Press release

Vastned's high street portfolio provides solid basis

Value movements Spanish assets impact indirect investment result

Key points H1 2012 (in brackets: H1 2011)

- **Direct investment result € 31.6 million (€ 33.6 million)**
- **Indirect investment result € 44.0 million negative (€ 29.5 million positive), mainly due to value movements in Spanish portfolio**
- **Value movements high street portfolio 1.5% positive; value movements other investment properties 6.6% negative**
- **Average occupancy rate stable at 95.3% (95.2%)**
- **Rental income increased to € 67.1 million (€ 65.6 million), driven by France, Belgium and the Netherlands**
- **Rental income from Spanish portfolio (17% of total portfolio) virtually stable at € 14.4 million (€ 14.9 million) in spite of challenging market**
- **Like-for-like rent growth of 0.7% (high street shops 3.1%, other investment properties 1.0% negative)**
- **Alternative tax structure in Spain limits tax burden by approx. 40%**
- **Interim dividend per share: € 1.01 (€ 1.09)**

Strategy progress:

- **As at 30 June 2012, 52% of the property portfolio consisted of high street shops**
- **Acquisition of top quality high street shops in Bordeaux and various Dutch cities improve portfolio profile**
- **Over half of non-core retail property disposal programme of € 90 million realised**
- **French team at full strength with Thierry Fourez appointment**
- **All loans expiring in 2012 refinanced. Alternative financing ratio: 13.5%**

ROTTERDAM, 2 August 2012 – Vastned, the listed European retail property investment fund focusing on high street shops, experienced a mixed first half of 2012 with strong results from the high street shop portfolio and a difficult market for shopping centres and retail warehouses, which was also borne out by the negative value movements of the Spanish investments. The positive results from the high street investments vindicate our strategic choice. As in the first

quarter, the direct investment result came under some pressure from higher financing costs and higher taxes due to the new tax legislation in Spain referred to earlier. By opting for an alternative tax structure, Vastned has realised a substantial reduction of the Spanish tax burden compared to the estimate in the first quarter of 2012. The average occupancy rate was stable and there was modest rent growth. Major progress was made on the implementation of the strategy over the past half year.

Taco de Groot, Vastned Chief Executive Officer:

'Over the past six months we have worked hard to further improve the profile of our property portfolio by increasing the share of high street shops in big cities in our portfolio and further improving the quality of that share. We have made significant progress with carefully selected acquisitions and disposals.

Our results confirm our strategic focus on high street shops and show why this strategy is so important for Vastned. For example, in the past half year our high street assets showed a positive value movement of 1.5%, their average occupancy rate of 97.9% was substantially higher than of the other investments, and at 3.1% their like-for-like growth significantly outperformed our other investments. Currently, our portfolio consists for 52% of high street shops, and I wish to increase this share to our strategic target of 65% as soon as possible.

In September last year we announced that over a period of two years we would sell € 90 million in non-core investments. I can reveal that we are already halfway there, ahead of schedule. The disposals are mostly individual shops in smaller cities, and have significantly raised the quality of our portfolio. With the acquisitions of the past half year we have strengthened a number of clusters. New high quality properties in Bordeaux, Amsterdam and The Hague strengthen our position in those cities.

The leasing results bear out the importance of our approach of being close to our tenants. Over the past half year we have concluded new leases of € 9.5 million in total, or 6.6% of the total rental income. These leases were agreed at attractive new terms, on average even 7.4% above the former rent level, due in particular to strong leasing results in France and Turkey. The positive leasing results are partly due to a gradual shift in the organization towards a more entrepreneurial model.

With the appointment of hands-on manager Thierry Fourez our French team is at full strength to respond to the challenges of the market.

The market conditions in Spain remain challenging, which is also borne out by the value movements. Our Spanish team has managed to limit the pressure on the average occupancy rate. The downturn in the second quarter was mainly due to the expiration of a rent guarantee in Alicante, the last in our property portfolio.

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We have managed to reduce the impact of the planned limitation of the interest rebate on the taxable result in Spain by approx. 40% by opting for an alternative tax regime (SOCIMI).

The loan capital financing remains limited to 44.9% (loan-to-value) and we have focused strongly on anticipating expirations, so that there are no more loan agreements expiring in the second half of 2012.

Portfolio

Investment properties

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

Occupancy rate

The average occupancy rate in the first half of 2012 was 95.3% (95.2%). The occupancy rate as at 30 June 2012 was 95.0%, which was marginally lower than on 31 March 2012 (95.5%). This decrease was largely due to the expiration of a rent guarantee in Alicante (Spain). The occupancy rate by country and segment was as follows.

