

STEADY STRATEGY ROLLOUT

Negative value movements mostly due to Spanish portfolio

Key points 9M 2012 (in brackets: 9M 2011)

- **Direct investment result € 47.1 million (€ 50.6 million)**
- **Values movements high street portfolio 1.4% positive, value movements other investment properties 10.5% negative**
- **Average occupancy rate stable at 95.1% (95.4%)**
- **Like-for-like rent growth 0.5% (high street shops 2.2% positive; other investment properties 0.7% negative)**
- **Anticipated direct investment result 2012: € 3.25 - € 3.30 per share**
- **A new dividend policy will be put to the AGM that limits dilution and strives for annual dividend growth**
 - **At least 75% of the direct investment result will be distributed as dividend**
 - **For 2012, it will result in a total dividend of € 2.55 in cash per share**
- **Good progress on disposals**
- **Further financing diversification with € 31 million loan from BNP Paribas**

ROTTERDAM, 2 November 2012 – Vastned, the listed European retail property investment fund focusing on high street shops, has made major steps forward in the area of previously announced disposals and the portfolio profile. Again, the high street shops demonstrated sufficient resistance against the present economic climate. Today, Vastned announces its nine months results for 2012.

Taco de Groot, Vastned Chief Executive Officer: 'During the reporting period, and certainly in the past three months, we have found that especially in difficult economic times like the present retailers are highly interested in high street shops. We have been able to sign attractive leases in popular shopping streets, for example in Utrecht's historic city centre, but also in the heart of Paris on Rue Montmartre. Furthermore, we have been able to satisfy the needs of expansive fashion chains, like Calzedonia from Italy, by offering them the best retail space in cities like Liège and Nancy. Retailers are looking for locations where footfalls and consumer spending meet, and this is what we provide.'

While in most countries the loss of tenants was set off by new lettings, this proved difficult in Spain, which put some pressure on the occupancy rate. However, we have been able to keep it at 95.1% for the full portfolio over the past nine months. The average occupancy rate in Spain was 90.8% thanks to the dedicated efforts of our local team. The uncertainty

regarding the future of the Spanish economy has led to a reduction in value of the Spanish portfolio of some 20% since the start of this year.

We have made good progress on disposals. Of the € 90 million in disposals anticipated in September 2012, approx. 80% has already been realised. In the context of the rollout of our strategy aiming for a portfolio with 65% high street shops, we will continue, after realising € 90 million disposals, to buy and sell properties to achieve the desired portfolio profile.'

Portfolio

Investment properties

Introduction

The developments of the first nine months of 2012 confirm our portfolio strategy. Compared to other investment properties, high street shops got the best results on the three most important parameters.

Key parameters 9M 2012 in %			
	High street shops	Other	Total portfolio
Occupancy rate end of September 2012	97.2	92.6	94.5
Like-for-like rental growth	2.2	(0.7)	0.5
Value movements	1.4	(10.5)	(4.6)

At the present time, retailers are especially selective in terms of retail locations. They are emphatically looking for locations in major cities with footfalls that are attractive in terms of quality and quantity. And high street shops best satisfy these demands.

The other 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 2012 were as follows.

Occupancy rate

The average occupancy rate in the first nine months of 2012 remained virtually stable at 95.1% (95.4%). The occupancy rate as at 30 September 2012 was 94.5%, or half a percentage point lower than three months earlier; this was due to the fact that the loss of rental income due to departing tenants was not fully offset by new lettings. This resulted in a negative balance, in particular in the Spanish portfolio. The total rental income loss due to departing tenants was € 1.3 million (annualised), only half of which was offset by new lettings.

The occupancy rate by country and segment was as follows.

Occupancy rate in %

Country	Total property portfolio		High street shops	Other
	Average 9M 2012	30 September 2012	30 September 2012	30 September 2012
Netherlands	96.7	96.7	96.7	96.8
France	94.6	93.7	96.8	89.8
Belgium	97.6	97.4	97.8	97.1
Spain	90.8	88.9	100.0	88.1
Turkey	100.0	100.0	100.0	-
Portugal	100.0	100.0	100.0	-
Total	95.1	94.5	97.2	92.6

Leasing activity

In the first nine months of 2012, new leases and lease renewals were concluded totalling € 13.1 million (€ 11.7 million), or 9.1% of gross rental income (8.2%). On average, the new leases were concluded at 2.0% above the old rent level (2.6% negative). Taking the various lease incentives into account, this was 2.7% negative (7.1% negative). Especially in Spain new leases are concluded at lower rent levels.

The most important lettings in the third quarter of 2012 were 270 sqm at Rue Montmartre 17 in Paris to French fashion retailer Redskins, 128 sqm at Rue Saint Jean 45 in Nancy to Calzedonia and 55 sqm at Rue du Pont d'Ile 45 in Liège, 80 sqm at Lange Elisabethstraat 36 in Utrecht to bijoux chain Six / I Am and the 120 sqm lease renewal with shoe specialist Crocs at Calle de Fuencarral 25 in Madrid. The majority of the lettings (€ 2.2 million in Q3 2012) took place in the high street segment, far more than in the remaining part of the portfolio (€ 1.5 million in Q3 2012).

