

VASTNED HIGH STREET SHOPS FORM SOLID BASE

Strategy roll-out well on track

Key points 2012 (in brackets: 2011)

- Direct investment result € 62.5 million (€ 67.0 million)
- Value movements high street shops 1.3% positive, value movements other investment properties 13.5% negative
- Stable occupancy rate at year-end 2012 of 95.0% (95.1%), high street shops 97.4% (97.1%)
- Like-for-like rental growth high street shops 2.0%
- Strategy roll-out well on schedule:
 - High street shop ratio increased from 49% to 55%
 - Non-core property disposals of € 145 million well above € 90 million target and on average above book value
 - Further diversification of financing by US private placement and loan of BNP Paribas
 - Loan-to-value remains with 43.9% within desired target range
- Dividend 2012 of € 2.55 per share in cash confirmed
- € 200 million additional non-core disposals over next three years

ROTTERDAM, 1 March 2013 – Vastned, the European retail property investment fund focusing on high street shops, today announces its results for 2012. Vastned has made significant progress on the roll-out of its updated strategy and the ratio of high streets shops has increased from 49% to 55%. The direct investment result was € 62.5 million. The indirect investment result was € 103.5 million negative mainly due to the Spanish property portfolio.

Taco de Groot, Vastned Chief Executive Officer: '2012 was the first full year rolling-out our updated strategy in the current market amidst a great deal of political and economic turbulence. We have succeeded in making important progress on all three pillars of our strategy. For example, the ratio of high street shops in our portfolio rose from 49% to 55% - a significant step towards the 65% target. We have bought attractive high street shops in cities like Paris, Bordeaux, Istanbul and The Hague, and sold non-strategic property totalling over € 145 million, well above the € 90 million target and on average above book value.

Quality, the overarching theme of our strategy, is also foremost in our organisation and customer approach. Cross-border account management, whereby the various country

teams share knowledge and experience, has become a fixed agenda item. Gradually, the organisation is becoming more dynamic, which is one of the culture shifts we are focusing on. The quality of financing translates into further diversification of our range of banks and financing sources, and in a loan-to-value of 43.9%, within the desired range.

The implementation of our strategy has resulted in a direct investment result of € 3.31 per share, in line with our expectations. We confirm our previously announced dividend of € 2.55 in cash per share. In view of the ongoing pressure on the results of retailers, partly due to low consumer confidence, we can be proud of the progress made.

In contacts with our tenants and investors we have found that our strategic choice is being recognised and appreciated. More quality in the portfolio will result in the short term in a lower direct investment result, but in the long term produce more stable and predictable results, which is a prime objective. Market conditions will remain unchanged in 2013, but the organisation and our property portfolio are now in a better position to withstand them. In our pursuit of quality in the property portfolio we will continue to play the delicate game of high street shop acquisitions in 2013.'

Property portfolio

Investment properties

Introduction

The developments in 2012 in terms of occupancy rate, like-for-like rental growth and value movements confirm our strategic choice. At year-end 2012 high street shops made up 55% of the property portfolio. Compared to other investment properties, high street shops achieved the best results on the three most important parameters.

<i>Key parameters 2012 in %</i>			
	<i>High street shops</i>	<i>Other</i>	<i>Total property portfolio</i>
Occupancy rate year-end 2012	97.4	93.0	95.0
Like-for-like rental growth	2.0	(2.2)	(0.4)
Value movements	1.3	(13.5)	(6.2)

The developments in the area of occupancy rate, rent levels, value movements, acquisitions and disposals in the property portfolio in 2012 were as follows:

Occupancy rate

The occupancy rate at year-end 2012 remained virtually stable at 95.0% (year-end 2011: 95.1%). The occupancy rate by country and segment was as follows.

Occupancy rate (in %)

Country	Total Property portfolio				High street shops		Other	
	Average occupancy ratio 2012	Average occupancy ratio 2011	Year-end 2012	Year-end 2011	Year-end 2012	Year-end 2011	Year-end 2012	Year-end 2011
Netherlands	96.6	96.6	97.0	96.5	96.3	97.3	97.8	95.6
France	94.8	94.4	94.4	94.3	97.6	97.0	89.7	90.7
Belgium	97.5	97.6	97.1	96.6	97.7	95.1	96.5	97.9
Spain	90.5	92.6	90.1	92.4	100.0	100.0	89.3	91.8
Turkey	100.0	96.0	100.0	100.0	100.0	100.0	n/a	n/a
Portugal	100.0	100.0	100.0	100.0	100.0	100.0	n/a	n/a
Total	95.1	95.4	95.0	95.1	97.4	97.1	93.0	93.7

Leasing activity

The total leasing activity in 2012 was € 18.3 million (2011: € 15.5 million) in new or renewed leases. This equalled 12.9% of the theoretical gross rental income in the core countries (2011: 10.8%). The leasing volume was especially high in the high street shop segment at € 9.8 million.

The departure of 121 tenants, representing € 7.0 million (2011: € 7.7 million) in rental income was more than compensated by 122 new leases, representing annual rental income of 9.2 million (2011: € 10.2 million). Furthermore, 134 lease renewals were concluded, representing € 9.1 million (2011: € 5.3 million) in rental income.