Occupancy rate in %					
	Total property portfolio			High street shops	Other
Country	H1 2012	30 June 2012	30 March 2012	30 June 2012	30 June 2012
Netherlands	96.8	97.0	97.1	97.1	97.0
France	94.8	94.9	94.6	97.9	90.8
Spain	91.5	89.6	91.3	100.0	88.8
Belgium	97.5	97.8	98.8	99.1	96.5
Turkey	100.0	100.0	100.0	100.0	-
Portugal	100.0	100.0	100.0	100.0	-
Total	**95.3**	**95.0**	**95.5**	**97.9**	**92.9**

Leasing activity

In the first half of 2012, new leases and lease renewals were concluded totalling € 9.5 million (€ 9.2 million), or 6.6% of gross rental income (6.5%). The main leasings that were not mentioned in the first quarter figures 2012, were: multiple new leases and a lease renewal in Lille (France) including a 585 sqm lease to convenience store MONOP' at Rue Faidherbe 32-34 and a 489 sqm lease renewal with fashion chain Cyrillus at Rue de la Grande Chaussée 33-35. Significant leasing volume was also achieved with the leasing of the retail property at Istiklal Caddesi 85 in Istanbul (Turkey), which is currently a pipeline property, but will be taken into operation in 2013.

In most countries, the new contract rents were concluded above the previous level. In the first half of 2012 leases were concluded at on average 7.4% above the previous level. For the Spanish portfolio, maintaining the occupancy rate was a first priority, which caused new leases to be concluded often at lower levels and in some cases with lease discounts, either temporary or long-term. The leases agreed in Spain in the first half, which represented 2.9% of the total Spanish gross rental income, were concluded at on average 26.3% below the previous rent level (27.2% in the first quarter). Furthermore, the expiration schedule for Spanish leases was considerably improved. Whereas on 1 January 2012 31% of the leases could be terminated in 2012, by 30 June this had been reduced to 12%, at a 91% retention rate.

Total leasing activity HY1 2012
based on contract rents

Country	Volume as a % of theoretical gross rent	Movement gross rent % headline
Netherlands	3.3	2.1
France	7.5	28.6
Spain	2.9	(26.3)
Belgium	8.3	1.3
Turkey	152.3	21.0
Total	**6.6**	**7.4**

Taking the various forms of lease incentives into account, the movement in gross rental income was 2.7% positive. These figures were substantially lower in the first quarter of 2012. The improvement was due to positive leasing results in the second quarter of 2012 in all countries excluding Spain.

Lease incentives
The lease incentives (applying straightlining over the duration of the lease up to the first termination date) came in at 2.5% of the gross rental income in the first half of 2012, unchanged from the same period last year.

IFRS lease incentives in %		
Country	**HY1 2012**	**HY1 2011**
Netherlands	(1.2)	(0.6)
France	(1.7)	(1.7)
Spain	(6.2)	(7.1)
Belgium	(1.6)	(1.2)
Turkey	(0.6)	-
Portugal	-	-
Total	**(2.5)**	**(2.5)**

Value movements investment properties
The total value movements in Vastned's property portfolio were € 53.8 million negative (€ 34.7 million positive), or 2.6% on average. The net yield on the property portfolio was 6.6% as at 30 June 2012 (6.4% as at 30 June 2011).

The negative value movements in the first half of 2012 (just as in the first quarter of 2012) were largely attributable to the Spanish portfolio. Excluding Spain, the value movements in the other countries were only € 2.9 million negative. Analysed by sector, the value of the high street shops rose by 1.5% on average, while the value of the other investments fell by 6.6%.

Value movements (€ million)				
Country	**HY1 2012**	**HY1 2011**	**Value 30 June 2012**	**Value movement HY1 2012 (in %)**
Netherlands	**(7.4)**	**12.2**	**773.3**	**(1.0)**
France	**(0.6)**	**10.3**	**476.0**	**(0.1)**
Spain	**(51.0)**	**(1.7)**	**360.8**	**(12.4)**
Belgium	**3.7**	**12.1**	**338.4**	**1.1**
Turkey	**1.4**	**1.7**	**107.7**	**1.4**
Portugal	**0.1**	**0.1**	**12.5**	**1.0**
Total	**(53.8)**	**34.7**	**2.068.7**	**(2.6)**

