value of the interest rate derivatives not designated as full hedges under IFRS changed little, partly due to the shorter average maturity of the derivatives, and partly due to a limited movement in the market rate concerning the remaining term compared to 2009.

# VASTNED RETAIL

|                                    | <b>Financial expenses</b> |         |         |         |         |         |
|------------------------------------|---------------------------|---------|---------|---------|---------|---------|
|                                    | Q1 2010                   | Q2 2010 | Q3 2010 | Q4 2010 | FY 2010 | FY 2009 |
| Interest<br>(* €1 million)         | 7.7                       | 7.7     | 7.8     | 8.5     | 31.7    | 32.9    |
| Average interest % on loan capital | 4.17                      | 4.04    | 4.02    | 4.17    | 4.10    | 4.10    |
| Interest coverage ratio (ICR)      | 3.5                       | 3.4     | 3.5     | 3.3     | 3.4     | 3.3     |

## General expenses

The general expenses fell from €7.1 million to €6.6 million in 2010, largely due to lower consultancy and audit costs and other general expenses.

## Income tax payable on the reporting period

Income tax decreased from €1.2 million to €0.2 million due to a lower taxable investment result in Spain and non-recurring tax gains of approx. €0.2 million.

## Movement deferred tax assets and liabilities

The movements in deferred tax assets and liabilities were €1.7 million negative (€15.0 million positive). This was due to very limited value decreases in the Spanish property portfolio and value increases in the Turkish property portfolio.

## Investment result attributable to minority interests

The investment result attributable to minority shareholders of €9.5 million (€5.2 million) consists of the direct and indirect investment results attributable to minority interests of €6.4 million (€6.3 million) and €3.1 million positive (€1.1 million negative) respectively.

## Solvency and loan capital financing

As at December 31, 2010, VastNed Retail's balance sheet showed a healthy financing structure with a loan-to-value of 41.4% (December 31, 2009: 39.9%) and a solvency, being group equity plus deferred tax liabilities divided by the balance sheet total, of 54.6% (December 31, 2009: 55.9%). With this solvency and an interest coverage ratio of 3.4, VastNed Retail 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.

|   | <b>Solvency and loan capital</b> |                   |
|---|----------------------------------|-------------------|
|   | December 31, 2010                | December 31, 2009 |
| Solvency                                | 54.6%                            | 55.9%             |
| LTV                                     | 41.4%                            | 39.9%             |
| Duration based on contract expiry dates | 3.7                              | 3.6               |
| Duration based on interest review dates | 4.7                              | 4.6               |

As at December 31, 2010, 74.1% of the loan portfolio was long-term with an average duration of 3.6 years based on contract expiry dates. Of the long-term loans, an amount of €92.0 million (already included under short-term loan capital) will expire in within one year.

# VASTNED RETAIL

In order to limit the interest rate risk, at December 31, 2010, 76.4% of the loan portfolio was fixed-interest with a duration of 4.7 years based on the interest review dates.

| <i>Breakdown of interest-bearing loan capital<br/>at year-end 2010</i> |                       |                          |              |                   |
|--|-----------------------|--------------------------|--------------|-------------------|
| <i>(€ million)</i>   | <i>Fixed interest</i> | <i>Floating interest</i> | <i>Total</i> | <i>% of total</i> |
| Long-term  | 542.7                 | 69.4                     | 612.1        | 74.1              |
| Short-term   | 88.3                  | 125.2                    | 213.5        | 25.9              |
| Total  | 631.0                 | 194.6                    | 825.6        | 100.0             |
| % of total   | 76.4                  | 23.6                     | 100.0        |                   |

## **Dividend proposal**

It will be proposed to the general meeting of shareholders of May 4, 2011 to declare a final dividend charged to the freely distributable reserves of € 2.58 per ordinary share, being the 2010 direct investment result of € 3.68 per share less the interim dividend of € 1.10 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 or € 1.33 in cash and a percentage of VastNed Retail shares yet to be announced approaching a value of € 1.25 per share, charged to the share premium reserve. The final dividend will be made payable on May 16, 2011.