Leasing activity 9M 2012 based on contract rents

Country	Volume in € and % of theoretical gross rental income				Movement gross rental income (%)	
	Q3		9M		Q3	9M
	€	%	€	%	%	%
Netherlands	1.3M	2.4%	3.1M	5.7%	(2.0)	0.3
France	0.6M	2.1%	2.9M	9.4%	(1.4)	21.2
Belgium	0.7M	2.9%	2.6M	11.2%	6.6	2.6
Spain	1.1M	3.9%	2.0M	6.3%	(26.7)	(26.5)
Turkey	n/a	n/a	2.5M	152.3%	n/a	21.0
Total	3.7M	2.7%	13.1M	9.1%	(9.9)	2.0%

Expirations

At the start of 2012, 20% of all leases could be terminated by the tenant during 2012. As at the end of September 2012 this had been reduced to 4%, of which one percentage point comprised rental income from residential apartments usually located above shops, for which large-scale terminations are unlikely.

Like-for-like rental income growth

The leasing activity includes leases concluded during the reporting period. The actual development of rental income is also to a great extent dependent on the development of the leases that have not been renegotiated. The like-for-like-growth in the first nine months compared to the same period last year was 0.5%. As mentioned earlier, high street shops showed a more attractive growth (2.2%) than the other investments (-0.7%).

Lease incentives

The lease incentives in the first nine months of 2012 (applying straightlining over the duration of the lease up to the first termination date) rose to 2.6% (2.3%) of gross rental income. In some locations, in particular in the Spanish portfolio, providing such incentives is vital to maintain the location's attractiveness.

IFRS lease incentives in %

Country	Q3	9M 2012	9M 2011
Netherlands	(1.0)	(1.1)	(0.5)
France	(1.9)	(1.8)	(1.5)
Belgium	(1.4)	(1.5)	(1.4)
Spain	(7.4)	(6.6)	(6.5)
Turkey	(0.5)	(0.6)	-
Portugal	-	-	-
Total	(2.7)	(2.6)	(2.3)

Value movements investment properties

The value movements in Vastned's property portfolio totalled € 96.8 million negative (€ 27.9 million positive), or 4.6% negative (1.4% positive). The net yield on the property portfolio was 6.7% as at 30 September 2012 (6.4% as at 30 September 2011).

In the first nine months of 2012 (as in the first half of 2012), over 80% of the negative value movements was due to the Spanish property portfolio. Analysed by sector, the value of the high street shops was robust, rising by 1.5% on average, while the value of the other investments fell by 10.5%. In the Netherlands and France, too, the category 'other' was the main cause of the negative value movements.

Value movements (€ million)

Country	Value 9M 2012	Q3 2012	9M 2012	9M 2011	High street shops 9M 2012	Other 9M 2012
Netherlands	784.7	(9.2)	(16.7)	1.2	(0.6)	(16.1)
France	456.2	(7.2)	(7.8)	14.6	12.9	(20.7)
Belgium	338.5	1.4	5.0	(6.6)	4.4	0.7
Spain	329.6	(28.1)	(79.1)	16.0	(3.7)	(75.5)
Turkey	110.5	0.6	2.1	2.6	2.1	-
Portugal	12.1	(0.4)	(0.3)	0.1	(0.3)	-
Total	2,031.6	(42.9)	(96.8)	27.9	14.8	(111.6)

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

Country	Value 9M 2012	Q3 2012	9M 2012	9M 2011	High street shops 9M 2012	Other 9M 2012	Net yield Total	Net yield High street shop	Net yield other
Netherlands	784.7	(1.5)	(2.4)	1.2	(0.1)	(4.8)	6.2	5.8	6.7
France	456.2	(1.5)	(1.6)	14.6	4.7	(11.2)	6.0	5.4	7.0
Belgium	338.5	0.4	1.5	16.0	2.4	0.4	6.1	5.4	7.0
Spain	329.6	(7.9)	(19.4)	(6.6)	(7.8)	(20.9)	8.1	3.8	8.7
Turkey	110.5	0.6	1.9	2.6	1.9	-	4.9	4.9	-
Portugal	12.1	(3.5)	(2.6)	0.1	(2.6)	-	8.3	8.3	-
Total	2,031.6	(2.2)	(4.6)	27.9	1.4	(10.5)	6.7	5.4	7.5

Acquisitions

In the third quarter of 2012, Vastned has improved the quality of the part of its Dutch property portfolio consisting of property types other than high street shops by acquiring the extension of the Buitenmere shopping centre in Almere Buiten. The shopping area comprises over a hundred shops on approx. 5,000 sqm in Almere Buiten city centre, anchored by supermarket chains Albert Heijn and C1000 for daily shopping. The part acquired by Vastned comprising 17 shops was recently finished. Leases have been concluded with tenants including international fashion chain C&A, chemist's Trekpleister and newsagent's Bruna. Currently, over 80% of the total retail floor areas is leased. The letting of the remaining 20% is in full swing. Also, the rent up to the first letting has been guaranteed by the seller. The annual rental income is € 1.4 million; the acquisition price including purchasing costs was € 21.4 million.

