

## Press release nine months' results 2010

### VASTNED RETAIL REALISES STABLE DIRECT INVESTMENT RESULT AND POSITIVE VALUE MOVEMENTS IN PROPERTY PORTFOLIO

*Reinier van Gerrevink, CEO VastNed Retail: 'The letting market in the current economic climate is very competitive, with retailers rating good locations even more highly than usual. In the past quarter we have yet again been able to satisfy demand for good locations by concluding new leases totalling € 2.6 million. In the Spanish portfolio in particular, providing lease incentives remained necessary to improve the occupancy rate. The occupancy rate of the total property portfolio remained stable in the past quarter.*

*This was the third consecutive quarter marked by positive value movements, which reflects the strongly improved retail property investment market.*

*The direct investment result for the first nine months of 2010 remained stable. On a per share basis it amounted to € 2.76 per share, which was lower than last year. This was due to the dilutive effect of the share issue made in September 2009 and the delayed start of the acquisition programme. This programme is now in full flow and has resulted in a € 75 million increase of the property portfolio, thus fully investing the proceeds of the share issue.*

*We expect to be able to make further acquisitions in the next few quarters from existing credit facilities.*

*We reiterate our expectation that the direct investment result for the full year 2010 will reach € 3.60 to € 3.70.'*

*(in brackets: first nine months 2009)*

- **Direct investment result: €50.7 million (€51.5 million);**
- **Indirect investment result: €22.0 million positive (€112.9 million negative);**
- **Investment result: €72.7 million positive (€61.4 million negative);**
- **Direct investment result per share: €2.76 (€3.10);**
- **Indirect investment result per share: €1.20 positive (€6.80 negative);**
- **Investment result per share: €3.96 positive (€3.70 negative);**
- **Shareholders' equity per share as at September 30, 2010: €50.65 (September 30, 2009: €51.32);**
- **Average occupancy rate: 95.2% (97.2%);**
- **Solvency as at September 30, 2010: 53.8% (September 30, 2009: 55.8%).**

#### 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 € 1,946.6 million as at September 30, 2010 (September 30, 2009: € 1,871.4 million).

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## Investment properties

The developments in the area of occupancy rate, rent levels, value movements and investments and disposals in the property portfolio in the first nine months of 2010 were as follows.

### Occupancy rate

The average occupancy rate in the first nine months of 2010 was 95.2% (97.2%). The occupancy rate as at September 30, 2010 was virtually equal to the end of the second quarter. The occupancy rate in the Spanish property portfolio improved due to the large volume of new leases of € 1.1 million, including the letting of a former cinema in the Las Atalayas shopping centre in Murcia to a fitness studio. As the volume of departing tenants remained limited to € 0.3 million, the occupancy rate in Spain increased to 92.4%. The occupancy rate in the Netherlands fell marginally. The occupancy rate by country was as follows.

Country	Occupancy rate in %		
	September 30, 2010	9M 2010	9M 2009
NL	96.2	97.8	98.1
E	92.4	91.4	94.7
F	92.3	92.8	97.6
B	98.7	99.1	99.3
Tr	95.5	82.6	81.3
P	100.0	100.0	100.0
T	94.9	95.2	97.2

### Leasing activity

The leasing activity in the third quarter of 2010 increased compared to the previous quarter (€ 2.6 million vs. € 1.7 million), taking the total leasing volume to € 8.0 million or 6.1% of gross rental income. The new rent levels of the lettings in the past quarter were 4.5% above the previous level. Taking the lease incentives into account, the new rent levels were 11.8% below the previous rent level. This figure includes significant lease incentives in connection with the lease of Las Atalayas.

Country	Total leasing activity 9M 2010 based on contract rents							
	Movement gross rent %				Volume as a % of theoretical gross rent			
	Q1 2010	Q2 2010	Q3 2010	9M 2010	Q1 2010	Q2 2010	Q3 2010	9M 2010
NL	24.8	12.1	10.0	16.0	1.0	0.9	0.9	2.9
E	(16.4)	(15.6)	(0.6)	(9.2)	2.4	2.2	3.7	8.2
F	(23.8)	-	26.2	(14.5)	5.6	0.1	1.6	7.4
B	2.3	1.2	(11.6)	(0.9)	3.0	1.3	1.2	5.7
Tr	-	1.3	1.5	0.9	10.4	7.1	10.6	28.4
T	(10.4)	(3.6)	4.5	(4.3)	2.8	1.3	2.0	6.1