New leases and lease renewals taken together were concluded on average 2.9% below the previous rent level (2011: 2.7% below the previous rent level). The decline was resulted by lower rents in new leases and lease renewals for the other investments. These contracts were on average 13.1% down. Contracts for high street shops on the other hand increased on average by 8.2% above the previous rent level.

Taking lease incentives into account, the new leases and lease renewals were concluded at on average 8.3% below the previous rent level (2011: 6.8% below the previous rent level).

**Leasing activity 2012
based on contract rents**

Country	Volume in € and % of theoretical gross rental income				Movement gross rental income (%)	
	Q4		FY		Q4	FY
	€ million	%	€ million	%	%	%
Netherlands	1.4	2.7%	4.5	8.8%	(6.4)	(1.8)
France	0.4	1.3%	3.3	10.8%	(57.2)	(0.3)
Belgium	2.1	9.1%	4.6	20.6%	20.7	9.9
Spain	1.3	4.2%	3.4	10.7%	(28.3)	(27.4)
Turkey	n/a	n/a	2.5	49.7%	n/a	21.0
Total	5.2	3.6%	18.3	12.9%	(13.1)	(2.9)

In the fourth quarter, the agreed rent for new leases in the French portfolio was 57.2% down on the previous rent level, which was fully due to retaining H&M as one of the anchor tenants in the Centre Marine shopping centre in Dunkirk. In the Belgian property portfolio, attractive new leases in Antwerp city centre (Rituals and Armani Jeans) and on Gouden Kruispunt in Tielt-Winge (JBC en Prémaman) resulted in a 20.7% rent level increase.

Like-for-like rental income growth

The like-for-like rental income growth was € 0.5 million negative (0.4% down on 2011) due to a € 2.2 million lower gross rental income in Spain as a result of new leases and lease renewals at lower levels than the previous rents, which was necessary to maintain the occupancy rate at a high level. In all other countries there was positive like-for-like growth of € 1.7 million.

In France, the gross rental income rose by € 0.9 million due to indexation and improved rent levels after rent movements. In Belgium, too, a rent improvement was realised of € 0.4 million due to indexation and rent improvements. Like-for-like rental income growth in the Dutch portfolio was € 0.3 million and € 0.1 million in the Turkish portfolio.

Lease incentives

Lease incentives, such as rent-free periods, rent discounts and other payments or contributions to tenants, comprised 2.5% of the gross rental income, virtually unchanged from 2011 (2.3%). In absolute terms, the lease incentives were € 3.7 million (2011: € 3.3 million). The increase was in particular due to higher lease incentives in the Netherlands.

IFRS lease incentives in %

Country	Q4	FY 2012	FY 2011
Netherlands	(0.7)	(1.0)	(0.5)
France	(2.4)	(1.9)	(1.9)
Belgium	(1.5)	(1.5)	(1.4)
Spain	(6.5)	(6.6)	(6.3)
Turkey	(4.4)	(2.2)	-
Portugal	-	-	-
Total	(2.5)	(2.5)	(2.3)

Value movements investment properties

The value movements in 2012 totalled € 122.2 million negative (2011: € 32.4 million positive), or 6.2% down on the 2012 starting value. The decrease mainly involved the Spanish portfolio, and to a lesser extent the Dutch and French property portfolios.

Spain showed a 22.4% value decrease, mainly due to lower (market) rent levels and higher yields for the units in the shopping centres. The Dutch and French property portfolios showed value decreases of 3.8% and 2.8% respectively, which most concerned 'other investments'. The high street shops in the Netherlands were virtually unchanged; in France they saw a 4.1% rise. The Belgian property portfolio showed a 1.9% value increase compared to the starting value. Especially the acquired retail property in Namur in 2011 and Retail park Gouden Kruispunt in Tielt-Winge contributed significantly to this. In Turkey, the property Istiklal Caddesi 161 in Istanbul was transferred to tenant Zara at year-end after a major refurbishment, and taken into operation in the fourth quarter of 2012. This property and all other Turkish properties contributed to a 2.3% value increase.

Value movements (x € 1 million)						
Country	Value Year-end 2012	Q4 2012	FY 2012	FY 2011	High street shops 2012	Other 2012
Netherlands	719.5	(9.5)	(26.1)	1.6	(2.6)	(23.5)
France	472.5	(4.8)	(12.6)	19.7	10.9	(23.5)
Belgium	331.1	1.0	6.0	19.2	5.2	0.8
Spain	318.6	(12.6)	(91.7)	(11.6)	(3.2)	(88.5)
Turkey	127.1	0.4	2.4	3.4	2.4	-
Portugal	12.2	-	(0.2)	0.1	(0.2)	-
Total	1,981.0	(25.5)	(122.2)	32.4	12.5	(134.7)

Value movements as a percentage of starting values and net yields

Country	Value Year-end 2012 (x € 1 million)	Q4 2012	FY 2012	FY 2011	High street shops FY 2012	Other FY 2012	Net yield Total	Net yield High street shops	Net yield other
Netherlands	719.5	(1.3)	(3.8)	0.2	(0.7)	(7.5)	6.3	5.8	6.8
France	472.5	(1.1)	(2.8)	4.7	4.1	(13.0)	6.0	5.5	6.8
Belgium	331.1	0.3	1.9	6.4	2.9	0.6	6.2	5.5	7.0
Spain	318.6	(3.8)	(22.4)	(2.8)	(6.8)	(24.5)	9.3	5.1	9.9
Turkey	127.1	0.3	2.3	12.4	2.3	-	5.7	5.7	-
Portugal	12.2	0.9	(1.7)	0.7	(1.6)	-	8.4	8.4	-
Total	1,981.0	(1.3)	(6.2)	1.7	1.3	(13.5)	6.6	5.7	7.8

Acquisitions

In 2012 Vastned sharpened up its high street profile further with acquisitions in a number of big cities in the Netherlands, France and Turkey. In cities like The Hague, Amsterdam, Bordeaux, Paris and Istanbul, Vastned acquired attractive high street shops. Vastned's acquisitions in 2012 totalled € 110.6 million.