## **Termination of collaboration with VastNed Offices/Industrial**

At the end of February 2011, the supervisory boards of both VastNed funds in consultation with the board of management have resolved, subject to shareholders' approval, to end the collaboration agreement at January 1, 2011. After termination, VastNed Retail will have an independent management board and management organisation. The future composition of the management board will be determined as soon as possible. The costs of the termination – budgeted at € 2.7 million for VastNed Retail – will be charged to the 2011 financial year.

## **Developments and outlook**

The Asian and Latin American economies showed a solid recovery in 2010, which has benefited northern Europe (with Germany boosting the Benelux countries and France) in particular. This has caused a moderate level of optimism concerning developments in employment and consumer spending. Southern Europe, including Spain, is still struggling with high national debt, continuing bank problems and high unemployment. In this part of Europe, stabilisation is a more likely scenario than growth of employment and consumer spending. The Turkish economy showed solid growth in 2010. With a young and growing population, a sturdy competitive position and limited problems in the banking sector, the outlook for the Turkish economy is very bullish.

Based on the economic developments sketched above and its well-spread and high-quality property portfolio, VastNed Retail anticipates tentative rental income growth in 2011. In view of the sales decline of a major part of the tenants in the Spanish property portfolio during the crisis, the pressure on the rent levels is expected to continue in 2011.



# VASTNED RETAIL

It will be partly offset by an in all probability limited improvement of the occupancy rate in Spain.

The acquisitions made in 2010 will start to contribute to the direct investment result as of 2011. However, part of these acquisitions (approx. € 50 million) concerns two redevelopment projects on Istiklal Caddesi in Istanbul. The redevelopment and finding tenants for these projects is proceeding according to plan, so that these projects are expected to start contributing fully to the direct investment result as of the end of 2011 or early 2012. With our current solid financial position and an active acquisition and disposal policy, we will be able on balance to add further attractive investment properties, which will contribute positively to the 2011 investment result.

Regarding interest developments, the European Central Bank is expected to announce a limited raise of the short-term interest rate in 2011. Due to VastNed Retail's conservative interest rate policy, this will cause only a limited increase in interest expenses.

Based on the developments described above and not taking into account the costs of terminating the collaboration agreement, the board of management anticipates the direct investment result per share in 2011 to increase marginally.

Rotterdam, March 3, 2011

Further information: Arnaud du Pont + 31 10 2424302 (arnaud.du.pont@vastned.nl)

On Friday March 4 at 11 am an analysts' meeting will be held in which further comments will be made on the 2010 annual figures. This meeting can be followed on [www.vastned.nl](http://www.vastned.nl).

### **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 Retail cannot guarantee that its expectations will materialise. Furthermore, VastNed Retail does not accept any obligation to update the statements made in this press release.*