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## Total leasing activity 9M 2010 based on effective rent levels

Country	Movement gross rent %			
	Q1 2010	Q2 2010	Q3 2010	9M 2010
NL	23.9	11.7	9.0	15.3
E	(20.9)	(18.0)	(30.0)	(24.2)
F	(25.4)	-	18.2	(17.3)
B	(0.8)	(0.4)	(13.1)	(3.3)
Tr	-	(4.0)	1.5	(0.5)
T	(12.7)	(5.5)	(11.8)	(10.9)

### 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 first nine months of 2010.

## IFRS lease incentives in %

Country	Q1 2010	Q2 2010	Q3 2010	9M 2010	9M 2009
NL	(0.4)	(0.6)	(0.5)	(0.5)	(0.5)
E	(5.3)	(5.9)	(6.0)	(5.7)	(3.5)
F	(1.6)	(1.6)	(1.8)	(1.7)	(1.5)
B	(2.1)	(1.8)	(1.7)	(1.9)	(1.2)
Tr	-	-	-	-	-
P	-	-	-	-	-
T	(2.1)	(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 € 25.9 million positive (€ 128.3 million negative). The theoretical net yield on the property portfolio was 6.6% as at September 30, 2010. The decreased initial yields reflect strong demand for good quality retail property.

## Value movements (€ million)

Country	Q1 2010	Q2 2010	Q3 2010	9M 2010	9M 2009
NL	2.8	4.3	1.7	8.8	(20.0)
E	(1.7)	(0.5)	(1.0)	(3.2)	(81.1)
F	2.8	3.0	9.2	15.0	(26.2)
B	1.9	1.3	1.0	4.2	(0.6)
Tr	0.4	0.3	0.5	1.2	0.4
P	(0.1)	-	-	(0.1)	(0.8)
T	6.1	8.4	11.4	25.9	(128.3)

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**Value movements as a percentage of starting values and net yields**

Country	Q1 2010	Q2 2010	Q3 2010	9M 2010	Net yield September 30, 2010	Net yield June 30, 2010
NL	0.4	0.6	0.5	1.3	6.2	6.2
E	(0.4)	(0.1)	(0.2)	(0.8)	7.8	7.8
F	0.7	0.7	2.3	3.8	6.2	6.4
B	0.6	0.4	0.3	1.4	6.5	6.5
Tr	1.3	0.6	1.7	4.1	5.5	5.5
P	(0.7)	(0.3)	0.3	(0.8)	8.6	8.7
T	0.3	0.4	0.6	1.4	6.6	6.7

## Acquisitions

In the third quarter of 2010, 15 retail units were acquired in the Overvecht shopping centre in Utrecht. VastNed Retail has also expanded its position in the Zuidplein shopping centre in Rotterdam with four shops. These 19 retail units were acquired for €29.1 million at a net initial yield of approx. 6%. In the second quarter of 2010 a single retail unit at Plaza de la Constitución 9 in Málaga was acquired for €5.2 million at a net initial yield of 5.7%. This unit is on a long-term lease to Banesto. The property at Istiklal Caddesi 85 in Istanbul that was acquired in the first quarter of 2010 was expanded by the acquisition of the property backed onto it. The property will be fully renovated, and has been taken to investment properties in pipeline at an amount of €20.6 million.

## Disposals

In the first nine months of 2010, the following disposals were made:

Country	Address	Net yield (€ million)
<b>Disposals</b>		
<b>Netherlands</b>		
Den Haag	Plaats 21-23 (apartments)	0.7
Nijmegen	Plein 1944 nr 151 (partial sale)	0.6
Sint Oedenrode	Heuvel 32	0.4
Winterswijk	Misterstraat 43-45/Tuinstraat 26-28	1.1
<b>France</b>		
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 des Fleurs 21	0.1
Lille	Rue Léon Thiriez 99	0.1
Thonon-les-Bains	Rue des Arts 16 (partial sale)	0.1
<b>Belgium</b>		
Hasselt	Genkersteenweg 76 (apartments)	0.2
Vilvoorde	Leuvenestraat 43 (apartment)	0.2
<b>Total</b>		<b>5.1</b>

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## Investment result VastNed Retail shareholders in the first nine months of 2010

The investment result in the first nine months of 2010 was €72.7 million positive (€61.4 million negative). The investment result comprises the direct investment result, which fell by 1.6% to €50.7 million (€51.5 million) and the indirect investment result, which was €22.0 million positive (€112.9 million negative).