Acquisitions
Several high street acquisitions were made in the second quarter of 2012 totalling € 14.7 million. For example, Vastned's Bordeaux cluster was strengthened with the acquisition of two high street shops in the heart of the city's Golden Triangle ('Triangle d'Or'). One of the shops is located at Rue Sainte Catherine 66, in the main shopping street, where Vastned already holds two properties. In the heart of Amsterdam two investment properties were acquired at Leidsestraat 46 and Keizersgracht 504 with 650 sqm total floor area, leased to shoe specialist Boots and restaurant chain Bagels & Beans. In Zwolle a high street shop was acquired at Diezerstraat 74 of approx. 325 sqm, leased to sports products chain Aktie Sport. And, as reported before, an H&M outlet was acquired on the corner of Wagenstraat and Vlamingstraat in The Hague, which is expected to be

transferred in the third quarter of 2012. These investments boost Vastned's risk return profile and its focus on the very best high streets.

Disposals
Good progress was made in the first half of 2012 on the disposal of non-core investments. Of the € 90 million in disposals over 2 years announced in September 2011, more than half (€ 46 million) has already been realised. In the second quarter of 2012 shopping centre Plaisir-Sablons and four other non-core properties in France were sold for € 12.0 million, and in the Netherlands sales totalling € 6.7 million were made in the second quarter of 2012 in cities like Zeewolde, Groesbeek, Nijmegen and Deventer. The disposals in the first half of 2012 were made on average above book value.

Investment result Vastned shareholders first half 2012
The investment result in the first half of 2012 came to € 12.3 million negative (€ 63.1 million positive). The investment result comprises the direct investment result, which was € 31.6 million (€ 33.6 million) and the indirect investment result, which was € 43.9 million negative (€ 29.5 million positive) mainly due to negative value movements of the investment properties.

Composition investment result first half 2012
Gross rental income
The total gross rental income in the first half of 2012 was € 67.1 million (€ 65.6 million). This increase comprised an € 1.5 million income from acquisitions made in 2011 and 2012, a € 0.7 million increase from rent movements due to indexation and new leases, and a € 0.7 million decrease from disposals. The increase due to indexation and rent movements was due to rent improvements in the Dutch, French, Belgian and Turkish property portfolios. In Spain, the gross rental income fell as a result of adverse market conditions and the corresponding lease incentives granted.

Gross rental income (€ million)

Country	*HY1 2012*	*HY1 2011*
Netherlands	26.3	26.0
France	14.0	12.8
Spain	14.4	14.9
Belgium	11.1	10.6
Turkey	0.8	0.8
Portugal	0.5	0.5
Total	**67.1**	**65.6**

Operating expenses (including ground rents and net service charge expenses)
The operating expenses rose to € 8.7 million (€ 8.2 million), mainly due to higher net service charge expenses. As a percentage of gross rental income, operating expenses rose from 12.4% to 13.0%.

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Value movements investment properties
As stated earlier, the value movements of the investment properties in the first half of 2012 were € 53.8 million negative (€ 34.7 million positive).

Net result on investment property disposals
The disposals in the first half of 2012 were made on average above book value. This yielded a net result on disposals over the appraisal value after deduction of sales costs of € 0.9 million positive (€ 1.2 million positive).

Net financing costs
The average interest rate for the total interest-bearing loan capital was virtually unchanged at 4.20% (4.19%). The net financing costs including value movements of financial derivatives rose to € 18.8 million (€ 16.5 million), particularly due to higher interest-bearing debts due to on balance net acquisitions. Net interest expenses increased from € 16.9 million to € 18.1 million.

Financial costs		
	HY1 2012	HY1 2011
Interest (* € million)	18.1	16.9
Average interest % on loan capital	4.20	4.19
Interest coverage ratio (ICR)	3.0	3.2

General expenses
The general expenses were € 4.4 million (€ 3.7 million) in the first half of 2012. Non-recurring personnel costs were a significant element in this increase. The general expenses also increased because they can no longer be shared with VastNed Offices/Industrial after the termination of the collaboration agreement in 2011.

Income tax payable on the reporting period
Income tax was € 0.9 million (€ 0.2 million) in the first half of 2012. In the first quarter of this year a provision was made in relation to a change in tax legislation in Spain, limiting the tax deductibility of interest as of 1 January 2012. However, Vastned has managed to limit the impact of the tax change by opting for a SOCIMI regime, which has reduced the tax burden in Spain by approx. 40%.