| <b>KEY FIGURES</b>  | <b>December 31,<br/>2010</b> | <b>December 31,<br/>2009</b> |
|---|------------------------------|------------------------------|
| <b>Results (x €1,000)</b>   |                              |                              |
| Gross rental income   | 126,638                      | 130,562                      |
| Direct investment result  | 67,783                       | 68,649                       |
| Indirect investment result  | 31,393                       | (130,032)                    |
| <i>Investment result</i>  | <b>99,176</b>                | <b>(61,383)</b>              |
| <b>Balance sheet (x €1,000)</b>   |                              |                              |
| Investment properties   | 1,995,538                    | 1,861,401                    |
| Equity  | 1,074,905                    | 1,035,093                    |
| Equity VastNed Retail shareholders  | 975,570                      | 939,133                      |
| Long-term liabilities   | 686,942                      | 673,622                      |
| <b>Solvency in accordance with the banks' definition (in %)</b>                                 | 54.6                         | 55.9                         |
| <b>Interest coverage ratio</b>  | 3.4                          | 3.3                          |
| <b>Financial occupancy rate (in %)</b>  | 95.2                         | 96.8                         |
| <b>Average number of ordinary shares in issue</b>   | 18,409,519                   | 17,028,420                   |
| <b>Number of ordinary shares in issue (end of period)</b>                                       | 18,495,220                   | 18,265,213                   |
| <b>Per share (x €1)</b>   |                              |                              |
| Equity VastNed Retail shareholders<br>at beginning of period (including final dividend)         | 51.42                        | 60.80                        |
| Final dividend previous financial year  | (2.78)                       | (2.68)                       |
| <i>Equity VastNed Retail shareholders<br/>at beginning of period (excluding final dividend)</i> | <b>48.64</b>                 | <b>58.12</b>                 |
| Direct investment result  | 3.68                         | 4.03                         |
| Indirect investment result  | 1.71                         | (7.64)                       |
| <i>Investment result</i>  | <b>5.39</b>                  | <b>(3.61)</b>                |
| Value movements financial derivatives<br>taken directly to equity                               | (0.03)                       | (0.78)                       |
| Translation differences net investments   | (0.04)                       | (0.01)                       |
| Other movements   | (0.11)                       | (1.05)                       |
| Interim dividend  | (1.10)                       | (1.25)                       |
| <i>Equity VastNed Retail shareholders<br/>at end of period (including final dividend)</i>       | <b>52.75</b>                 | <b>51.42</b>                 |
| <b>Share price (end of period)</b>  | 51.98                        | 45.835                       |
| <b>Premium (Discount) (in %)</b>  | (1.5)                        | (10.9)                       |

**DIRECT AND INDIRECT INVESTMENT RESULT <sup>1</sup>**

(x €1,000)

|   | <b>2010</b>     | <b>2009</b>      | <b>Q4<br/>2010</b> | <b>Q4<br/>2009</b> |
|---|-----------------|------------------|--------------------|--------------------|
| <b>Direct investment result</b>   |                 |                  |                    |                    |
| Gross rental income   | 126,638         | 130,562          | 32,094             | 31,863             |
| Ground rents paid   | (573)           | (565)            | (146)              | (142)              |
| Net service charge expenses   | (1,900)         | (1,777)          | (526)              | (532)              |
| Operating expenses  | (12,325)        | (12,539)         | (3,119)            | (2,964)            |
| <i>Net rental income</i>  | <b>111,840</b>  | <b>115,681</b>   | <b>28,303</b>      | <b>28,225</b>      |
| Financial income  | 812             | 492              | 309                | 291                |
| Financial expenses  | (31,698)        | (32,949)         | (8,486)            | (8,073)            |
| <i>Net financing costs</i>  | <b>(30,886)</b> | <b>(32,457)</b>  | <b>(8,177)</b>     | <b>(7,782)</b>     |
| General expenses  | (6,605)         | (7,091)          | (1,492)            | (1,663)            |
| <i>Direct investment result before taxes</i>                                  | <b>74,349</b>   | <b>76,133</b>    | <b>18,634</b>      | <b>18,780</b>      |
| Current income tax expense  | (181)           | (1,206)          | 22                 | (92)               |
| <i>Direct investment result after taxes</i>                                   | <b>74,168</b>   | <b>74,927</b>    | <b>18,656</b>      | <b>18,688</b>      |
| Direct investment result attributable to minority interests                   | (6,385)         | (6,278)          | (1,576)            | (1,585)            |
| <i>Direct investment result attributable to VastNed Retail shareholders</i>   | <b>67,783</b>   | <b>68,649</b>    | <b>17,080</b>      | <b>17,103</b>      |
| <b>Indirect investment result</b>   |                 |                  |                    |                    |
| Value movements investment properties in operation                            | 37,930          | (124,103)        | 8,821              | (14,002)           |
| Value movements investment properties under renovation                        | (725)           | (14,731)         | -                  | (1,365)            |
| Value movements investment properties in pipeline                             | (1,729)         | (8,645)          | 805                | (3,791)            |
| <i>Total value movements investment properties</i>                            | <b>35,476</b>   | <b>(147,479)</b> | <b>9,626</b>       | <b>(19,158)</b>    |
| Net result on disposals investment properties                                 | 682             | 2,220            | 235                | (109)              |
| Value movements financial derivatives   | 32              | (822)            | 528                | 66                 |
| <i>Indirect investment result before taxes</i>                                | <b>36,190</b>   | <b>(146,081)</b> | <b>10,389</b>      | <b>(19,201)</b>    |
| Movement deferred tax assets and liabilities                                  | (1,671)         | 14,986           | (796)              | 2,275              |
| <i>Indirect investment result after taxes</i>                                 | <b>34,519</b>   | <b>(131,095)</b> | <b>9,593</b>       | <b>(16,926)</b>    |
| Indirect investment result attributable to minority interests                 | (3,126)         | 1,063            | (229)              | (208)              |
| <i>Indirect investment result attributable to VastNed Retail shareholders</i> | <b>31,393</b>   | <b>(130,032)</b> | <b>9,364</b>       | <b>(17,134)</b>    |
| <i>Investment result attributable to VastNed Retail shareholders</i>          | <b>99,176</b>   | <b>(61,383)</b>  | <b>26,444</b>      | <b>(31)</b>        |
| <b>Per share (x €1)</b>   |                 |                  |                    |                    |
| <i>Direct investment result attributable to VastNed Retail shareholders</i>   | 3.68            | 4.03             | 0.92               | 0.94               |
| <i>Indirect investment result attributable to VastNed Retail shareholders</i> | 1.71            | (7.64)           | 0.51               | (0.94)             |
| <i>Investment result attributable to VastNed Retail shareholders</i>          | <b>5.39</b>     | <b>(3.61)</b>    | <b>1.43</b>        | <b>-</b>           |