## Composition of investment result first nine months 2010

### Gross rental income

In the first nine months of 2010, gross rental income was €94.5 million (€98.7 million). The decrease of the gross rental income was attributable to the disposals made in the Dutch property portfolio in 2009 and to the lower occupancy rates in the Spanish and French portfolios compared to 2009.

Country	Gross rental income (€ million)				
	Q1 2010	Q2 2010	Q3 2010	9M 2010	9M 2009
NL	12.0	12.1	12.0	36.1	37.1
E	7.4	7.3	7.5	22.2	24.0
F	6.1	6.0	6.2	18.3	20.2
B	5.4	5.2	5.2	15.8	15.6
Tr	0.4	0.4	0.5	1.3	0.9
P	0.3	0.3	0.2	0.8	0.9
T	31.6	31.3	31.6	94.5	98.7

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

The operating expenses were €9.2 million (€9.6 million) or 9.8% of gross rental income. The decrease was mainly caused by lower allocations to the provision for doubtful debtors. The net service charge expenses showed a limited increase to €1.4 million (€1.2 million).

### Value movements investment properties

As stated earlier, the value movements of the investment properties in the first nine months of 2010 were €25.9 million positive (€128.3 million negative).

### Net result on investment property disposals

The net result on disposals after deduction of sales costs was €0.4 million positive (€2.3 million positive).

### Net financing costs

The net financing costs including the value movements of financial derivatives fell to €23.2 million (€25.6 million). Net interest expenses fell from €24.7 million to €22.7 million due to lower interest-bearing debt. The average interest rate remained virtually unchanged at 4.08% (4.04%). The average interest rate fell due to the decreased short-term market rate, while on the other hand it increased due the fact that the interest-bearing debt financed at a floating rate has come down. Due to the lower market rate, the market value of the interest rate derivatives not designated as full hedges under IFRS also fell by €0.5 million (decrease of €0.9 million).

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<b>Financial expenses</b>					
	Q1 2010	Q2 2010	Q3 2010	9M 2010	9M 2009
Interest (* €1 million)	7.7	7.7	7.8	23.2	24.9
Average interest % on loan capital	4.17	4.04	4.02	4.08	4.04
Interest coverage ratio (ICR)	3.5	3.4	3.5	3.5	3.3

## *General expenses*

General expenses decreased from € 5.4 million in the first nine months of 2009 to € 5.1 million in the first nine months of 2010 mainly due to lower consultancy and audit costs.

## *Income tax payable on the reporting period*

Income tax decreased from € 1.1 million to € 0.2 million.

## *Movement deferred tax assets and liabilities*

The movements in deferred tax assets and liabilities were € 0.9 million negative (€ 12.7 million positive).

## *Investment result attributable to minority interests*

The investment result attributable to minority shareholders of € 7.7 million (€ 3.4 million) consists of the direct and indirect investment results attributable to minority interests of € 4.8 million (€ 4.7 million) and € 2.9 million (€ 1.3 million negative) respectively.

## **Solvency and loan capital financing**

As at September 30, 2010, VastNed Retail's balance sheet showed a healthy financing structure with a loan-to-value of 39.6% (September 30, 2009: 39.6%) and a solvency, being group equity plus deferred tax liabilities divided by the balance sheet total, of 53.8% (September 30, 2009: 55.8%). With this solvency and an interest coverage ratio of 3.5, 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>		
	September 30, 2010	September 30, 2009
Solvency	53.8	55.8
LTV	39.6	39.6
Duration based on contract expiry dates	3.1	3.9
Duration based on interest review dates	4.7	4.5

As at September 30, 2010, 78.5% of the loan portfolio was long-term with an average duration of 3.1 years based on contract expiry dates. Of the long-term loans, an amount of € 27.3 million (already included under short-term loan capital) will expire in within one year. In order to limit the interest rate risk, as at September 30, 2010, 76.9% of the loan portfolio was fixed-interest with a duration of 4.7 years based on the interest review dates.