Furthermore, the third quarter saw the transfer of a quality property of 3,000 sqm located on the corner of Wagenstraat and Vlamingstraat in The Hague, currently leased to Hennes & Mauritz, that had been acquired earlier.

Disposals

Good progress was made in the first nine months of 2012 on the disposal of non-core investments. Over 80% (€ 76.2 million) of the € 90 million in disposals for the next two years announced in September 2011 has already been realised. In this context, as yet unreported disposals were made in the third quarter of 2012 of € 11.0 million in total in the Netherlands (inter alia in Purmerend, Hoogezand, Roden and Schoonhoven), € 14.3 million in France (Boulevard Saint Germain 104 in Paris), € 3.3 million in Spain (Ronda de la Universitat 35 in Barcelona) and € 1.6 million in Belgium (Genkersteenweg 282 in Hasselt). The disposals in the first nine months of 2012 were made on balance at € 2.3 million above book value.

Investment result Vastned shareholders in the first nine months of 2012

The investment result in the first nine months of 2012 was € 34.2 million negative (€ 72.9 million positive). The investment result comprises the direct investment result of € 47.1 million (€ 50.6 million) and the indirect investment result, which was € 81.3 million negative (€ 22.3 million positive) mainly due to negative value movements of the investment properties mainly in Spain.

Breakdown investment result (* € 1 million)

	Q3 2012	9M 2012	9M 2011
Direct investment result	15.5	47.1	50.6
Indirect investment result	(37.4)	(81.3)	22.3
Investment result	(21.9)	(34.2)	72.9

Composition of investment result first nine months 2012

Gross rental income

The total gross rental income in the first nine months of 2012 increased to € 100.1 million (€ 99.1 million). This increase contains a € 2.2 million income from acquisitions made in 2011 and 2012, a € 0.1 million increase from rent movements due to indexation and new leases, and a € 1.3 million decrease caused by disposals made. The increase due to indexation and rent movements was caused by rent improvements in the Dutch, French, Belgian and Turkish property portfolios, in particular in the high street portfolio. The gross rental income in the Spanish property portfolio fell as a result of adverse market conditions and the corresponding lease incentives granted.

Gross rental income (€ million)

Country	Q3 2012	9M 2012	9M 2011
Netherlands	13.2	39.5	39.3
France	6.9	20.9	19.5
Belgium	5.6	16.7	15.9
Spain	6.6	21.0	22.4
Turkey	0.4	1.2	1.2
Portugal	0.3	0.8	0.8
Total	33.0	100.1	99.1

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

The operating expenses rose to € 13.2 million (€ 12.1 million), mainly due to higher net service charge expenses. As a percentage of gross rental income, the operating expenses rose from 12.3% to 13.2%.

Value movements investment properties

As stated earlier, the value movements of the investment properties in the first nine months of 2012 were € 96.8 million negative (€ 27.9 million positive).

Net result on investment property disposals

The disposals in the first nine months were realised on average above book value. This yielded a net result on disposals over the appraisal value after deduction of sales costs of € 2.3 million positive (€ 1.3 million positive).

Net financing costs

The average interest rate for the total interest-bearing loan capital remained stable at 4.12% (4.19%). The value movements of the financial derivatives not classified as fully effective hedges under IFRS came to € 1.0 million negative (€ 1.5 million positive). Net interest expenses rose from € 25.9 million to € 27.0 million, especially due to higher interest-bearing debts caused by on balance net acquisitions.

	Financial costs	
	9M 2012	9M 2011
Interest (* € million)	27.0	25.9
Average interest % on loan capital	4.12	4.19
Interest coverage ratio (ICR)	3.0	3.1

General expenses

The general expenses in the first nine months of 2012 were € 6.6 million (€ 5.5 million). The increase was caused by no longer being able to charge on part of the general expenses to VastNed Offices/Industrial due to the termination of the collaboration agreement in 2011 and also for a significant part to non-recurring personnel costs.

Income tax payable on the reporting period

Income tax was € 1.3 million (€ 0.2 million) in the first nine months of 2012. In the first quarter of this year it was announced that tax legislation in Spain had been changed as of 1 January 2012, reducing the full tax deductibility of interest. However, Vastned has limited the impact of the tax change by opting for a SOCIMI regime, which reduces the tax burden in Spain by an estimated 40%.