Disposals

In 2012, (non-core) retail investment properties were sold for an amount of € 145.5 million. Of these disposals, € 101.3 million was made in the Dutch property portfolio, and concerned mostly individual (non-core) retail properties, apart from the sale of Retail Park Roermond. In France, (non-core) retail properties were sold for € 29.6 million including the Plaisir-Sablons shopping centre and a retail warehouse in Seclin. Disposals in Belgium and Spain amounted to € 11.3 million and € 3.3 million respectively. The net result on investments after costs of sale was € 0.7 million positive.

Investment result Vastned shareholders 2012

The investment result fell from €96.1 million positive in 2011 to € 41.0 million negative in 2012. The main reason for this decrease was the indirect investment result, which was € 103.5 million negative in 2012 (2011: € 29.1 million positive), mainly due to write-downs on the Spanish property portfolio of over € 90 million. The direct investment result came to € 62.5 million (2011: € 67.0 million).

Breakdown investment result (* € 1 million)

	Q4 2012	FY 2012	FY 2011
Direct investment result	15.5	62.5	67.0
Indirect investment result	(22.3)	(103.5)	29.1
Investment result	(6.8)	(41.0)	96.1

Composition 2012 investment result

Gross rental income

The total rental income increased from € 132.5 million in 2011 to € 133.5 million in 2012 due to acquisitions, which amply offset the loss of gross rental income caused by disposals and a total like-for-like decrease of € 0.5 million. The latter was the result of lower gross rental income in Spain of € 2.2 million due to adverse economic conditions. In all other countries there was positive like-for-like growth in gross rental income.

Country	Gross rental income (x € 1 million)		
	Q4 2012	FY 2012	FY 2011
Netherlands	13.1	52.7	52.6
France	7.0	27.9	26.2
Belgium	5.6	22.2	21.3
Spain	6.5	27.5	29.8
Turkey	0.9	2.1	1.6
Portugal	0.3	1.1	1.0
Total	33.4	133.5	132.5

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

Operating expenses expressed as a percentage of gross rental income increased from 12.8% to 13.3% or to € 17.8 million (2011: € 16.9 million). The rise was mainly due to higher net service charge expenses, especially in the Spanish property portfolio.

Value movements investment properties

The value movements in 2012 totalled € 122.2 million negative (2011: € 32.4 million positive), or 6.2% down on the 2012 starting value. The decrease was mostly due to the Spanish property portfolio, and to a lesser extent the Dutch and French property portfolios.

Net result on investment property disposals

In 2012, (non-core) retail investments were sold for an amount of € 145.5 million. Of these disposals, € 101.3 million was made in the Dutch property portfolio, which mainly concerned individual (non-core) retail property, in addition to the disposal of Retail Park Roermond. Altogether, the disposals were made at € 0.7 million above book value. Furthermore, an additional € 0.5 million result was made on a 2009 disposal. The net result on disposals of investment property in 2012 totalled € 1.2 million.

In addition, at the end of 2012 a sale of 350,000 Intervest Retail shares at € 46.50 per share netted a book profit of over € 2.0 million, which was taken directly to equity. After this sale, Vastned's majority stake in Intervest Retail is 65.5%.

Net financing costs

Net financing costs rose from € 33.8 million in 2011 to € 37.2 million in 2012 mainly due to negative value movements on financial derivatives of € 2.7 million. Additionally the financing costs increased by € 0.7 million as a result of net-acquisitions. The average interest rate on the total interest-bearing loan capital improved from 4.2% to 4.1%.

Financing costs		
	FY 2012	FY 2011
Interest (* € 1 million)	35.8	35.1
Average interest % on loan capital	4.08	4.19
Interest coverage ratio (ICR)	3.0	3.1

General expenses

The general expenses increased from € 7.1 million in 2011 to € 8.9 million in 2012. The increase was due to no longer being able to partly charge on part of the general expenses to VastNed Offices/Industrial after the termination of the collaboration agreement in 2011. But there was also a (partly non-recurring) increase in personnel costs, and additional consultancy and communication costs in the context of the updated strategy.

Current income tax expense

Income tax totalled € 1.7 million (€ 2011: € 0.1 million). The increase was due to changed tax legislation in Spain. In the first quarter of 2012 it was announced that tax legislation in Spain had been changed effective 1 January 2012, reducing the full tax deductibility of interest expenses. To limit the consequences of this, Vastned decided to opt for the Spanish 'SOCIMI' regime. A key feature of this regime is that subject to conditions that are somewhat similar to the Dutch FII regime, the income tax rate is reduced from 30% to 19%. Under this regime the adverse effects of the interest deduction restrictions on the tax burden were reduced by 40% to € 1.6 million.