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## *Breakdown of interest-bearing loan capital as at September 30, 2010*

(€ million)	Fixed interest	Floating interest	Total	% of total
Long-term	565.8	39.6	605.4	78.5
Short-term	27.3	138.1	165.4	21.5
<b>Total</b>	<b>593.1</b>	<b>177.7</b>	<b>770.8</b>	<b>100.0</b>
% of total	76.9	23.1	100.0	

After the conclusion of the third quarter, VastNed Retail successfully placed a €75 million long-term bond with an institutional investor in the United States. This is VastNed Retail's first transaction in the US private placement market. With this issue VastNed Retail reduces its dependency on the regular bank debt market and increases the maturity of its debt portfolio. The notes of the bond were issued in two equal tranches of €37.5 million, with maturities of 7 and 10 years. The coupons were priced at a fixed rate of 4.79% and 5.46% respectively.

### **Euronext listing**

VastNed Retail has resolved to discontinue its listing on NYSE Euronext Paris. This will result in cost savings while all the fiscal benefits of the French SIIC status will remain in place. VastNed Retail's shares will continue to be traded on NYSE Euronext Amsterdam. The last trading day on NYSE Euronext Paris will be November 8, 2010.

### **Developments and outlook**

In spite of the faltering economy and low consumer confidence, the board of management anticipates that the retail property market will remain relatively robust in the last quarter of 2010. There will continue to be some pressure on rent levels since the decreased sales of some retailers have not yet been reflected in the current contract rents.

Furthermore, we observe that Euribor rates are rising. However, this will affect VastNed Retail but to a limited extent since only a small part of its loan portfolio is financed at a floating rate.

Taking the above developments into account, the board of management expects to be able to maintain its previously published anticipation of a direct investment result per share of between €3.60 to €3.70.

Rotterdam, November 4, 2010

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On Friday November 5 at 10 am a webcast will be held in which further comments will be made on the figures of the first nine months of 2010. This meeting can be followed on [www.vastned.nl](http://www.vastned.nl).



# VASTNED RETAIL

## **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>September 30, 2010</b>	<b>December 31, 2009</b>	<b>September 30, 2009</b>
<b>Results (x €1,000)</b>			
Gross rental income	94,544	130,562	98,699
Direct investment result	50,703	68,649	51,546
Indirect investment result	22,029	(130,032)	(112,898)
<i>Investment result</i>	<b>72,732</b>	<b>(61,383)</b>	<b>(61,352)</b>
<b>Balance sheet (x €1,000)</b>			
Investment properties	1,946,564	1,861,401	1,871,442
Equity	1,034,059	1,035,093	1,031,455
Equity VastNed Retail shareholders	936,695	939,133	937,373
Long-term liabilities	696,744	673,622	685,551
<b>Solvency in accordance with the banks' definition (in %)</b>	53.8	55.9	55.8
<b>Interest coverage ratio</b>	3.5	3.3	3.3
<b>Financial occupancy rate (in %)</b>	95.2	96.8	97.2
<b>Average number of ordinary shares in issue</b>	18,380,638	17,028,420	16,611,625
<b>Number of ordinary shares in issue (end of period)</b>	18,495,220	18,265,213	18,265,213
<b>Per share (x €1)</b>			
Equity VastNed Retail shareholders at beginning of period (including final dividend)	51.42	60.80	60.80
Final dividend previous financial year	(2.78)	(2.68)	(2.68)
<i>Equity VastNed Retail shareholders at beginning of period (excluding final dividend)</i>	<b>48.64</b>	<b>58.12</b>	<b>58.12</b>
Direct investment result	2.76	4.03	3.10
Indirect investment result	1.20	(7.64)	(6.80)
<i>Investment result</i>	<b>3.96</b>	<b>(3.61)</b>	<b>(3.70)</b>
Value movements financial derivatives taken directly to equity	(0.79)	(0.78)	(0.91)
Translation differences net investments	0.05	(0.01)	(0.01)
Other movements	(0.11)	(1.05)	(0.93)
Interim dividend	(1.10)	(1.25)	(1.25)
<i>Equity VastNed Retail shareholders at end of period (including final dividend)</i>	<b>50.65</b>	<b>51.42</b>	<b>51.32</b>
<b>Share price (end of period)</b>	49.93	45.835	43.99
<b>Premium (Discount) (in %)</b>	(1.4)	(10.9)	(14.3)

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

(x €1,000)