<sup>1</sup> This statement contains additional information that is not part of the primary statements and is not required under IFRS

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

(x €1,000)

|   | 2010            | 2009            | Q4<br>2010     | Q4<br>2009     |
|---|-----------------|-----------------|----------------|----------------|
| <b>Net income from investment properties</b>                                    |                 |                 |                |                |
| Gross rental income   | 126,638         | 130,562         | 32,094         | 31,863         |
| Ground rents paid   | (573)           | (565)           | (146)          | (142)          |
| Net service charge expenses   | (1,900)         | (1,777)         | (526)          | (532)          |
| Operating expenses  | (12,325)        | (12,539)        | (3,119)        | (2,964)        |
| <i>Net rental income</i>  | 111,840         | 115,681         | 28,303         | 28,225         |
| Value movements investment properties in operation                              | 37,930          | (124,103)       | 8,821          | (14,002)       |
| Value movements investment properties under renovation                          | (725)           | (14,731)        | -              | (1,365)        |
| Value movements investment properties in pipeline                               | (1,729)         | (8,645)         | 805            | (3,791)        |
| <i>Total value movements investment properties</i>                              | 35,476          | (147,479)       | 9,626          | (19,158)       |
| Net result on disposals of investment properties                                | 682             | 2,220           | 235            | (109)          |
| <i>Total net income from investment properties</i>                              | <b>147,998</b>  | <b>(29,578)</b> | <b>38,164</b>  | <b>8,958</b>   |
| <b>Expenditure</b>  |                 |                 |                |                |
| Financial income  | 812             | 492             | 309            | 291            |
| Financial expenses  | (31,698)        | (32,949)        | (8,486)        | (8,073)        |
| Value movements financial derivatives   | 32              | (822)           | 528            | 66             |
| <i>Net financing costs</i>  | (30,854)        | (33,279)        | (7,649)        | (7,716)        |
| General expenses  | (6,605)         | (7,091)         | (1,492)        | (1,663)        |
| <i>Total expenditure</i>  | <b>(37,459)</b> | <b>(40,370)</b> | <b>(9,141)</b> | <b>(9,379)</b> |
| <i>Investment result before taxes</i>   | <b>110,539</b>  | <b>(69,948)</b> | <b>29,023</b>  | <b>(421)</b>   |
| Current income tax expense  | (181)           | (1,206)         | 22             | (92)           |
| Movement deferred tax assets and liabilities                                    | (1,671)         | 14,986          | (796)          | 2,275          |
|   | (1,852)         | 13,780          | (774)          | 2,183          |
| <i>Investment result after taxes</i>  | <b>108,687</b>  | <b>(56,168)</b> | <b>28,249</b>  | <b>1,762</b>   |
| Investment result attributable to minority interests                            | (9,511)         | (5,215)         | (1,805)        | (1,793)        |
| <i>Investment result attributable to VastNed Retail shareholders</i>            | <b>99,176</b>   | <b>(61,383)</b> | <b>26,444</b>  | <b>(31)</b>    |
| <b>Per share (x €1)</b>   |                 |                 |                |                |
| Investment result per share attributable to VastNed Retail shareholders         | 5.39            | (3.61)          | 1.43           | -              |
| Diluted investment result per share attributable to VastNed Retail shareholders | 5.39            | (3.61)          | 1.43           | -              |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(x €1,000)