Movement deferred tax assets and liabilities
The movement of deferred tax assets and liabilities was € 8.2 million positive (€ 2.3 million negative), which was related to the negative value movements in the Spanish property portfolio.

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Investment result attributable to non-controlling interests
The investment result attributable to non-controlling interests fell to € 1.9 million (€ 7.8 million), mainly due to lower positive value movements in the Belgian property portfolio and a lower appraisal of the Het Rond shopping centre in Houten compared to the same period last year.

Financing

Solvency and loan capital financing
As at 30 June 2012, Vastned's balance sheet showed a healthy financing structure with a loan-to-value of 44.9% (30 June 2011: 42.9%) and a solvency, being group equity plus deferred tax liabilities divided by the balance sheet total, of 50.9% (30 June 2011: 53.8%). With this solvency and an interest coverage ratio of 3.0 (30 June 2011: 3.2) Vastned complies with all the loan covenants.

Solvency and loan capital

	HY1 2012	HY1 2011
Solvency	50.9%	53.8%
LTV	44.9%	42.9%
Duration based on contract dates (years)	3.6	3.6
Duration based on interest review dates (years)	4.2	4.2

As at 30 June 2012 84.6% of the loan portfolio was long-term with an average duration of 3.6 years based on contract expiry dates. All the loans that expired in 2012 have been refinanced.

Breakdown of interest-bearing loan capital as at 30 June 2012

(€ million)	Fixed interest	Floating interest	Total	% of total
Long-term	636.3	149.2	785.5	84.6
Short-term	42.0	100.8	142.8	15.4
Total	678.3	250.0	928.3	100.0
% of total	73.1	26.9	100.0	

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

Dividend

Holders of 29% of outstanding share capital opted for stock dividend for the 2011 final dividend distribution. These shareholders received 1 new share per 12.9 shares with dividend entitlement. To this purpose, 415,461 new shares were issued charged to the share premium reserve, raising shareholders' equity by € 13.5 million.

In accordance with its policy, Vastned will pay out 60% of the direct investment result as interim dividend for 2012, which is expected to be € 1.01 (€ 1.09) per share. The ex-dividend date is 6 August 2012; the dividend will be made payable on 27 August 2012.

Outlook 2012

Vastned expects the present challenging circumstances in various markets to continue. The company feels vindicated in its strategic choice to raise the share of high street shops over time to 65% while pursuing a conservative financing strategy. Vastned maintains its outlook for 2012 published in the context of the 2011 annual figures. However, this outlook is emphatically subject to further deterioration of market conditions in Spain and the impact of the local tax law changes.

Responsibility statement

In accordance with the transparency directive of the European Union as provided in Article 5.25(d) of the Financial Supervision Act, the board of management states that to the best of its knowledge:
- the report of the board of management gives a true and fair view of the state of affairs at the balance sheet date and during the reporting period of Vastned and its consolidated subsidiaries whose figures have been included in its financial interim report;
- the financial interim report gives a true and fair view of the assets and liabilities, the financial position and the result of Vastned and its consolidated subsidiaries; and
- the material risks facing Vastned have been described in this report. For a more extensive description of the risks, we refer to the chapter Risk Management in the most recent annual report.

About Vastned

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

Financial calendar

Date	**Re**	**Location**
2 August 2012 11 am	Comments on HY1 2012 figures	Hilton Amsterdam
6 August 2012	Ex interim dividend trading	
27 August 2012	Payment date interim dividend	
2 November 2012 *before trading*	Press release 9M 2012 figures	
2 November 2012 10 am	Comments and webcast 9M figures 2012	

Further information:

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The comments on the first half figures 2012 on Thursday 2 August 2012 at 11 am will be webcast live on www.vastned.com. In this webcast, the board of management will comment on the published figures and Bora Karli, Vastned's Turkish country manager, will briefly explain Vastned's Turkish strategy.