	9M 2010	9m 2009	Q3 2010	Q3 2009
<b>Net income from investment properties</b>				
Gross rental income	94,544	98,699	31,610	32,637
Ground rents paid	(427)	(423)	(143)	(138)
Net service charge expenses	(1,374)	(1,245)	(509)	(468)
Operating expenses	(9,247)	(9,575)	(3,362)	(3,204)
<i>Net rental income</i>	83,496	87,456	27,596	28,827
Value movements investment properties in operation	29,109	(110,101)	12,929	(12,913)
Value movements investment properties under renovation	(725)	(13,366)	(4)	(176)
Value movements investment properties in pipeline	(2,534)	(4,854)	(1,570)	(1,045)
<i>Total value movements investment properties</i>	25,850	(128,321)	11,355	(14,134)
Net result on disposals of investment properties	447	2,329	137	-
<i>Total net income from investment properties</i>	<b>109,793</b>	<b>(38,536)</b>	<b>39,088</b>	<b>14,693</b>
<b>Expenditure</b>				
Financial income	503	201	306	33
Financial expenses	(23,212)	(24,876)	(7,803)	(7,936)
Value movements financial derivatives	(496)	(888)	623	(538)
<i>Net financing costs</i>	(23,205)	(25,563)	(6,874)	(8,441)
General expenses	(5,072)	(5,428)	(1,599)	(1,768)
<i>Total expenditure</i>	<b>(28,277)</b>	<b>(30,991)</b>	<b>(8,473)</b>	<b>(10,209)</b>
<i>Investment result before taxes</i>	<b>81,516</b>	<b>(69,527)</b>	<b>30,615</b>	<b>4,484</b>
Current income tax expense	(203)	(1,114)	164	(400)
Movement deferred tax assets and liabilities	(875)	12,711	(330)	1,468
	(1,078)	11,597	(166)	1,068
<i>Investment result after taxes</i>	<b>80,438</b>	<b>(57,930)</b>	<b>30,449</b>	<b>5,552</b>
Investment result attributable to minority interests	(7,706)	(3,422)	(3,387)	(1,723)
<i>Investment result attributable to VastNed Retail shareholders</i>	<b>72,732</b>	<b>(61,352)</b>	<b>27,062</b>	<b>3,829</b>
<b>Per share (x €1)</b>				
Investment result per share attributable to VastNed Retail shareholders	3.96	(3.70)	1.47	0.23
Diluted investment result per share attributable to VastNed Retail shareholders	3.96	(3.70)	1.47	0.23

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(x €1,000)

	<b>9M 2010</b>	<b>9M 2009</b>	<b>Q3 2010</b>	<b>Q3 2009</b>
Investment result	80,438	(57,930)	30,449	5,552
Value movements financial derivatives taken directly to equity	(16,588)	(17,795)	(568)	(5,776)
Translation differences net investments	959	(95)	180	135
Taxes on other comprehensive income	1,893	2,297	94	686
Other comprehensive income	<u>(13,736)</u>	<u>(15,593)</u>	<u>(294)</u>	<u>(4,955)</u>
<i>Total comprehensive income</i>	<b>66,702</b>	<b>(73,523)</b>	<b>30,155</b>	<b>597</b>
Attributable to:				
VastNed Retail shareholders	59,058	(76,597)	26,663	(1,052)
Minority interests	7,644	3,074	3,492	1,649
	<u>66,702</u>	<u>(73,523)</u>	<u>30,155</u>	<u>597</u>
<b>Per share (x €1)</b>				
Total comprehensive income attributable to VastNed Retail shareholders	3.22	(4.62)	1.44	(0.06)