Movement deferred tax assets and liabilities

The movement of deferred tax assets and liabilities in 2012 was € 17.7 million positive (2011: € 0.6 million negative) and was due mostly to value decreases in the Spanish property portfolio.

Investment result attributable to non-controlling interests

The investment result attributable to non-controlling interests fell to € 5.5 million (2011: € 12.8 million), mainly due to lower positive value movements in the Belgian property portfolio and the negative value movement of the Het Rond shopping centre in Houten.

Financing

Solvency and loan capital financing

As at 31 December 2012, Vastned's balance sheet showed a healthy financing structure with a loan-to-value of 43.9% (year-end 2011: 43.1%) and a solvency, being total equity plus deferred tax liabilities divided by the balance sheet total, of 51.7% (year-end 2011: 52.6%). With a solvency of 51.7% and an interest coverage ratio of 3.0, Vastned complies with all the loan covenants.

At the beginning of 2012 a US private placement was finalised for € 50 million with an average duration of 7.5 years. Furthermore a loan of € 31 million with a duration of 3 years was granted by BNP Paribas in October 2012. With these loans further diversification of the loan portfolio was achieved.

<i>Solvency and loan capital</i>		
	<i>FY 2012</i>	<i>FY 2011</i>
Solvency	51.7%	52.6%
LTV	43.9%	43.1%
Duration based on contract dates (years)	3.5	3.6
Duration based on interest review dates (years)	3.9	4.3

<i>Breakdown of interest-bearing loan capital year-end 2012</i>				
<i>(x € 1 million)</i>	<i>Fixed interest</i>	<i>Floating interest</i>	<i>Total</i>	<i>% of total</i>
Long-term	562.4	114.2	676.6	77.8
Short-term	115.6	77.0	192.6	22.2
Total	678.0	191.2	869.2	100.0
% of total	78.0	22.0	100.0	

Outlook 2013

In 2012 we made a good start on the roll-out of the updated strategy focusing on high street retail property, targeting a 65% share of the total property portfolio. This gives us confidence that Vastned can fulfil its ambitions. For the next three years, our objective in this context is to dispose of € 200 million in non-core property investments and to use part of the proceeds to acquire high street shops in big cities. The roll-out of the strategy in general will lead to a lower direct investment result in the short term, but this is offset in the medium-long term by a better return with more stable and predictable results. Furthermore, we anticipate that there will be persistent pressure on the results of retailers, partly due to ongoing low consumer confidence. This will certainly be the case in Spain, also because of the specific local economic conditions. The uncertainty concerning the

economic climate and the speed of the further roll-out of our strategy make it impossible to give concrete expectations regarding the direct investment result in 2013. Over the next few years we will steadily continue to roll out our strategy in order to pragmatically increase the ratio of high street shops in our portfolio step by step.

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 let the new policy take effect as of the adoption of the 2012 dividend. In that case the dividend per share for 2012 will come to € 2.55, to be distributed fully in cash, of which € 1.01 is already distributed as interim-dividend in August 2012. The final dividend for 2012 will therefore be € 1.54 per share in cash. The choice of effective date of the new dividend policy, either as of 2012 or 2013, will also be put to the shareholders for approval during the general meeting of shareholders of 19 April 2013.

The webcast on Friday 1 March 2013 at 11 am with comments on the 2012 results can be followed on www.vastned.com.

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 2013

Date		Subject
Friday 19 April 2013	3 pm	General meeting of Shareholders (Okura Amsterdam)
Tuesday 23 April 2013 (25 April 2013: record date)		Ex final dividend listing
Wednesday 15 May 2013	before trading	Q1 trading update 2013
Wednesday 22 May 2013		Payment date final dividend
Wednesday 14 August 2013	before trading	Publication half-year results 2013
Wednesday 14 August 2013	11 am	Analysts' meeting/webcast on half-year results 2013 (Okura Amsterdam)
Friday 16 August 2013 (20 August 2013: record date)		Ex interim dividend listing
Friday 30 August 2013		Payment date interim dividend
Wednesday 4 November 2013	before trading	9M trading update 2013

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Future looking statements

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

KEY FIGURES	31 December 2012	31 December 2011
Results (x € 1,000)		
Gross rental income	133,484	132,532
Direct investment result	62,548	66,964
Indirect investment result	(103,562)	29,133
<i>Investment result</i>	(41,014)	96,097
Balance sheet (x € 1,000)		
Investment properties	1,980,985	2,129,029
Equity	1,021,962	1,105,701
Equity Vastned Retail shareholders	903,257	1,000,393
Long-term liabilities	749,389	835,653
Solvency based on banks' definition (in %)	51.7	52.6
Loan-to-value (in %)	43.9	43.1
Interest coverage ratio	3.0	3.1
Financial occupancy rate (in %)	95.1	95.4
Average number of shares in issue	18,876,591	18,574,595
Number of shares in issue (end of period)	19,036,646	18,621,185
Per share (x € 1)		
Equity Vastned Retail shareholders at beginning of year (including final dividend)	53.72	52.75
Final dividend previous financial year	(2.52)	(2.58)
<i>Equity Vastned Retail shareholders at beginning of year (excluding final dividend)</i>	51.20	50.17
Direct investment result	3.31	3.61
Indirect investment result	(5.48)	1.56
<i>Investment result</i>	(2.17)	5.17
Net result on disposal of Intervest Retail NV shares	0.11	-
Value movements financial derivatives recognised directly in equity	(0.27)	(0.44)
Translation differences on net investments	(0.02)	(0.07)
Other movements	(0.39)	(0.02)
Interim dividend	(1.01)	(1.09)
<i>Equity Vastned Retail shareholders at year-end (including final dividend)</i>	47.45	53.72
Share price (end of period)	32.75	34.60
Premium / (Discount) (in %)	(31.0)	(35.6)