Movement deferred tax assets and liabilities

The movement of deferred tax assets and liabilities was € 13.0 million positive (€ 2.8 million negative), which was related to the negative value movements in the Spanish property portfolio.

Investment result attributable to non-controlling interests

The investment result attributable to non-controlling interests fell to € 3.7 million (€ 10.4 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 September 2012, Vastned's balance sheet showed a healthy financing structure with a loan-to-value of 46.0% (30 September 2011: 43.6%) and a solvency, being group equity plus deferred tax liabilities divided by the balance sheet total, of 49.6% (30 September 2011: 52.3%). With this solvency and an interest coverage ratio of 3.0 (30 September 2011: 3.1). Vastned complies with all the loan covenants.

Solvency and loan capital		
	9M 2012	9M 2011
Solvency	49.6%	52.3%
LTV	46.0%	43.6%
Duration based on contract dates (years)	3.5	3.4
Duration based on interest review dates (years)	3.9	4.1

As at 30 September 2012 79.7% of the loan portfolio was long-term with an average duration of 3.5 years based on contract expiry dates. All the loans that expired in 2012 have been refinanced. After balance sheet date, a new loan of € 31 million was taken out with BNP Paribas.

Breakdown of interest-bearing loan capital				
30 September 30 2012				
(€ million)	Fixed interest	Floating interest	Total	% of total
Long-term	599.6	145.5	745.1	79.7
Short-term	78.5	111.5	190.0	20.3
Total	678.1	257.0	935.1	100.0
% of total	72.5	27.5	100.0	

As mentioned earlier, Vastned aims to increase the diversity in its loan capital financing by expanding the share of alternative financing, as illustrated by the new private placement of € 50.0 million of early 2012.

Outlook 2012

We expect the challenging circumstances in various markets to continue. Our chosen strategy to raise the share of high street shops to 65% and our conservative financing strategy will help us weather the difficult economic climate. Another key issue for the outlook is that although the disposals made and the acquisition of good quality high street shops raise the prospect of predictable results, this comes at the price of lower initial yields. Also, the market conditions Vastned's Spanish property portfolio is faced will lead to a lower rental income and higher lease incentives, keeping up the pressure on the direct investment result. Taking these elements into account, Vastned expects to realise a direct investment result per share in 2012 ranging between € 3.25 and € 3.30.

Dividend policy

At the general meeting of shareholders of 19 April 2013, Vastned will put a new dividend policy to the shareholders for approval. The reason for this is that recently the current dividend policy has been evaluated focusing on the policy's competitiveness and consistency with Vastned's strategy and its rollout. The current dividend policy provides that the direct investment result is distributed in full, and that part of it may be received as stock dividend, taking account of existing capital requirements. Last year, this meant that approx. 80% of the direct investment result was paid out in cash, and stock dividend raised the issued share capital by 2.4% this year. The latter caused dilution of the investment result and net asset value per share.

Based on the foregoing, the board of management and the supervisory board propose a new dividend policy to distribute a dividend of at least 75% of the direct investment result per share. This adjustment allows for capital requirements to be met. Whether, and to what extent, this dividend can be distributed as stock dividend will depend on potential dilution of the investment result and net asset value per share, the company's capital position and requirements and the financial markets. This adjusted dividend policy prevents share dilution. Furthermore, the company will strive for annual dividend growth. Distribution of an interim dividend of 60% of the direct investment result per share for the first six months will continue.

This new dividend policy is in line with Vastned's strategy, which is aimed at quality, stability and predictability.

Dividend 2012

Distribution of the (final) dividend for 2012 based on the present dividend policy may result in further dilution of the direct investment result and net asset value per share. In view of the reasoning behind the new dividend policy, it will be proposed to the general meeting of shareholders to implement the new policy as of and including the final dividend for 2012. In

that case the total dividend per share for 2012 will come to € 2.55, to be paid out fully in cash. The choice of effective date of the new dividend policy, either in 2012 or in 2013, will also be put to the shareholders for approval during the general meeting of shareholders of 19 April 2013.

Quarterly reports

Presently, Vastned publishes financial results every quarter in a press release, as well as an annual report. Recently, our annual report won a 'Gold Medal Award' from the European Public Real Estate Association (EPRA). This award is given to companies that have best complied with EPRA's Best Practice Recommendations (BPR) aimed at enhancing the transparency and consistency of financial reporting. Maintaining the excellent quality of its reports is a priority for Vastned. To boost headline focus, we have decided to replace the extensive financial reports on the first quarter and on the first nine months by concise 'trading updates' reporting on the operational state of affairs. In these press releases we will focus on developments in the property portfolio in terms of rent growth, occupancy rate, leasing activity, disposals and acquisitions.

Organisation

After balance sheet date, Vastned has strengthened its management team by appointing Anneke Hoijtink as investor relations manager. She has worked inter alia as investor relations manager with BinckBank and is on the board of NEVIR, the Dutch investor relations association. Anneke holds a degree in International Economics and Finance from Tilburg University. In the context of a more hands-on approach within Vastned, Arnaud du Pont will take up a new role in the management team as managing director investments & operations. In this role, he will be tasked with international coordination of acquisitions and disposals, property operations and account management.