**DIRECT AND INDIRECT INVESTMENT RESULT <sup>1</sup> (x €1,000)**

	<b>9M 2010</b>	<b>9M 2009</b>	<b>Q3 2010</b>	<b>Q3 2009</b>
<b>Direct investment result</b>				
Gross rental income	94,544	98,699	31,610	32,637
Ground rents paid	(427)	(423)	(143)	(138)
Net service charge expenses	(1,374)	(1,245)	(509)	(468)
Operating expenses	(9,247)	(9,575)	(3,362)	(3,204)
<i>Net rental income</i>	<u>83,496</u>	<u>87,456</u>	<u>27,596</u>	<u>28,827</u>
Financial income	503	201	306	33
Financial expenses	(23,212)	(24,876)	(7,803)	(7,936)
<i>Net financing costs</i>	<u>(22,709)</u>	<u>(24,675)</u>	<u>(7,497)</u>	<u>(7,903)</u>
General expenses	(5,072)	(5,428)	(1,599)	(1,768)
<i>Direct investment result before taxes</i>	<u><b>55,715</b></u>	<u><b>57,353</b></u>	<u><b>18,500</b></u>	<u><b>19,156</b></u>
Current income tax expense	(203)	(1,114)	164	(400)
<i>Direct investment result after taxes</i>	<u><b>55,512</b></u>	<u><b>56,239</b></u>	<u><b>18,664</b></u>	<u><b>18,756</b></u>
Direct investment result attributable to minority interests	(4,809)	(4,693)	(1,595)	(1,514)
<i>Direct investment result attributable to VastNed Retail shareholders</i>	<u><b>50,703</b></u>	<u><b>51,546</b></u>	<u><b>17,069</b></u>	<u><b>17,242</b></u>
<b>Indirect investment result</b>				
Value movements investment properties in operation	29,109	(110,101)	12,929	(12,913)
Value movements investment properties under renovation	(725)	(13,366)	(4)	(176)
Value movements investment properties in pipeline	(2,534)	(4,854)	(1,570)	(1,045)
<i>Total value movements investment properties</i>	<u>25,850</u>	<u>(128,321)</u>	<u><b>11,355</b></u>	<u><b>(14,134)</b></u>
Net result on disposals investment properties	447	2,329	137	-
Value movements financial derivatives	(496)	(888)	623	(538)
<i>Indirect investment result before taxes</i>	<u><b>25,801</b></u>	<u><b>(126,880)</b></u>	<u><b>12,115</b></u>	<u><b>(14,672)</b></u>
Movement deferred tax assets and liabilities	(875)	12,711	(330)	1,468
<i>Indirect investment result after taxes</i>	<u><b>24,926</b></u>	<u><b>(114,169)</b></u>	<u><b>11,785</b></u>	<u><b>(13,204)</b></u>
Indirect investment result attributable to minority interests	(2,897)	1,271	(1,792)	(209)
<i>Indirect investment result attributable to VastNed Retail shareholders</i>	<u><b>22,029</b></u>	<u><b>(112,898)</b></u>	<u><b>9,993</b></u>	<u><b>(13,413)</b></u>
<i>Investment result attributable to VastNed Retail shareholders</i>	<u><b>72,732</b></u>	<u><b>(61,352)</b></u>	<u><b>27,062</b></u>	<u><b>3,829</b></u>
<b>Per share (x €1)</b>				
Direct investment result attributable to VastNed Retail shareholders	2.76	3.10	0.92	1.02
Indirect investment result attributable to VastNed Retail shareholders	1.20	(6.80)	0.54	(0.79)
Investment result attributable to VastNed Retail shareholders	<u><b>3.96</b></u>	<u><b>(3.70)</b></u>	<u><b>1.46</b></u>	<u><b>0.23</b></u>