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

	FY 2012	FY 2011	Q4 2012	Q4 2011
Direct investment result				
Gross rental income	133,484	132,532	33,413	33,432
Ground rents paid	(603)	(587)	(151)	(147)
Net service charge expenses	(3,056)	(2,026)	(799)	(601)
Operating expenses	(14,129)	(14,283)	(3,620)	(4,002)
<i>Net rental income</i>	<u>115,696</u>	<u>115,636</u>	<u>28,843</u>	<u>28,682</u>
Financial income	1,889	2,174	368	544
Financial expenses	(37,706)	(37,290)	(9,211)	(9,762)
<i>Net financing costs</i>	<u>(35,817)</u>	<u>(35,116)</u>	<u>(8,843)</u>	<u>(9,218)</u>
General expenses	(8,904)	(7,057)	(2,338)	(1,561)
<i>Direct investment result before taxes</i>	<u>70,975</u>	<u>73,463</u>	<u>17,662</u>	<u>17,903</u>
Current income tax expense	(1,734)	(87)	(393)	94
<i>Direct investment result after taxes</i>	<u>69,241</u>	<u>73,376</u>	<u>17,269</u>	<u>17,997</u>
Direct investment result attributable to non-controlling interests	(6,693)	(6,412)	(1,817)	(1,628)
<i>Direct investment result attributable to Vastned Retail shareholders</i>	<u>62,548</u>	<u>66,964</u>	<u>15,452</u>	<u>16,369</u>
Indirect investment result				
Value movements investment properties in operation	(126,359)	38,879	(26,446)	5,429
Value movements investment properties in pipeline	4,118	(6,478)	987	(929)
<i>Total value movements investment properties</i>	<u>(122,241)</u>	<u>32,401</u>	<u>(25,459)</u>	<u>4,500</u>
Net result on disposals of investment property	1,206	2,446	(1,139)	1,099
Value movements financial derivatives	(1,397)	1,279	(374)	(233)
<i>Indirect investment result before taxes</i>	<u>(122,432)</u>	<u>36,126</u>	<u>(26,972)</u>	<u>5,366</u>
Movement deferred tax assets and liabilities	17,672	(591)	4,677	2,261
<i>Indirect investment result after taxes</i>	<u>(104,760)</u>	<u>35,535</u>	<u>(22,295)</u>	<u>7,627</u>
Indirect investment result attributable to non-controlling interests	1,198	(6,402)	19	(785)
<i>Indirect investment result attributable to Vastned Retail shareholders</i>	<u>(103,562)</u>	<u>29,133</u>	<u>(22,276)</u>	<u>6,842</u>
<i>Investment result attributable to Vastned Retail shareholders</i>	<u>(41,014)</u>	<u>96,097</u>	<u>(6,824)</u>	<u>23,211</u>
Per share (x € 1)				
Direct investment result attributable to Vastned Retail shareholders	3.31	3.61	0.81	0.88
Indirect investment result attributable to Vastned Retail shareholders	(5.48)	1.56	(1.17)	0.36
Investment result attributable to Vastned Retail shareholders	<u>(2.17)</u>	<u>5.17</u>	<u>(0.36)</u>	<u>1.24</u>

EPRA NAV AND EPRA NNNAV (x € 1,000)

	31/12/2012		31/12/2011	
	per share		per share	
	(x € 1)		(x € 1)	
Equity Vastned Retail shareholders	903,257	47.45	1,000,393	53.72
Market value of financial derivatives	48,063	2.52	44,091	2.37
Deferred tax	24,037	1.26	31,242	1.68
EPRA NAV	975,357	51.23	1,075,726	57.77
Market value of financial derivatives	(48,063)	(2.52)	(44,091)	(2.37)
Market value of interest-bearing loans	185	0.01	10,958	0.59
Deferred tax	(15,832)	(0.83)	(17,135)	(0.92)
EPRA NNNAV	911,647	47.89	1,025,458	55.07