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 € 2.0 billion.

Financial calendar

Date

Re

2 November 2012 10:00 am Comments and webcast 9M figures 2012

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The webcast on the first nine months figures 2012 on Friday 2 November 2012 at 10 am will be webcast live on www.vastned.com. In this webcast the board of management will comment on the published nine months figures 2012.

Rotterdam, 2 November 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 September 2012	31 December 2011	30 September 2011
Results (x € 1,000)			
Gross rental income	100.071	132.532	99.100
Direct investment result	47.096	66.964	50.595
Indirect investment result	(81.286)	29.133	22.291
<i>Investment result</i>	(34.190)	96.097	72.886
Balance sheet (x € 1,000)			
Investment properties	2.031.575	2.129.029	2.108.689
Equity	1.008.645	1.105.701	1.083.532
Equity Vastned Retail shareholders	905.972	1.000.393	980.248
Long-term liabilities	822.708	835.653	774.467
Solvency in accordance with the banks' definition (in %)	49,6	52,6	52,3
Loan to value (in %)	46,0	43,1	43,6
Interest coverage ratio	3,0	3,1	3,1
Financial occupancy rate (in %)	95,1	95,4	95,4
Average number of ordinary shares in issue	18.822.851	18.574.595	18.558.895
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)
<i>Equity Vastned Retail shareholders at beginning of period (excluding final dividend)</i>	51,20	50,17	50,17
Direct investment result	2,50	3,61	2,73
Indirect investment result	(4,32)	1,56	1,20
<i>Investment result</i>	(1,82)	5,17	3,93
Value movements financial derivatives taken directly to equity	(0,39)	(0,44)	(0,31)
Translation differences net investments	-	(0,07)	(0,03)
Other movements	(0,39)	(0,02)	(0,03)
Interim dividend	(1,01)	(1,09)	(1,09)
<i>Equity Vastned Retail shareholders at end of period (including final dividend)</i>	47,59	53,72	52,64
Share price (end of period)	33,04	34,60	35,87
Premium (Discount) (in %)	(30,6)	(35,6)	(31,9)

DIRECT AND INDIRECT INVESTMENT RESULT

(x € 1,000)

	9M 2012	9M 2011	Q3 2012	Q3 2011
Direct investment result				
Gross rental income	100.071	99.100	32.926	33.461
Ground rents paid	(452)	(440)	(151)	(147)
Net service charge expenses	(2.257)	(1.425)	(893)	(375)
Operating expenses	(10.509)	(10.281)	(3.430)	(3.472)
<i>Net rental income</i>	<u>86.853</u>	<u>86.954</u>	<u>28.452</u>	<u>29.467</u>
Financial income	1.521	1.630	512	664
Financial expenses	(28.495)	(27.528)	(9.348)	(9.657)
<i>Net financing costs</i>	<u>(26.974)</u>	<u>(25.898)</u>	<u>(8.836)</u>	<u>(8.993)</u>
General expenses	(6.566)	(5.496)	(2.113)	(1.816)
<i>Direct investment result before taxes</i>	<u>53.313</u>	<u>55.560</u>	<u>17.503</u>	<u>18.658</u>
Current income tax expense	(1.341)	(181)	(408)	(27)
<i>Direct investment result after taxes</i>	<u>51.972</u>	<u>55.379</u>	<u>17.095</u>	<u>18.631</u>
Direct investment result attributable to non-controlling interests	(4.876)	(4.784)	(1.633)	(1.615)
<i>Direct investment result attributable to Vastned Retail shareholders</i>	<u>47.096</u>	<u>50.595</u>	<u>15.462</u>	<u>17.016</u>
Indirect investment result				
Value movements investment properties in operation	(99.913)	33.450	(45.283)	(7.102)
Value movements investment properties in pipeline	3.131	(5.549)	2.347	266
<i>Total value movements investment properties</i>	<u>(96.782)</u>	<u>27.901</u>	<u>(42.936)</u>	<u>(6.836)</u>
Net result on disposals investment properties	2.345	1.347	1.404	136
Value movements financial derivatives	(1.023)	1.512	(362)	1.068
<i>Indirect investment result before taxes</i>	<u>(95.460)</u>	<u>30.760</u>	<u>(41.894)</u>	<u>(5.632)</u>
Movement deferred tax assets and liabilities	12.995	(2.852)	4.770	(587)
<i>Indirect investment result after taxes</i>	<u>(82.465)</u>	<u>27.908</u>	<u>(37.124)</u>	<u>(6.219)</u>
Indirect investment result attributable to non-controlling interests	1.179	(5.617)	(204)	(1.007)
<i>Indirect investment result attributable to Vastned Retail shareholders</i>	<u>(81.286)</u>	<u>22.291</u>	<u>(37.328)</u>	<u>(7.226)</u>
<i>Investment result attributable to Vastned Retail shareholders</i>	<u>(34.190)</u>	<u>72.886</u>	<u>(21.866)</u>	<u>9.790</u>
Per share (x € 1)				
Direct investment result attributable to Vastned Retail shareholders	2,50	2,73	0,81	0,92
Indirect investment result attributable to Vastned Retail shareholders	(4,32)	1,20	(1,96)	(0,39)
Investment result attributable to Vastned Retail shareholders	<u>(1,82)</u>	<u>3,93</u>	<u>(1,15)</u>	<u>0,53</u>