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

**CONSOLIDATED BALANCE SHEET (x €1,000)**

	<b>September 30, 2010</b>	<b>December 31, 2009</b>	<b>September 30, 2009</b>
<b>Assets</b>			
Investment properties in operation	1,901,597	1,834,252	1,840,418
Investment properties under renovation	-	3,100	10,640
Other assets in respect of lease incentives	1,584	1,866	1,844
	<hr/>	<hr/>	<hr/>
Investment properties in pipeline	43,383	22,183	18,540
<i>Total investment properties</i>	<hr/> <b>1,946,564</b>	<hr/> <b>1,861,401</b>	<hr/> <b>1,871,442</b>
Tangible fixed assets	1,071	997	1,038
Deferred tax assets	469	904	1,218
<i>Total fixed assets</i>	<hr/> <b>1,948,104</b>	<hr/> <b>1,863,302</b>	<hr/> <b>1,873,698</b>
Debtors and other receivables	9,502	22,474	13,024
Income tax	903	2,479	1,896
Cash and cash equivalents	6,756	5,739	6,670
<i>Total current assets</i>	<hr/> <b>17,161</b>	<hr/> <b>30,692</b>	<hr/> <b>21,590</b>
<i>Total assets</i>	<hr/> <b>1,965,265</b>	<hr/> <b>1,893,994</b>	<hr/> <b>1,895,288</b>
<b>Equity and liabilities</b>			
Capital paid-up and called	92,476	91,326	91,326
Share premium reserve	471,370	472,554	472,610
Hedging reserve in respect of financial derivatives	(45,716)	(31,083)	(33,014)
Translations reserve	856	(103)	(19)
Other reserves	344,977	467,822	467,822
Investment result attributable to VastNed Retail shareholders	72,732	(61,383)	(61,352)
Equity VastNed Retail shareholders	<hr/> 936,695	<hr/> 939,133	<hr/> 937,373
Equity minority interests	97,364	95,960	94,082
<i>Total equity</i>	<hr/> <b>1,034,059</b>	<hr/> <b>1,035,093</b>	<hr/> <b>1,031,455</b>
Deferred tax liabilities	22,535	23,989	25,674
Provisions in respect of employee benefits	988	1,236	1,074
Long-term interest-bearing loans	605,327	597,616	601,928
Financial derivatives	54,162	37,066	39,376
Long-term tax liabilities	5,434	5,434	8,305
Guarantee deposits	8,298	8,281	9,194
<i>Total long-term liabilities</i>	<hr/> <b>696,744</b>	<hr/> <b>673,622</b>	<hr/> <b>685,551</b>
Payable to banks	138,214	102,474	97,864
Redemption long-term liabilities	27,271	42,138	42,064
Income tax	3,411	3,813	3,442
Other liabilities and accruals	65,566	36,854	34,912
<i>Total short-term liabilities</i>	<hr/> <b>234,462</b>	<hr/> <b>185,279</b>	<hr/> <b>178,282</b>
<i>Total equity and liabilities</i>	<hr/> <b>1,965,265</b>	<hr/> <b>1,893,994</b>	<hr/> <b>1,895,288</b>

**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 January 1, 2009	82,088	407,460	(17,864)	76	577,464	(51,054)	998,170	96,230	1,094,400
Direct investment result						51,546	51,546	4,693	56,239
Indirect investment result						(112,898)	(112,898)	(1,271)	(114,169)
Value movements financial derivatives			(15,150)				(15,150)	(348)	(15,498)
Translation differences net investments				(95)			(95)		(95)
<i>Total comprehensive income</i>	-	-	(15,150)	(95)	-	(61,352)	(76,597)	3,074	(73,523)
Share issues	8,302	67,249					75,551		75,551
Costs of share issues		(1,142)					(1,142)		(1,142)
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 September 30, 2009</i>	91,326	472,610	(33,014)	(19)	467,822	(61,352)	937,373	94,082	1,031,455
Balance as at January 1, 2010	91,326	472,554	(31,083)	(103)	467,822	(61,383)	939,133	95,960	1,035,093
Direct investment result						50,703	50,703	4,809	55,512
Indirect investment result						22,029	22,029	2,897	24,926
Value movements financial derivatives			(14,633)				(14,633)	(62)	(14,695)
Translation differences net investments				959			959		959
<i>Total comprehensive income</i>	-	-	(14,633)	959	-	72,732	59,058	7,644	66,702
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 September 30, 2010</i>	92,476	471,370	(45,716)	856	344,977	72,732	936,695	97,364	1,034,059

**CONSOLIDATED CASH FLOW STATEMENT (x €1,000)**

	<b>9M 2010</b>	<b>9M 2009</b>
<b>Cash flow from operating activities</b>		
Investment result	80,438	(57,930)
Adjustments for:		
Value movements investment properties	(25,850)	128,321
Net result on disposals investment properties	(447)	(2,329)
Net financing costs	23,205	25,563
Income tax	1,078	(11,597)
<i>Cash flow from operating activities before changes in working capital and provisions</i>	<u>78,424</u>	<u>82,028</u>
Movement current assets	3,586	2,079
Movement short-term liabilities	(1,281)	1,571
Movement provisions	(248)	(162)
	<u>80,481</u>	<u>85,516</u>
Interest paid (on balance)	(23,806)	(23,032)
Income tax paid	942	(1,788)
<i>Cash flow from operating activities</i>	<u><b>57,617</b></u>	<u><b>60,696</b></u>
<b>Cash flow from investment activities</b>		
Acquisition of investment properties and investments	(30,967)	(25,432)
Disposal of investment properties	13,966	46,075
<i>Cash flow from property</i>	<u>(17,001)</u>	<u>20,643</u>
Movement tangible fixed assets	(72)	37
<i>Cash flow from investment activities</i>	<u><b>(17,073)</b></u>	<u><b>20,680</b></u>
<b>Cash flow from financing activities</b>		
Share issue	-	74,409
Dividend paid	(67,698)	(63,463)
Interest-bearing loans drawn down	75,691	40,450
Interest-bearing loans redeemed	(47,566)	(129,191)
<i>Cash flow from financing activities</i>	<u><b>(39,573)</b></u>	<u><b>(77,795)</b></u>
<b>Movement in cash and cash equivalents</b>	<b>971</b>	<b>3,581</b>
Cash and cash equivalents as at January 1	5,739	3,089
Translation differences on cash and cash equivalents	46	-
<i>Cash and cash equivalents at end of period</i>	<u><b>6,756</b></u>	<u><b>6,670</b></u>