Rotterdam, 2 August 2012

Future looking statements

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

KEY FIGURES	30 June 2012	31 December 2011	30 June 2011
Results (x € 1,000)			
Gross rental income	67,145	132,532	65,639
Direct investment result	31,634	66,964	33,579
Indirect investment result	(43,958)	29,133	29,517
Investment result	**(12,324)**	**96,097**	**63,096**
Balance sheet (x € 1,000)			
Investment properties	2,068,736	2,129,029	2,096,193
Equity	1,049,858	1,105,701	1,107,154
Equity Vastned Retail shareholders	949,043	1,000,393	1,006,250
Long-term liabilities	864,261	835,653	638,890
Solvency in accordance with the banks' definition (in %)	50.9	52.6	53.8
Loan to value (in %)	44.9	43.1	42.9
Interest coverage ratio	3.0	3.1	3.2
Financial occupancy rate (in %)	95.3	95.4	95.2
Average number of ordinary shares in issue	18,714,778	18,574,595	18,527,233
Number of ordinary shares in issue (end of period)	19,036,646	18,621,185	18,621,185
Per share (x € 1)			
Equity Vastned Retail shareholders at beginning of period (including final dividend)	53.72	52.75	52.75
Final dividend previous financial year	(2.52)	(2.58)	(2.58)
Equity Vastned Retail shareholders at beginning of period (excluding final dividend)	51.20	50.17	50.17
Direct investment result	1.69	3.61	1.81
Indirect investment result	(2.35)	1.56	1.59
Investment result	(0.66)	5.17	3.40
Value movements financial derivatives taken directly to equity	(0.28)	(0.44)	0.50
Translation differences net investments	(0.01)	(0.07)	-
Other movements	(0.40)	(0.02)	(0.03)
Interim dividend	-	(1.09)	-
Equity Vastned Retail shareholders at end of period (including final dividend)	**49.85**	**53.72**	**54.04**
Share price (end of period)	30.74	34.60	49.43
Premium (Discount) (in %)	(38.4)	(35.6)	(8.5)

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

	HY1 2012	HY1 2011	Q2 2012	Q2 2011
Direct investment result				
Gross rental income	67,145	65,639	33,843	32,904
Ground rents paid	(301)	(293)	(152)	(149)
Net service charge expenses	(1,364)	(1,050)	(814)	(477)
Operating expenses	(7,079)	(6,809)	(3,651)	(3,365)
Net rental income	58,401	57,487	29,226	28,913
Financial income	1,009	966	494	500
Financial expenses	(19,147)	(17,871)	(9,433)	(9,158)
Net financing costs	(18,138)	(16,905)	(8,939)	(8,658)
General expenses	(4,453)	(3,680)	(2,391)	(1,891)
Direct investment result before taxes	**35,810**	**36,902**	**17,896**	**18,364**
Current income tax expense	(933)	(154)	(206)	11
Direct investment result after taxes	**34,877**	**36,748**	**17,690**	**18,375**
Direct investment result attributable to non-controlling interests	(3,243)	(3,169)	(1,647)	(1,584)
Direct investment result attributable to Vastned Retail shareholders	**31,634**	**33,579**	**16,043**	**16,791**
Indirect investment result				
Value movements investment properties in operation	(54,630)	40,552	(37,590)	15,521
Value movements investment properties in pipeline	784	(5,815)	938	(941)
Total value movements investment properties	**(53,846)**	**34,737**	**(36,652)**	**14,580**
Net result on disposals investment properties	941	1,211	723	58
Value movements financial derivatives	(661)	444	(872)	495
Indirect investment result before taxes	**(53,566)**	**36,392**	**(36,801)**	**15,133**
Movement deferred tax assets and liabilities	8,225	(2,265)	4,741	(1,097)
Indirect investment result after taxes	**(45,341)**	**34,127**	**(32,060)**	**14,036**
Indirect investment result attributasble to non-controlling interests	1,383	(4,610)	1,920	(459)
Indirect investment result attributable to Vastned Retail shareholders	**(43,958)**	**29,517**	**(30,140)**	**13,577**
Investment result attributable to Vastned Retail shareholders	**(12,324)**	**63,096**	**(14,097)**	**30,368**
Per share (x € 1)				
Direct investment result attributable to Vastned Retail shareholders	1.69	1.81	0.85	0.90
Indirect investment result attributable to Vastned Retail shareholders	(2.35)	1.59	(1.60)	0.73
Investment result attributable to Vastned Retail shareholders	(0.66)	3.40	(0.75)	1.63

EPRA NAV and EPRA NNNAV

	30-06-2012	**per share**	30-06-2011	per share
Equity Vastned Retail shareholders	949,043	49.85	1,006,250	54.04
Market value of financial derivatives	46,856	2.46	25,555	1.37
Deferred taxes	22,704	1.19	35,279	1.90
EPRA NAV	**1,018,603**	**53.50**	1,067,084	57.31
Market value of financial derivatives	(46,856)	(2.46)	(25,555)	(1.37)
Market value of interest-bearing debts	5,380	0.28	10,517	0.56
Deferred taxes	(12,665)	(0.66)	(19,023)	(1.02)
EPRA NNNAV	**964,462**	**50.66**	1,033,023	55.48