|   | <b>2010</b>    | <b>2009</b>     | <b>Q4<br/>2010</b> | <b>Q4<br/>2009</b> |
|---|----------------|-----------------|--------------------|--------------------|
| Investment result   | 108,687        | (56,168)        | 28,249             | 1,762              |
| Value movements financial derivatives taken<br>directly to equity         | (233)          | (15,501)        | 16,355             | 2,294              |
| Translation differences net investments                                   | (677)          | (179)           | (1,636)            | (84)               |
| Taxes on other comprehensive income                                       | (229)          | 2,019           | (2,122)            | (278)              |
| Other comprehensive income  | (1,139)        | (13,661)        | 12,597             | 1,932              |
| <i>Total comprehensive income</i>   | <b>107,548</b> | <b>(69,829)</b> | <b>40,846</b>      | <b>3,694</b>       |
| Attributable to:  |                |                 |                    |                    |
| VastNed Retail shareholders   | 97,933         | (74,781)        | 38,875             | 1,816              |
| Minority interests  | 9,615          | 4,952           | 1,971              | 1,878              |
|   | <b>107,548</b> | <b>(69,829)</b> | <b>40,846</b>      | <b>3,694</b>       |
| <b>Per share (x €1)</b>   |                |                 |                    |                    |
| Total comprehensive income attributable to<br>VastNed Retail shareholders | 5.32           | (4.40)          | 2.10               | (0.10)             |

**CONSOLIDATED BALANCE SHEET**

(x €1,000)