## NOTES TO THE CONSOLIDATED FINANCIAL INTERIM REPORT 2010

### 1. General

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

VastNed Retail makes long-term investments in high street shops, shopping centres and retail warehouses in the Netherlands, Spain, France, Belgium, Turkey and Portugal.

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

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

The board of management approved the consolidated financial interim report on November 3, 2010.

The consolidated financial interim report has not been audited.

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

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

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

For the principles of consolidation, the valuation of assets and liabilities and the determination of the result, reference is made to the 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, IFRS 39 Financial Instruments: Recognition and Measurement, 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 en 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.



### 3. Segment information

	Investment properties		Gross rental income		Operating costs including ground rents paid and net service charge expenses		Net rental income	
	September 30,		9M		9M		9M	
	2010	2009	2010	2009	2010	2009	2010	2009
Netherlands	742,006	699,943	36,107	37,141	4,382	4,842	31,725	32,299
Spain	416,866	421,771	22,152	24,007	2,901	2,902	19,251	21,105
France	416,773	407,098	18,342	20,226	2,014	2,024	16,328	18,202
Belgium	302,872	304,094	15,834	15,607	1,471	1,397	14,363	14,210
Turkey	55,614	25,906	1,261	870	232	124	1,029	746
Portugal	12,433	12,630	848	848	47	(46)	801	894
<b>Total</b>	<b>1,946,564</b>	<b>1,871,442</b>	<b>94,544</b>	<b>98,699</b>	<b>11,047</b>	<b>11,243</b>	<b>83,497</b>	<b>87,456</b>

	Value movements		Net result on disposals		Movement in deferred tax assets and liabilities		Total	
	investment properties		investment properties		9M		9M	
	2010	2009	2010	2009	2010	2009	2010	2009
Netherlands	8,806	(19,981)	187	1,740	(435)	-	8,558	(18,241)
Spain	(3,223)	(81,096)	-	-	(488)	13,096	(3,711)	(68,000)
France	14,977	(26,171)	92	51	20	(381)	15,089	(26,501)
Belgium	4,156	(611)	168	538	(7)	-	4,317	(73)
Turkey	1,234	389	-	-	41	(97)	1,275	292
Portugal	(100)	(851)	-	-	(6)	93	(106)	(758)
	25,850	(128,321)	447	2,329	(875)	12,711	25,422	(113,281)
Of which attributable to third parties	(2,989)	1,175	(46)	(149)	1	-	(3,034)	1,026
	<b>22,861</b>	<b>(127,146)</b>	<b>401</b>	<b>2,180</b>	<b>(874)</b>	<b>12,711</b>	<b>22,388</b>	<b>(112,255)</b>

### 4. Dividend

On May 17, 2010 the final dividend for the 2009 financial year was made payable, comprising 5% in cash on the priority shares and an optional dividend on the ordinary shares of €2.78 in cash or €1.10 in cash and 4.00% in shares charged to the share premium reserve.

The interim dividend of €1.10 per share in cash for the 2010 financial year was made payable on August 30, 2010.

### 5. Gebeurtenissen na balansdatum

After the balance sheet date, a €75.0 million bond was issued consisting of two tranches of €37.5 million with maturities of 7 and 10 years respectively.

### 6. Related parties transactions

Except with respect to the issues described below, no material changes occurred in the first half of 2010 in the nature, scale or volume of transactions with related parties compared to what was set out in the notes to the 2009 annual accounts.

During the first half of 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.

### Interests of major investors

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

Nomura Asset Management Co. Ltd.	5.93%
Commonwealth Bank of Australia	5.79%
Stichting Pensioenfonds ABP	5.06%

After the balance sheet date, a €75.0 million bond was issued consisting of two tranches of €37.5 million with maturities of 7 and 10 years respectively.