EPRA NAV and EPRA NNAV

	30-09-2012		30-09-2011	
	per share		per share	
Equity Vastned Retail shareholders	905.972	47,59	980.248	52,64
Market value of financial derivatives	50.920	2,67	41.391	2,22
Deferred taxes	19.548	1,03	35.746	1,92
<i>EPRA NAV</i>	976.440	51,29	1.057.385	56,78
Market value of financial derivatives	(50.920)	(2,67)	(41.391)	(2,22)
Market value of interest-bearing debts	4.021	0,21	8.202	0,44
Deferred taxes	(11.158)	(0,59)	(19.645)	(1,05)
<i>EPRA NNAV</i>	918.383	48,24	1.004.551	53,95

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(x € 1,000)

	9M 2012	9M 2011	Q3 2012	Q3 2011
Net income from investment properties				
Gross rental income	100.071	99.100	32.926	33.461
Ground rents paid	(452)	(440)	(151)	(147)
Net service charge expenses	(2.257)	(1.425)	(893)	(375)
Operating expenses	(10.509)	(10.281)	(3.430)	(3.472)
<i>Net rental income</i>	<u>86.853</u>	<u>86.954</u>	<u>28.452</u>	<u>29.467</u>
Value movements investment properties in operation	(99.913)	33.450	(45.283)	(7.102)
Value movements investment properties in pipeline	3.131	(5.549)	2.347	266
<i>Total value movements investment properties</i>	<u>(96.782)</u>	<u>27.901</u>	<u>(42.936)</u>	<u>(6.836)</u>
Net result on disposals of investment properties	2.345	1.347	1.404	136
<i>Total net income from investment properties</i>	<u>(7.584)</u>	<u>116.202</u>	<u>(13.080)</u>	<u>22.767</u>
Expenditure				
Financial income	1.521	1.630	512	664
Financial expenses	(28.495)	(27.528)	(9.348)	(9.657)
Value movements financial derivatives	(1.023)	1.512	(362)	1.068
<i>Net financing costs</i>	<u>(27.997)</u>	<u>(24.386)</u>	<u>(9.198)</u>	<u>(7.925)</u>
General expenses	(6.566)	(5.496)	(2.113)	(1.816)
<i>Total expenditure</i>	<u>(34.563)</u>	<u>(29.882)</u>	<u>(11.311)</u>	<u>(9.741)</u>
<i>Investment result before taxes</i>	<u>(42.147)</u>	<u>86.320</u>	<u>(24.391)</u>	<u>13.026</u>
Current income tax expense	(1.341)	(181)	(408)	(27)
Movement deferred tax assets and liabilities	12.995	(2.852)	4.770	(587)
	<u>11.654</u>	<u>(3.033)</u>	<u>4.362</u>	<u>(614)</u>
<i>Investment result after taxes</i>	<u>(30.493)</u>	<u>83.287</u>	<u>(20.029)</u>	<u>12.412</u>
Investment result attributable to non-controlling interests	(3.697)	(10.401)	(1.837)	(2.622)
<i>Investment result attributable to Vastned Retail shareholders</i>	<u>(34.190)</u>	<u>72.886</u>	<u>(21.866)</u>	<u>9.790</u>
Per share (x € 1)				
Investment result per share attributable to Vastned Retail shareholders	(1,82)	3,93	(1,15)	0,53
Diluted investment result per share attributable to Vastned Retail shareholders	(1,82)	3,93	(1,15)	0,53

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(x € 1,000)

	9M 2012	9M 2011	Q3 2012	Q3 2011
Investment result	(30.493)	83.287	(20.029)	12.412
Value movements financial derivatives taken directly to equity	(6.250)	(6.632)	(2.420)	(17.229)
Translation differences net investments	(66)	(502)	245	(491)
Taxes on other comprehensive income	(1.150)	818	218	1.983
Other comprehensive income	<u>(7.466)</u>	<u>(6.316)</u>	<u>(1.957)</u>	<u>(15.737)</u>
<i>Total comprehensive income</i>	<u>(37.959)</u>	<u>76.971</u>	<u>(21.986)</u>	<u>(3.325)</u>
Attributable to:				
Vastned Retail shareholders	(41.704)	66.587	(23.844)	(5.705)
Non-controlling interests	3.745	10.384	1.858	2.380
	<u>(37.959)</u>	<u>76.971</u>	<u>(21.986)</u>	<u>(3.325)</u>
Per share (x € 1)				
Total comprehensive income attributable to Vastned Retail shareholders	(2,21)	3,59	(1,25)	(0,31)