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

	FY 2012	FY 2011	Q4 2012	Q4 2011
Net income from investment properties				
Gross rental income	133,484	132,532	33,413	33,432
Ground rents paid	(603)	(587)	(151)	(147)
Net service charge expenses	(3,056)	(2,026)	(799)	(601)
Operating expenses	(14,129)	(14,283)	(3,620)	(4,002)
<i>Net rental income</i>	<u>115,696</u>	<u>115,636</u>	<u>28,843</u>	<u>28,682</u>
Value movements investment properties in operation	(126,359)	38,879	(26,446)	5,429
Value movements investment properties in pipeline	4,118	(6,478)	987	(929)
<i>Total value movements investment properties</i>	<u>(122,241)</u>	<u>32,401</u>	<u>(25,459)</u>	<u>4,500</u>
Net result on disposals of investment property	1,206	2,446	(1,139)	1,099
<i>Total net income from investment properties</i>	<u>(5,339)</u>	<u>150,483</u>	<u>2,245</u>	<u>34,281</u>
Expenditure				
Financial income	1,889	2,174	368	544
Financial expenses	(37,706)	(37,290)	(9,211)	(9,762)
Value movements financial derivatives	(1,397)	1,279	(374)	(233)
<i>Net financing costs</i>	<u>(37,214)</u>	<u>(33,837)</u>	<u>(9,217)</u>	<u>(9,451)</u>
General expenses	(8,904)	(7,057)	(2,338)	(1,561)
<i>Total expenditure</i>	<u>(46,118)</u>	<u>(40,894)</u>	<u>(11,555)</u>	<u>(11,012)</u>
<i>Investment result before taxes</i>	<u>(51,457)</u>	<u>109,589</u>	<u>(9,310)</u>	<u>23,269</u>
Current income tax expense	(1,734)	(87)	(393)	94
Movement deferred tax assets and liabilities	17,672	(591)	4,677	2,261
	<u>15,938</u>	<u>(678)</u>	<u>4,284</u>	<u>2,355</u>
<i>Investment result after taxes</i>	<u>(35,519)</u>	<u>108,911</u>	<u>(5,026)</u>	<u>25,624</u>
Investment result attributable to non-controlling interests	(5,495)	(12,814)	(1,798)	(2,413)
<i>Investment result attributable to Vastned Retail shareholders</i>	<u>(41,014)</u>	<u>96,097</u>	<u>(6,824)</u>	<u>23,211</u>
Per share (x € 1)				
Investment result attributable to Vastned Retail shareholders	(2.17)	5.17	(0.36)	1.24
Diluted investment result attributable to Vastned Retail shareholders	(2.17)	5.17	(0.36)	1.24

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

	FY 2012	FY 2011	Q4 2012	Q4 2011
Investment result	(35,519)	108,911	(5,026)	25,624
Value movements financial derivatives recognised directly in equity	(3,440)	(9,081)	2,783	(2,449)
Translation differences net investments	(435)	(1,249)	(369)	(747)
Taxes related to other comprehensive income	(1,360)	943	(183)	125
Other comprehensive income	(5,235)	(9,387)	2,231	(3,071)
<i>Total result</i>	(40,754)	99,524	(2,795)	22,553
Attributable to:				
Vastned Retail shareholders	(46,431)	86,732	(4,727)	20,145
Non-controlling interests	5,677	12,792	1,932	2,408
	(40,754)	99,524	(2,795)	22,553
Per share (x € 1)				
Total result attributable to Vastned Retail shareholders	(2.46)	4.66	(0.25)	1.08

CONSOLIDATED BALANCE SHEET (x € 1,000)

	31 December 2012	31 December 2011
Assets		
Investment properties in operation	1,926,713	2,034,900
Accrued assets in respect of lease incentives	4,733	4,548
	<hr/> 1,931,446	<hr/> 2,039,448
Investment properties in pipeline	49,539	89,581
<i>Total investment properties</i>	<hr/> 1,980,985	<hr/> 2,129,029
Tangible fixed assets	1,595	1,115
Financial derivatives	2,222	1,529
Deferred tax assets	345	478
<i>Total fixed assets</i>	<hr/> 1,985,147	<hr/> 2,132,151
Debtors and other receivables	12,959	9,560
Income tax	513	483
Cash and cash equivalents	4,908	4,339
<i>Total currents assets</i>	<hr/> 18,380	<hr/> 14,382
<i>Total assets</i>	<hr/> 2,003,527	<hr/> 2,146,533
Equity and liabilities		
Capital paid-up and called	95,183	93,106
Share premium reserve	468,555	470,705
Hedging reserve in respect of financial derivatives	(44,747)	(39,765)
Translation reserve	(2,464)	(2,029)
Other reserves	427,744	382,279
Investment result attributable to Vastned Retail shareholders	(41,014)	96,097
Equity Vastned Retail shareholders	<hr/> 903,257	<hr/> 1,000,393
Non-controlling interests	118,705	105,308
<i>Total equity</i>	<hr/> 1,021,962	<hr/> 1,105,701
Deferred tax liabilities	13,037	23,781
Provisions in respect of employee benefits	761	841
Long-term interest-bearing loans	676,618	755,031
Financial derivatives	49,393	44,689
Long-term tax liabilities	561	1,042
Guarantee deposits and other long-term liabilities	9,019	10,269
<i>Total long-term liabilities</i>	<hr/> 749,389	<hr/> 835,653
Payable to banks	77,023	139,494
Redemption long-term interest-bearing loans	115,522	22,212
Financial derivatives	3,202	2,347
Income tax	792	3,515
Other liabilities and accruals	35,637	37,611
<i>Total short-term liabilities</i>	<hr/> 232,176	<hr/> 205,179
<i>Total equity and liabilities</i>	<hr/> 2,003,527	<hr/> 2,146,533