|  | <b>December 31,<br/>2010</b> | <b>December 31,<br/>2009</b> |
|--|------------------------------|------------------------------|
| <b>Assets</b>  |                              |                              |
| Investment properties in operation                               | 1,921,861                    | 1,834,252                    |
| Investment properties under renovation                           | -                            | 3,100                        |
| Other assets in respect of lease incentives                      | 1,586                        | 1,866                        |
|  | <hr/> 1,923,447              | <hr/> 1,839,218              |
| Investment properties in pipeline                                | 72,091                       | 22,183                       |
| <i>Total investment properties</i>                               | <hr/> 1,995,538              | <hr/> 1,861,401              |
| Tangible fixed assets  | 1,080                        | 997                          |
| Financial derivatives  | 978                          | -                            |
| Deferred tax assets  | 478                          | 904                          |
| <i>Total fixed assets</i>  | <hr/> <b>1,998,074</b>       | <hr/> <b>1,863,302</b>       |
| Debtors and other receivables                                    | 8,764                        | 22,474                       |
| Income tax   | 411                          | 2,479                        |
| Cash and cash equivalents  | 7,383                        | 5,739                        |
| <i>Total current assets</i>                                      | <hr/> <b>16,558</b>          | <hr/> <b>30,692</b>          |
| <i>Total assets</i>  | <hr/> <b>2,014,632</b>       | <hr/> <b>1,893,994</b>       |
| <b>Equity and liabilities</b>                                    |                              |                              |
| Capital paid-up and called                                       | 92,476                       | 91,326                       |
| Share premium reserve  | 471,370                      | 472,554                      |
| Hedging reserve in respect of financial derivatives              | (31,649)                     | (31,083)                     |
| Translations reserve   | (780)                        | (103)                        |
| Other reserves   | 344,977                      | 467,822                      |
| Investment result attributable<br>to VastNed Retail shareholders | 99,176                       | (61,383)                     |
| Equity VastNed Retail shareholders                               | <hr/> 975,570                | <hr/> 939,133                |
| Equity minority interests  | 99,335                       | 95,960                       |
| <i>Total equity</i>  | <hr/> <b>1,074,905</b>       | <hr/> <b>1,035,093</b>       |
| Deferred tax liabilities   | 25,329                       | 23,989                       |
| Provisions in respect of employee benefits                       | 1,023                        | 1,236                        |
| Long-term interest-bearing loans                                 | 612,059                      | 597,616                      |
| Financial derivatives  | 37,290                       | 37,066                       |
| Long-term tax liabilities  | 2,677                        | 5,434                        |
| Guarantee deposits   | 8,564                        | 8,281                        |
| <i>Total long-term liabilities</i>                               | <hr/> <b>686,942</b>         | <hr/> <b>673,622</b>         |
| Payable to banks   | 121,544                      | 102,474                      |
| Redemption long-term liabilities                                 | 92,013                       | 42,138                       |
| Financial derivatives  | 1,211                        | -                            |
| Income tax   | 3,211                        | 3,813                        |
| Other liabilities and accruals                                   | 34,806                       | 36,854                       |
| <i>Total short-term liabilities</i>                              | <hr/> <b>252,785</b>         | <hr/> <b>185,279</b>         |
| <i>Total equity and liabilities</i>                              | <hr/> <b>2,014,632</b>       | <hr/> <b>1,893,994</b>       |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(x €1,000)

|  | Capital<br>paid up and<br>capital | Share<br>premium<br>reserve | Hedging<br>reserve in<br>respect of<br>financial<br>derivatives | Translation<br>reserve | Other<br>reserves | Investment<br>result<br>attributable<br>to<br>VastNed<br>Retail<br>shareholders | Equity<br>VastNed<br>Retail<br>shareholders | Equity<br>minority<br>interests | Total<br>equity  |
|--|-----------------------------------|-----------------------------|---|------------------------|-------------------|---|---|---------------------------------|------------------|
| Balance as at January 1, 2009                  | 82,088                            | 407,460                     | (17,864)  | 76                     | 577,464           | (51,054)  | 998,170                                     | 96,230                          | 1,094,400        |
| Investment result                              |                                   |                             |   |                        |                   | (61,383)  | (61,383)                                    | 5,215                           | (56,168)         |
| Value movements financial<br>derivatives       |                                   |                             | (13,219)  |                        |                   |   | (13,219)                                    | (263)                           | (13,482)         |
| Translation differences net investments        |                                   |                             |   | (179)                  |                   |   | (179)                                       |                                 | (179)            |
| <i>Total comprehensive income</i>              | -                                 | -                           | (13,219)  | (179)                  | -                 | (61,383)  | (74,781)                                    | 4,952                           | (69,829)         |
| Share issues                                   | 8,302                             | 67,249                      |   |                        |                   |   | 75,551                                      |                                 | 75,551           |
| Costs of share issues                          |                                   | (1,198)                     |   |                        |                   |   | (1,198)                                     |                                 | (1,198)          |
| Stock dividend                                 | 936                               | (936)                       |   |                        |                   |   | -   |                                 | -                |
| Costs of stock dividend                        |                                   | (21)                        |   |                        |                   |   | (21)  |                                 | (21)             |
| Final dividend previous financial year in cash |                                   |                             |   |                        |                   | (37,832)  | (37,832)                                    | (5,222)                         | (43,054)         |
| Interim dividend 2009 in cash                  |                                   |                             |   |                        | (20,756)          |   | (20,756)                                    |                                 | (20,756)         |
| Allocation from profit appropriation           |                                   |                             |   |                        | (88,886)          | 88,886  | -   |                                 | -                |
| <i>Balance as at December 31, 2009</i>         | <i>91,326</i>                     | <i>472,554</i>              | <i>(31,083)</i>   | <i>(103)</i>           | <i>467,822</i>    | <i>(61,383)</i>   | <i>939,133</i>                              | <i>95,960</i>                   | <i>1,035,093</i> |
| Investment result                              |                                   |                             |   |                        |                   | 99,176  | 99,176                                      | 9,511                           | 108,687          |
| Value movements financial<br>derivatives       |                                   |                             | (566)   |                        |                   |   | (566)                                       | 104                             | (462)            |
| Translation differences net investments        |                                   |                             |   | (677)                  |                   |   | (677)                                       |                                 | (677)            |
| <i>Total comprehensive income</i>              | -                                 | -                           | (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   | -   |                                 | -                |
| <i>Balance as at December 31, 2010</i>         | <i>92,476</i>                     | <i>471,370</i>              | <i>(31,649)</i>   | <i>(780)</i>           | <i>344,977</i>    | <i>99,176</i>   | <i>975,570</i>                              | <i>99,335</i>                   | <i>1,074,905</i> |