CONSOLIDATED BALANCE SHEET

(x € 1,000)

	30-sep 2012	30-dec 2011	30-sep 2011
Assets			
Investment properties in operation	1.942.055	2.034.900	2.016.222
Other assets in respect of lease incentives	4.272	4.548	4.392
	1.946.327	2.039.448	2.020.614
Investment properties in pipeline	85.248	89.581	88.075
<i>Total investment properties</i>	2.031.575	2.129.029	2.108.689
Tangible fixed assets	1.495	1.115	992
Financial derivatives	2.286	1.529	1.185
Deferred tax assets	478	478	478
<i>Total fixed assets</i>	2.035.834	2.132.151	2.111.344
Debtors and other receivables	21.566	9.560	10.138
Income tax	348	483	654
Cash and cash equivalents	1.310	4.339	6.333
<i>Total current assets</i>	23.224	14.382	17.125
<i>Total assets</i>	2.059.058	2.146.533	2.128.469
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	(47.213)	(39.765)	(37.446)
Translations reserve	(2.095)	(2.029)	(1.282)
Other reserves	425.732	382.279	382.279
Investment result previous financial year attributable to Vastned Retail shareholders	(34.190)	96.097	72.886
Equity Vastned Retail shareholders	905.972	1.000.393	980.248
Equity non-controlling interests	102.673	105.308	103.284
<i>Total equity</i>	1.008.645	1.105.701	1.083.532
Deferred tax liabilities	12.510	23.781	28.859
Provisions in respect of employee benefits	718	841	820
Long-term interest-bearing loans	745.044	755.031	690.737
Financial derivatives	53.706	44.689	43.542
Long-term tax liabilities	1.122	1.042	2.677
Guarantee deposits	9.608	10.269	7.832
<i>Total long-term liabilities</i>	822.708	835.653	774.467
Payable to banks	111.544	139.494	174.064
Redemption long-term liabilities	78.522	22.212	54.979
Financial derivatives	1.359	2.347	285
Income tax	3.516	3.515	2.961
Other liabilities and accruals	32.764	37.611	38.181
<i>Total short-term liabilities</i>	227.705	205.179	270.470
<i>Total equity and liabilities</i>	2.059.058	2.146.533	2.128.469

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						50.595	50.595	4.784	55.379
Indirect investment result						22.291	22.291	5.617	27.908
Value movements financial derivatives			(5.797)				(5.797)	(17)	(5.814)
Translation differences net investments				(502)			(502)		(502)
<i>Total comprehensive income</i>	-	-	(5.797)	(502)	-	72.886	66.587	10.384	76.971
Stock dividend	630	(630)					-		-
Costs of stock dividend		(35)					(35)		(35)
Final dividend previous financial year in cash						(41.577)	(41.577)	(6.435)	(48.012)
Interim dividend 2011 in cash					(20.297)		(20.297)		(20.297)
Allocation from profit appropriation					57.599	(57.599)	-		-
<i>Balance as at 30 September 2011</i>	93.106	470.705	(37.446)	(1.282)	382.279	72.886	980.248	103.284	1.083.532
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						47.096	47.096	4.876	51.972
Indirect investment result						(81.286)	(81.286)	(1.179)	(82.465)
Value movements financial derivatives			(7.448)				(7.448)	48	(7.400)
Translation differences net investments				(66)			(66)		(66)
<i>Total comprehensive income</i>	-	-	(7.448)	(66)	-	(34.190)	(41.704)	3.745	(37.959)
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)
Interim dividend 2012 in cash					(19.227)		(19.227)		(19.227)
Allocation from profit appropriation					62.680	(62.680)	-		-
<i>Balance as at 30 September 2012</i>	95.183	468.555	(47.213)	(2.095)	425.732	(34.190)	905.972	102.673	1.008.645

CONSOLIDATED CASH FLOW STATEMENT

(x € 1,000)