CONSOLIDATED STATEMENT OF MOVEMENTS 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	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						66,964	66,964	6,412	73,376
Indirect investment result						29,133	29,133	6,402	35,535
Value movements financial derivatives			(8,116)				(8,116)	(22)	(8,138)
Translation differences on net investments				(1,249)			(1,249)		(1,249)
<i>Total result</i>	-	-	(8,116)	(1,249)	-	96,097	86,732	12,792	99,524
Purchase of shares in subsidiaries							-	(384)	(384)
Stock dividend	630	(630)					-	-	-
Costs of stock dividend		(35)					(35)		(35)
Final dividend for previous financial year in cash						(41,577)	(41,577)	(6,435)	(48,012)
2011 interim dividend in cash					(20,297)		(20,297)		(20,297)
Contribution from profit appropriation					57,599	(57,599)	-		-
<i>Balance as at 31 December 2011</i>	93,106	470,705	(39,765)	(2,029)	382,279	96,097	1,000,393	105,308	1,105,701
Direct investment result						62,548	62,548	6,693	69,241
Indirect investment result						(103,562)	(103,562)	(1,198)	(104,760)
Value movements financial derivatives			(4,982)				(4,982)	182	(4,800)
Translation differences on net investments				(435)			(435)		(435)
<i>Total result</i>	-	-	(4,982)	(435)	-	(41,014)	(46,431)	5,677	(40,754)
Disposal of shares in subsidiaries					2,012		2,012	14,100	16,112
Stock dividend	2,077	(2,077)					-		-
Costs of stock dividend		(73)					(73)		(73)
Final dividend for previous financial year in cash						(33,417)	(33,417)	(6,380)	(39,797)
2012 interim dividend in cash					(19,227)		(19,227)		(19,227)
Contribution from profit appropriation					62,680	(62,680)	-		-
<i>Balance as at 31 December 2012</i>	95,183	468,555	(44,747)	(2,464)	427,744	(41,014)	903,257	118,705	1,021,962

CONSOLIDATED CASH FLOW STATEMENT (x € 1,000)

	<u>2012</u>	<u>2011</u>
Cash flow from operating activities		
Investment result	(35,519)	108,911
Adjustments for:		
Value movements investment properties	122,241	(32,401)
Net result on disposals of investment property	(1,206)	(2,446)
Net financing costs	37,214	33,837
Income tax	(15,938)	678
<i>Cash flow from operating activities before changes in working capital and provisions</i>	<u>106,792</u>	<u>108,579</u>
Movement current assets	(1,405)	(2,880)
Movement short-term liabilities	2,386	(401)
Movement provisions	(1,797)	1,535
	<u>105,976</u>	<u>106,833</u>
Interest paid (on balance)	(35,600)	(37,503)
Income tax paid	(207)	(2,568)
<i>Cash flow from operating activities</i>	<u>70,169</u>	<u>66,762</u>
Cash flow from investment activities		
Acquisition of and capital expenditures on investment properties	(121,305)	(109,968)
Disposal of investment properties	144,210	16,622
Purchase of shares in subsidiaries	-	(384)
<i>Cash flow from property investments</i>	<u>22,905</u>	<u>(93,730)</u>
Movement in tangible fixed assets	(480)	(38)
<i>Cash flow from investment activities</i>	<u>22,425</u>	<u>(93,768)</u>
Cash flow from financing activities		
Dividend paid	(52,717)	(61,909)
Dividend paid to non-controlling interests	(6,451)	(6,757)
Interest-bearing loans drawn down	100,566	226,767
Interest-bearing loans redeemed	(149,533)	(134,141)
Disposal of shares in subsidiaries	16,112	-
<i>Cash flow from financing activities</i>	<u>(92,023)</u>	<u>23,960</u>
Movement in cash and cash equivalents	571	(3,046)
Cash and cash equivalents as at 1 January	4,339	7,383
Translation differences on cash and cash equivalents	(2)	2
<i>Cash and cash equivalents as at 31 December</i>	<u>4,908</u>	<u>4,339</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, Belgium, Spain, Turkey and Portugal.

On 20 October 2006, the AFM granted to Vastned Management B.V. the licence as meant in 2:65 sub 1 part a of the Act on Financial Supervision pursuant to which this company can 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 exercises joint control.

The interim consolidated financial report was drawn up by the board of management and authorised for publication by the supervisory board on 28 February 2013.

The interim consolidated financial report has not been audited.

2. Principles applied in the presentation of the interim consolidated 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 or the financial results of the Group:

- 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);
- IFRS 7 Financial Instruments: Disclosures (Amendments enhancing disclosures about transfers of financial assets);
- IAS 12 Income Taxes (Limited scope amendment - recovery of underlying assets).