## CONSOLIDATED CASH FLOW STATEMENT

(x €1,000)

|   | <u>2010</u>            | <u>2009</u>            |
|---|------------------------|------------------------|
| <b>Cash flow from operating activities</b>  |                        |                        |
| Investment result   | 108,687                | (56,168)               |
| Adjustments for:  |                        |                        |
| Value movements investment properties   | (35,476)               | 147,479                |
| Net result on disposals investment properties   | (682)                  | (2,220)                |
| Net financing costs   | 30,854                 | 33,279                 |
| Income tax  | 1,852                  | (13,780)               |
| <i>Cash flow from operating activities before changes in working capital and provisions</i> | <u>105,235</u>         | <u>108,590</u>         |
| Movement current assets   | 4,197                  | 1,522                  |
| Movement short-term liabilities   | (285)                  | 2,455                  |
| Movement provisions   | (213)                  | -                      |
|   | <u>108,934</u>         | <u>112,567</u>         |
| Interest paid (on balance)  | (32,558)               | (29,792)               |
| Income tax paid   | 1,348                  | (1,510)                |
| <i>Cash flow from operating activities</i>  | <u><b>77,724</b></u>   | <u><b>81,265</b></u>   |
| <b>Cash flow from investment activities</b>   |                        |                        |
| Acquisition of investment properties and investments  | (108,631)              | (57,086)               |
| Disposal of investment properties   | 17,373                 | 56,952                 |
| <i>Cash flow from property</i>  | <u>(91,258)</u>        | <u>(134)</u>           |
| Movement tangible fixed assets  | (82)                   | 78                     |
| <i>Cash flow from investment activities</i>   | <u><b>(91,340)</b></u> | <u><b>(56)</b></u>     |
| <b>Cash flow from financing activities</b>  |                        |                        |
| Share issue   | -                      | 74,353                 |
| Dividend paid   | (67,716)               | (63,493)               |
| Interest-bearing loans drawn down   | 133,630                | 37,350                 |
| Interest-bearing loans redeemed   | (50,681)               | (126,769)              |
| <i>Cash flow from financing activities</i>  | <u><b>15,233</b></u>   | <u><b>(78,559)</b></u> |
| <b>Movement in cash and cash equivalents</b>  | <b>1,617</b>           | <b>2,650</b>           |
| Cash and cash equivalents as at January 1   | 5,739                  | 3,089                  |
| Translation differences on cash and cash equivalents  | 27                     | -                      |
| <i>Cash and cash equivalents at end of period</i>   | <u><b>7,383</b></u>    | <u><b>5,739</b></u>    |