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

(x € 1,000)

	HY1 2012	HY1 2011	Q2 2012	Q2 2011
Net income from investment properties				
Gross rental income	67,145	65,639	33,843	32,904
Ground rents paid	(301)	(293)	(152)	(149)
Net service charge expenses	(1,364)	(1,050)	(814)	(477)
Operating expenses	(7,079)	(6,809)	(3,651)	(3,365)
Net rental income	58,401	57,487	29,226	28,913
Value movements investment properties in operation	(54,630)	40,552	(37,590)	15,521
Value movements investment properties in pipeline	784	(5,815)	938	(941)
Total value movements investment properties	(53,846)	34,737	(36,652)	14,580
Net result on disposals of investment properties	941	1,211	723	58
Total net income from investment properties	**5,496**	**93,435**	**(6,703)**	**43,551**
Expenditure				
Financial income	1,009	966	494	500
Financial expenses	(19,147)	(17,871)	(9,433)	(9,158)
Value movements financial derivatives	(661)	444	(872)	495
Net financing costs	(18,799)	(16,461)	(9,811)	(8,163)
General expenses	(4,453)	(3,680)	(2,391)	(1,891)
Total expenditure	**(23,252)**	**(20,141)**	**(12,202)**	**(10,054)**
Investment result before taxes	**(17,756)**	**73,294**	**(18,905)**	**33,497**
Current income tax expense	(933)	(154)	(206)	11
Movement deferred tax assets and liabilities	8,225	(2,265)	4,741	(1,097)
	7,292	(2,419)	4,535	(1,086)
Investment result after taxes	**(10,464)**	**70,875**	**(14,370)**	**32,411**
Investment result attributable to non-controlling interests	(1,860)	(7,779)	273	(2,043)
Investment result attributable to Vastned Retail shareholders	**(12,324)**	**63,096**	**(14,097)**	**30,368**
Per share (x € 1)				
Investment result per share attributable to Vastned Retail shareholders	(0.66)	3.40	(0.75)	1.63
Diluted investment result per share attributable to Vastned Retail shareholders	(0.66)	3.40	(0.75)	1.63

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

	HY1 2012	**HY1 2011**	**Q2 2012**	**Q2 2011**
Investment result	(10,464)	70,875	(14,370)	32,411
Value movements financial derivatives taken directly to equity	(3,830)	10,597	(2,290)	(5,117)
Translation differences net investments	(311)	(11)	(610)	128
Taxes on other comprehensive income	(1,368)	(1,165)	(1,568)	548
Other comprehensive income	(5,509)	9,421	(4,468)	(4,441)
Total comprehensive income	**(15,973)**	**80,296**	**(18,838)**	**27,970**
Attributable to:				
Vastned Retail shareholders	(17,860)	72,292	(18,583)	26,016
Non-controlling interests	1,887	8,004	(255)	1,954
	(15,973)	**80,296**	**(18,838)**	**27,970**
Per share (x € 1)				
Total comprehensive income attributable to Vastned Retail shareholders	(0.95)	3.90	(0.99)	1.41

CONSOLIDATED BALANCE SHEET
(x € 1,000)

	30 June 2012	31-12 2011	30 June 2011
Assets			
Investment properties in operation	1,981,556	2,034,900	2,023,321
Other assets in respect of lease incentives	4,385	4,548	2,964
	1,985,941	2,039,448	2,026,285
Investment properties in pipeline	82,795	89,581	69,908
Total investment properties	2,068,736	2,129,029	2,096,193
Tangible fixed assets	1,073	1,115	920
Financial derivatives	2,035	1,529	657
Deferred tax assets	478	478	478
Total fixed assets	**2,072,322**	**2,132,151**	**2,098,248**
Debtors and other receivables	23,476	9,560	9,811
Income tax	541	483	535
Cash and cash equivalents	2,816	4,339	6,134
Total current assets	**26,833**	**14,382**	**16,480**
Total assets	**2,099,155**	**2,146,533**	**2,114,728**
Equity and liabilities			
Capital paid-up and called	95,183	93,106	93,106
Share premium reserve	468,555	470,705	470,705
Hedging reserve in respect of financial derivatives	(44,990)	(39,765)	(22,442)
Translations reserve	(2,340)	(2,029)	(791)
Other reserves	444,959	382,279	402,576
Investment result attributable to VastNed Retail shareholders	(12,324)	96,097	63,096
Equity Vastned Retail shareholders	949,043	1,000,393	1,006,250
Equity non-controlling interests	100,815	105,308	100,904
Total equity	**1,049,858**	**1,105,701**	**1,107,154**
Deferred tax liabilities	17,731	23,781	30,480
Provisions in respect of employee benefits	589	841	710
Long-term interest-bearing loans	785,490	755,031	570,458
Financial derivatives	50,147	44,689	26,471
Long-term tax liabilities	1,122	1,042	2,677
Guarantee deposits and other long-term liabilities	9,182	10,269	8,094
Total long-term liabilities	**864,261**	**835,653**	**638,890**
Payable to banks	100,844	139,494	190,714
Redemption long-term liabilities	42,020	22,212	138,079
Financial derivatives	1,886	2,347	667
Income tax	3,350	3,515	2,964
Other liabilities and accruals	36,936	37,611	36,260
Total short-term liabilities	**185,036**	**205,179**	**368,684**
Total equity and liabilities	**2,099,155**	**2,146,533**	**2,114,728**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(x € 1,000)