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

3 Segmented information

	Investment properties		Gross rental income		Operating costs including ground rents paid and net service charge expenses		Net rental income	
	31 December		2012	2011	2012	2011	2012	2011
	2012	2011						
Netherlands	719,530	792,130	52,647	52,603	7,281	7,906	45,366	44,697
France	472,477	475,219	27,927	26,195	2,387	2,333	25,540	23,862
Belgium	331,109	333,744	22,245	21,300	2,364	1,743	19,881	19,557
Spain	318,584	411,873	27,538	29,816	5,530	4,470	22,008	25,346
Turkey	127,093	103,659	2,085	1,604	177	327	1,908	1,277
Portugal	12,192	12,404	1,042	1,014	49	117	993	897
Total	1,980,985	2,129,029	133,484	132,532	17,788	16,896	115,696	115,636
High street shops	1,094,386	1,050,502	59,185	57,185	7,143	7,026	52,042	50,159
Other	886,599	1,078,527	74,299	75,347	10,645	9,870	63,654	65,477
	1,980,985	2,129,029	133,484	132,532	17,788	16,896	115,696	115,636

	Value movements investment properties		Net result on disposals of investment properties		Movement deferred tax assets and liabilities		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Netherlands	(26,129)	1,600	(1,339)	276	(133)	-	(27,601)	1,876
France	(12,610)	19,749	524	198	-	297	(12,086)	20,244
Belgium	6,005	19,215	1,779	1,617	27	66	7,811	20,898
Spain	(91,709)	(11,647)	265	-	18,182	927	(73,262)	(10,720)
Turkey	2,414	3,401	(23)	355	(415)	(1,853)	1,976	1,903
Portugal	(212)	83	-	-	11	(28)	(201)	55
	(122,241)	32,401	1,206	2,446	17,672	(591)	(103,363)	34,256
Of which attributable to third parties	1,140	(5,962)	(520)	(447)	(7)	(18)	613	(6,427)
	(121,101)	26,439	686	1,999	17,665	(609)	(102,750)	27,829
High street shops	12,416	33,330	2,681	416	148	(2,049)	15,245	31,697
Other	(134,657)	(929)	(1,475)	2,030	17,524	1,458	(118,608)	2,559
	(122,241)	32,401	1,206	2,446	17,672	(591)	(103,363)	34,256
Of which attributable to third parties	1,140	(5,962)	(520)	(447)	(7)	(18)	613	(6,427)
	(121,101)	26,439	686	1,999	17,665	(609)	(102,750)	27,829

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 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 the 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.

6. Related parties transactions

Except with respect to the issues described below, no material changes occurred in 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 2012 financial year 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 transaction 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 per cent:

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

DEVELOPMENT NET RENTAL INCOME

HIGH STREET SHOPS (x € 1 million)

	Netherlands	France	Belgium	Spain	Turkey	Portugal	Total
Gross rental income 2011	27.5	14.9	10.0	2.3	1.5	1.0	57.2
Acquisitions	0.7	1.1	0.6	-	0.1	-	2.5
Taken into operation	-	-	-	-	0.4	-	0.4
Disposals	(1.6)	(0.3)	-	(0.1)	-	-	(2.0)
Like-for-like rental growth	-	0.8	0.3	-	0.1	-	1.2
Gross rental income 2012	26.6	16.5	10.9	2.2	2.1	1.0	59.3
Operating expenses	(4.1)	(1.4)	(1.3)	(0.2)	(0.2)	-	(7.2)
Net rental income 2012	22.5	15.1	9.6	2.0	1.9	1.0	52.1
Operating expenses in % of gross rental income:							
- in 2012	15.6	8.7	10.8	8.0	8.5	4.7	12.1
- in 2011	16.2	8.4	7.7	6.7	20.3	11.6	12.3

OTHER INVESTMENT PROPERTIES (x € 1 million)

	Netherlands	France	Belgium	Spain	Turkey	Portugal	Total
Gross rental income 2011	25.1	11.3	11.3	27.5	0.1	-	75.3
Acquisitions	0.9	-	-	-	-	-	0.9
Taken into operation	-	-	-	-	-	-	-
Disposals	(0.2)	-	-	-	(0.1)	-	(0.3)
Like-for-like rental growth	0.3	0.1	0.1	(2.2)	-	-	(1.7)
Gross rental income 2012	26.1	11.4	11.4	25.3	-	-	74.2
Operating expenses	(3.2)	(1.0)	(1.1)	(5.3)	-	-	(10.6)
Net rental income 2012	22.9	10.4	10.3	20.0	-	-	63.6
Operating expenses in % of gross rental income:							
- in 2012	12.0	8.4	10.4	21.1	-	-	14.3
- in 2011	13.8	9.5	8.6	15.7	22.1	-	13.1

TOTAL (x € 1 million)

	Netherlands	France	Belgium	Spain	Turkey	Portugal	Total
Gross rental income 2011	52.6	26.2	21.3	29.8	1.6	1.0	132.5
Acquisitions	1.6	1.1	0.6	-	0.1	-	3.4
Taken into operation	-	-	-	-	0.4	-	0.4
Disposals	(1.8)	(0.3)	-	(0.1)	(0.1)	-	(2.3)
Like-for-like rental growth	0.3	0.9	0.4	(2.2)	0.1	-	(0.5)
Gross rental income 2012	52.7	27.9	22.3	27.5	2.1	1.0	133.5
Operating expenses	(7.3)	(2.4)	(2.4)	(5.5)	(0.2)	-	(17.8)
Net rental income 2012	45.4	25.5	19.9	22.0	1.9	1.0	115.7
Operating expenses in % of gross rental income:							
- in 2012	13.8	8.5	10.6	20.1	8.5	4.7	13.3
- in 2011	15.0	8.8	8.5	15.1	18.8	10.0	12.8