	9M 2012	9M 2011
Cash flow from operating activities		
Investment result	(30.493)	83.287
Adjustments for:		
Value movements investment properties	96.782	(27.901)
Net result on disposals investment properties	(2.345)	(1.347)
Net financing costs	27.997	24.386
Income tax	(11.654)	3.033
<i>Cash flow from operating activities before changes in working capital and provisions</i>	<u>80.287</u>	<u>81.458</u>
Movement current assets	630	(2.787)
Movement short-term liabilities	(222)	(1.110)
Movement provisions	(1.592)	2.213
	<u>79.103</u>	<u>79.774</u>
Interest paid (on balance)	(27.047)	(26.782)
Income tax paid	(546)	(870)
<i>Cash flow from operating activities</i>	<u>51.510</u>	<u>52.122</u>
Cash flow from investment activities		
Acquisition of investment properties and investments	(76.651)	(93.986)
Disposal of investment properties	64.188	15.647
<i>Cash flow from property</i>	<u>(12.463)</u>	<u>(78.339)</u>
Movement tangible fixed assets	(380)	85
<i>Cash flow from investment activities</i>	<u>(12.843)</u>	<u>(78.254)</u>
Cash flow from financing activities		
Dividend paid	(52.717)	(61.909)
Dividend paid to non-controlling interests	(6.450)	(6.731)
Interest-bearing loans drawn down	73.740	197.400
Interest-bearing loans redeemed	(56.270)	(103.672)
<i>Cash flow from financing activities</i>	<u>(41.697)</u>	<u>25.088</u>
Movement in cash and cash equivalents	(3.030)	(1.044)
Cash and cash equivalents as at 1 January	4.339	7.383
Translation differences on cash and cash equivalents	1	(6)
<i>Cash and cash equivalents at end of period</i>	<u>1.310</u>	<u>6.333</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT

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 interim consolidated financial 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 it has joint control.

The interim consolidated financial report was drawn up by the board of management and authorised for publication by the supervisory board on 1 November 2012.

This consolidated interim financial report has not been audited.

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

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

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

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

Effect of new, revised and improved standards

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

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

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

The actual results may deviate from these estimates.

3. Segment information

	Investment properties		Gross rental income		Operating costs including ground rents paid and net service charge expenses		Net rental income	
	30 September		9M		9M		9M	
	2012	2011	2012	2011	2012	2011	2012	2011
Netherlands	784.700	791.359	39.507	39.263	5.382	5.481	34.125	33.782
France	456.176	469.015	20.893	19.525	1.894	1.732	18.999	17.793
Belgium	338.460	318.945	16.686	15.922	1.743	1.291	14.943	14.631
Spain	329.655	415.061	20.994	22.423	4.051	3.365	16.943	19.058
Turkey	110.497	101.910	1.210	1.207	117	172	1.093	1.035
Portugal	12.087	12.399	781	760	31	105	750	655
Total	2.031.575	2.108.689	100.071	99.100	13.218	12.146	86.853	86.954
High street shops	1.061.451	1.033.247	44.247	42.663	4.980	4.834	39.267	37.829
Other	970.124	1.075.442	55.824	56.437	8.238	7.312	47.586	49.125
	2.031.575	2.108.689	100.071	99.100	13.218	12.146	86.853	86.954

	Value movements investment properties		Net result on disposals investment properties		Movement in deferred tax assets and liabilities		Total	
	9M		9M		9M		9M	
	2012	2011	2012	2011	2012	2011	2012	2011
Netherlands	(16.651)	1.196	789	276	-	-	(15.862)	1.472
France	(7.770)	14.617	648	185	-	124	(7.122)	14.926
Belgium	5.048	16.038	666	507	20	(52)	5.734	16.493
Spain	(79.149)	(6.653)	265	-	12.917	(595)	(65.967)	(7.248)
Turkey	2.057	2.612	(23)	379	28	(2.300)	2.062	691
Portugal	(317)	91	-	-	30	(29)	(287)	62
	(96.782)	27.901	2.345	1.347	12.995	(2.852)	(81.442)	26.396
Of which attributable to third parties	877	(5.358)	(184)	(140)	(5)	14	688	(5.484)
	(95.905)	22.543	2.161	1.207	12.990	(2.838)	(80.754)	20.912
High street shops	14.815	27.859	2.472	417	365	(3.031)	17.652	25.245
Other	(111.597)	42	(127)	930	12.630	179	(99.094)	1.151
	(96.782)	27.901	2.345	1.347	12.995	(2.852)	(81.442)	26.396
Of which attributable to third parties	877	(5.358)	(184)	(140)	(5)	14	688	(5.484)
	(95.905)	22.543	2.161	1.207	12.990	(2.838)	(80.754)	20.912

4. Dividend

On 21 May 2012 the final dividend for the 2011 financial year of € 2.52 per share was made payable either in cash or in stock dividend at the choice of the shareholder. Holders of 29% of the issued share capital opted for stock dividend, resulting in 415,461 new shares being issued. The dividend distribution totalled € 33.4 million.

On 27 August 2012 the interim dividend for the 2012 financial year of € 1,01 per share in cash was made payable. The interim dividend distribution totalled € 19.2 million.

5. Events after balance sheet date

Since balance sheet date no events have occurred that could materially affect or necessitate adjustment of the balance sheet items as presented in this interim consolidated financial report.

5. Related parties transactions

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

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

Interests of major investors

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

Commonwealth Bank of Australia	5,79%
Société Fédérale de Participations et d'Investissements (SFPI)	5,26%
Stichting Pensioenfond ABP	5,15%