	Capital paid up and capital	Share premium reserve	Hedging reserve in respect of financial derivatives	Translation reserve	Other reserves	Investment result attributable to Vastned Retail shareholders	Equity Vastned Retail shareholders	Equity non-controlling interests	Total equity
Balance as at 1 January 2011	92,476	471,370	(31,649)	(780)	344,977	99,176	975,570	99,335	1,074,905
Direct investment result						33,579	33,579	3,169	36,748
Indirect investment result						29,517	29,517	4,610	34,127
Value movements financial derivatives			9,207				9,207	225	9,432
Translation differences net investments				(11)			(11)		(11)
Total comprehensive income	-	-	*9,207*	*(11)*	-	*63,096*	*72,292*	*8,004*	*80,296*
Stock dividend	630	(630)					-		-
Costs of stock dividend		(35)					(35)		(35)
Final dividend previous financial year in cash						(41,577)	(41,577)	(6,435)	(48,012)
Allocation from profit appropriation					57,599	(57,599)	-		-
Balance as at 30 June 2011	93,106	470,705	(22,442)	(791)	402,576	63,096	1,006,250	100,904	1,107,154
Balance as at 1 January 2012	93,106	470,705	(39,765)	(2,029)	382,279	96,097	1,000,393	105,308	1,105,701
Direct investment result						31,634	31,634	3,243	34,877
Indirect investment result						(43,958)	(43,958)	(1,383)	(45,341)
Value movements financial derivatives			(5,225)				(5,225)	27	(5,198)
Translation differences net investments				(311)			(311)		(311)
Total comprehensive income	-	-	*(5,225)*	*(311)*	-	*(12,324)*	*(17,860)*	*1,887*	*(15,973)*
Stock dividend	2,077	(2,077)					-		-
Costs of stock dividend		(73)					(73)		(73)
Final dividend previous financial year in cash						(33,417)	(33,417)	(6,380)	(39,797)
Allocation from profit appropriation					62,680	(62,680)	-		-
Balance as at 30 June 2012	95,183	468,555	(44,990)	(2,340)	444,959	(12,324)	949,043	100,815	1,049,858

CONSOLIDATED CASH FLOW STATEMENT
(x € 1,000)

	HY1 2012	HY1 2011
Cash flow from operating activities		
Investment result	(10,464)	70,875
Adjustments for:		
Value movements investment properties	53,846	(34,737)
Net result on disposals investment properties	(941)	(1,211)
Net financing costs	18,799	16,461
Income tax	(7,292)	2,419
Cash flow from operating activities before changes in working capital and provisions	53,948	53,807
Movement current assets	579	(2,456)
Movement short-term liabilities	(425)	(1,620)
Movement provisions	(1,699)	2,248
	52,403	51,979
Interest paid (on balance)	(17,669)	(17,989)
Income tax paid	(289)	(603)
Cash flow from operating activities	**34,445**	**33,387**
Cash flow from investment activities		
Acquisition of investment properties and investments	(28,208)	(74,561)
Disposal of investment properties	20,640	14,112
Cash flow from property	(7,568)	(60,449)
Movement tangible fixed assets	42	158
Cash flow from investment activities	**(7,526)**	**(60,291)**
Cash flow from financing activities		
Dividend paid	(33,490)	(41,612)
Dividend paid to non-controlling interests	(6,443)	(6,664)
Interest-bearing loans drawn down	77,346	94,170
Interest-bearing loans redeemed	(65,860)	(20,225)
Cash flow from financing activities	**(28,447)**	**25,669**
Movement in cash and cash equivalents	**(1,528)**	**(1,235)**
Cash and cash equivalents as at 1 January	4,339	7,383
Translation differences on cash and cash equivalents	5	(14)
Cash and cash equivalents at end of period	**2,816**	**6,134**

NOTES TO THE CONSOLIDATED FINANCIAL INTERIM REPORT 2012

1. General

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

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

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

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

The consolidated financial interim report was drawn up by the board of management and authorised for publication by the supervisoary board on 2 August 2012.