## Segment information

|              | Investment properties |                  | Gross rental income |                | Operating costs including ground rents paid and net service charge expenses |               | Net rental income |                |
|--------------|-----------------------|------------------|---------------------|----------------|---|---------------|-------------------|----------------|
|              | December 31, 2010     | 2009             | 2010                | 2009           | 2010  | 2009          | 2010              | 2009           |
| Netherlands  | 754,255               | 704,608          | 48,467              | 49,074         | 6,080   | 6,548         | 42,387            | 42,526         |
| Spain        | 416,626               | 413,261          | 29,706              | 31,355         | 4,060   | 3,877         | 25,646            | 27,478         |
| France       | 424,610               | 401,802          | 24,612              | 26,942         | 2,516   | 2,440         | 22,096            | 24,502         |
| Belgium      | 303,287               | 298,882          | 21,037              | 20,848         | 1,810   | 1,883         | 19,227            | 18,965         |
| Turkey       | 84,452                | 30,315           | 1,686               | 1,213          | 283   | 164           | 1,403             | 1,049          |
| Portugal     | 12,308                | 12,533           | 1,130               | 1,130          | 49  | (31)          | 1,081             | 1,161          |
| <b>Total</b> | <b>1,995,538</b>      | <b>1,861,401</b> | <b>126,638</b>      | <b>130,562</b> | <b>14,798</b>   | <b>14,881</b> | <b>111,840</b>    | <b>115,681</b> |

|  | Value movements investment properties |                  | Net result on disposals investment properties |              | Movement in deferred tax assets and liabilities |               | Total         |                  |
|--|---------------------------------------|------------------|---|--------------|---|---------------|---------------|------------------|
|  | 2010                                  | 2009             | 2010  | 2009         | 2010  | 2009          | 2010          | 2009             |
| Netherlands                            | 11,402                                | (23,863)         | 409   | 1,854        | (426)   | (314)         | 11,385        | (22,323)         |
| Spain                                  | (4,481)                               | (90,225)         | -   | -            | (862)   | 15,797        | (5,343)       | (74,428)         |
| France                                 | 22,060                                | (33,341)         | 92  | 154          | 15  | (358)         | 22,167        | (33,545)         |
| Belgium                                | 4,458                                 | 501              | 181   | 212          | (12)  | (96)          | 4,627         | 617              |
| Turkey                                 | 2,262                                 | 397              | -   | -            | (391)   | (142)         | 1,871         | 255              |
| Portugal                               | (225)                                 | (948)            | -   | -            | 5   | 99            | (220)         | (849)            |
|  | 35,476                                | (147,479)        | 682   | 2,220        | (1,671)   | 14,986        | 34,487        | (130,273)        |
| Of which attributable to third parties | (3,114)                               | 868              | (50)  | (59)         | 3   | 27            | (3,161)       | 836              |
|  | <b>32,362</b>                         | <b>(146,611)</b> | <b>632</b>                                    | <b>2,161</b> | <b>(1,668)</b>                                  | <b>15,013</b> | <b>31,326</b> | <b>(129,437)</b> |

The press release has not been audited.

The financial enclosures of this press release have been prepared in accordance with International Financial Reporting Standards 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 2009 annual accounts.

### Effect of new, revised and improved standards

Below, the revised standards and interpretations are set out that took effect in 2010 and that are relevant for the presentation, the notes and/or the financial results of VastNed Retail.

- IFRS 3 *Business Combinations (revised)* and IAS 27 *Consolidated and Separate Financial Statements (revised)* has taken effect on July 1, 2009. The revisions of these standards are being applied prospectively and affect future business combinations, loss of control of subsidiaries and transactions with minority interests.

- 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 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 (revised), IFRS 2 Share-based Payment, IAS 39 Financial Instruments: Recognition and Measurement, IFRIC 12 Service Concession Arrangements, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 16 Hedges of a Net Investment in a Foreign Operation, IFRIC 17 Distributions of Non-cash Assets to Owners and IFRIC 18 Transfers of Assets from Customers.*

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 2009 annual accounts. The 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.