The consolidated financial interim report has not been audited.

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

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

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

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

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

– *IAS 12 Income Taxes (Limited scope amendment - recovery of underlying assets)* (nog niet bekrachtigd door de Europese Unie);
– *IFRS 1 First-time adoption of International Financial Reporting Standards (Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs' and Additional exemption for entities ceasing to suffer from severe hyperinflation)* (nog niet bekrachtigd door de Europese Unie);
– *IFRS 7 Financial Instruments: Disclosures (Amendments enhancing disclosures about transfers of financial assets).*

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

3. Segment information

	Investment properties 30 June		**Gross rental income HY1**		**Operating costs including ground rents paid and net service charge expenses HY1**		**Net rental income HY1**	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Netherlands	773,358	802,085	26,288	26,034	3,546	3,561	22,742	22,473
France	475,988	465,606	14,003	12,769	1,265	1,187	12,738	11,582
Spain	360,777	418,241	14,458	14,914	2,723	2,349	11,735	12,565
Belgium	338,382	314,447	11,073	10,574	1,091	896	9,982	9,678
Turkey	107,705	83,421	802	843	99	62	703	781
Portugal	12,526	12,393	521	505	20	97	501	408
Total	**2,068,736**	**2,096,193**	**67,145**	**65,639**	**8,744**	**8,152**	**58,401**	**57,487**
High street shops	1,074,664	1,016,636	29,572	28,167	3,183	3,149	26,389	25,018
Other	994,072	1,079,557	37,573	37,472	5,561	5,003	32,012	32,469
	2,068,736	**2,096,193**	**67,145**	**65,639**	**8,744**	**8,152**	**58,401**	**57,487**

	Value movements investment properties HY1		Net result on disposals investment properties HY1		Movement in deferred tax assets and liabilities HY1		Total HY1	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Netherlands	(7,469)	12,222	623	276	-	-	(6,846)	12,498
France	(557)	10,298	(153)	53	-	20	(710)	10,371
Spain	(51,026)	(1,699)	-	-	7,867	(951)	(43,159)	(2,650)
Belgium	3,664	12,077	494	503	22	(36)	4,180	12,544
Turkey	1,420	1,754	(23)	379	359	(1,276)	1,756	857
Portugal	122	85	-	-	(23)	(22)	99	63
	(53,846)	34,737	941	1,211	8,225	(2,265)	(44,680)	33,683
Of which attributable to third parties	1,203	(4,263)	(136)	(139)	(6)	10	1,061	(4,392)
	(52,643)	**30,474**	**805**	**1,072**	**8,219**	**(2,255)**	**(43,619)**	**29,291**
High street shops	16,267	28,144	544	416	222	(1,672)	17,033	26,888
Other	(70,113)	6,593	397	795	8,003	(593)	(61,713)	6,795
	(53,846)	34,737	941	1,211	8,225	(2,265)	(44,680)	33,683
Of which attributable to third parties	1,203	(4,263)	(136)	(139)	(6)	10	1,061	(4,392)
	(52,643)	**30,474**	**805**	**1,072**	**8,219**	**(2,255)**	**(43,619)**	**29,291**

4. Dividend

On 21 May 2012 the final dividend for the 2011 financial year was made payable. The dividend was€ 2.52 per share and shareholders could opt to receive the dividend in cash or in shares. Holders of 29% of the outstanding share capital opted for a distribution in shares, which resulted in the issue of 415,461 new shares. The cash dividend involved a total amount of€ 33.4 million.

5. Events after balance sheet date

The transfer of a high street shop located on the corner of Vlamingstraat and Wagenstraat in The Hague, which was acquired in May 2012, is expected to be completed in the third quarter. This acquisition involves approx€ 23.8 million.

6. Related parties transactions

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

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

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

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

7. Total expense ratio

The total expense ratio in the first half year of 2012 was 2.71% (annualised).