

2016 HALF-YEAR RESULTS

Vastned results in line with expectations

Highlights HY1 2016:

- Vastned attracts strong and distinctive retailers for several premium city high street shops
- share of premium city high street shops grew to 70% at 30 June 2016
- Occupancy rate of premium city high street shops remains high at 99.2%
- Like-for-like gross rent growth of premium city high street shops 1.9%
- Financing position optimised further by raising and extending the syndicated credit facility
- Direct result HY1 2016 € 1.21 per share
- Expected 2016 direct result maintained at € 2.30 - € 2.40 per share
- Expected Dividend proposal 2016 of € 2.05 per share equal to 2015 dividend

Rotterdam, 2 august 2016 – Vastned, the listed European retail property company focusing on ‘venues for premium shopping’, maintains its forecast for the 2016 direct result of € 2.30 - € 2.40 per share. vastned expects to propose to distribute the same dividend as for 2015, being € 2.05 per share.

Taco de Groot, Vastned CEO: *‘Over the past half year, we have again succeeded in attracting distinctive new and existing retailers, such as Love Stories, Repeat Cashmere, Birkenstock and Starbucks. This confirms the attractiveness of our premium city high street shops, which continue to show stable results with an occupancy rate of 99.2%, a value increase of 1.0% and like-for-like gross rent growth of 1.9%. Our focus is and will remain on further expanding this portfolio, whereby we will continue to be critical: acquisitions must show clear upside potential. A good example is the acquisition of the two adjacent high street shops in Le Marais, Paris, which we did last September. Adidas Original and Suite.341 were the tenants at the time. We have recently signed a new contract with Adidas Original for both units and we have realised a rent increase of 55% within a year. After the combination of the two high street shops Adidas Original will open its flagship store in Le Marais. A perfect example of seeing and seizing opportunities, and adding value.*

In addition, divesting non-strategic property, especially in the Netherlands, will remain a key part of our strategy.

We maintain our forecast for the 2016 direct result of between € 2.30 and € 2.40 per share. Furthermore, we expect to propose to distribute the same dividend as for 2015, being € 2.05 per share.’

key parameters

Premium city high streets shops showed positive results on all key parameters in the last half-year. The like-for-like gross rental growth was 1.9%, the occupancy rate was nearly 100% and the value increased on average by 1.0%.

In %	Premium city high street shops	High street shops	Non-high street shops	Total
Occupancy rate	99.2	92.9	93.9	96.7
Like-for-like gross rental growth	1.9	(5.0)	0.3	(0.1)
Value movement*	1.0	(2.4)	(3.8)	(0.3)
Value (in € million)	1,159	276	223	1,658

*excluding acquisitions and divestments

Review of the property portfolio

Introduction

The share of premium city high street shops rose from 68% year-end 2015 to 70% end June 2016. The total value of the portfolio was approximately € 1.7 billion at 30 June 2016.



in € million	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Premium city high street shops	448	312	212	57	130	1,159
High street shops	168	34	59	15	n.a.	276
Non-high street shops	132	3	88	n.a.	n.a.	223
Total	748	349	359	72	130	1,658

Occupancy rate

At the end of June 2016 the occupancy rate of the total portfolio was 96.7%, just as it was at 31 March 2016. The decrease of the occupancy rate compared to year-end 2015 (97.9%) was caused during the first quarter due to the expiration and non-renewal of a number of regular and temporary leases for high street and non-high street shops in the Netherlands. Additionally five retail units became vacant due to bankruptcies in the Netherlands.

The occupancy rate of the premium city high street shops was again over 99% at the end of June 2016. The slight decline in the occupancy rate of the premium city high street shops in the Netherlands was caused mainly by a tenant change at Kalverstraat 208 in Amsterdam, which led to temporary vacancy. Vastned has meanwhile signed the heads of terms with Premium Inc. retail bv, which is going to open a Cruyff flagship store there.



Schuttershofstraat 55, Antwerp

End June 2016

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
in %						
Premium city high street shops	98.8	99.4	99.3	100.0	99.5	99.2
High street shops	90.3	97.2	98.1	100.0	n.a.	92.9
Non-high street shops	92.9	78.9	98.1	n.a.	n.a.	93.9
Total	94.7	97.9	98.7	100.0	99.5	96.7

Year-End 2015

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
in %						
Premium city high street shops	99.7	99.5	100.0	100.0	99.5	99.7
High street shops	94.8	92.9	98.1	100.0	n.a.	95.5
Non-high street shops	96.3	85.7	95.7	100.0	n.a.	95.6
Total	97.3	97.7	98.3	100.0	99.5	97.9

Leasing activity

During the first six months of 2016, Vastned concluded a total of 67 leases for amounting to € 6.0 million (HY1 2015: € 5.8 million/74 leases). 18 of these, at a value of € 3.0 million, signed for premium city high street shops and 49 for high street and non-high street shops, amounting to € 1.9 million and € 1.1 million respectively.

The popularity of premium city high street shops is also apparent from the results that Vastned realised on the leasings. In HY1, Vastned has again been able to attract promising and strong retailers for its locations. For example, in Bordeaux a lease was concluded with Repeat Cashmere, and three premium city high street shops in Lille were leased to the Dutch lingerie brand Love Stories, the French leather goods brand Paul Marius and Spanish men's fashion brand El Ganso. Well-known shoe retailer Birkenstock will open a brand store in Madrid in a Vastned premium city high street shop on the popular shopping street Calle de Fuencarral. Furthermore, the addition of Zadig & Voltaire and Spanish men's fashion brand Scalpers have contributed to the attractiveness of Leidsestraat in Amsterdam, and in Istanbul Vastned signed a long-term lease with Starbucks.



Cours de l'Intendance 58, Bordeaux



For high street and non-high street shops Vastned concluded leases with retailers including COS for Bakkerstraat 6 in Arnhem. Aktiesport made a restart at Diezerstraat 74 in Zwolle, after the take-over by JD Sports. In Belgium Vastned concluded various leases, including two with Chaussea and Wibra for retail park 't Gouden Kruispunt in Tielt-Winge. Especially in leasings in the Netherlands existing rent levels, which were often above the market rent, could no longer be sustained due to a changing retail market and consumer behaviour. The 13.1% rent increase on leases concluded for premium city high street shops partly offset the decrease on the high street and non-high street shops.

OVERVIEW OF LEASING ACTIVITY per type

	Volume in € and % of the theoretical gross rent		Change in gross rental income	
	H1 2016		H1 2016	
	in € million	%	in € million	%
Premium city high street shops	3.0	3.1	0.3	13.1
High street shops	1.9	2.0	(0.3)	(15.1)
Non-high street shops	1.1	1.2	(0.2)	(13.7)
<i>Total</i>	6.0	6.3	(0.2)	(2.8)

Value movements

The value movement in the portfolio excluding acquisitions and divestments was 0.3% negative, or € 4.7 million negative, in the first half of 2016.

The premium city high street shops rose in value by € 10.4 million, but the high street and non-high street fell by € 6.7 million and € 8.4 million respectively. The values of portfolios with a large share of premium city high street shops (France: 89% and Spain/Portugal: 79%) as well as the Belgian portfolio, where the popular 'baanwinkels' showed a positive value development, increased. The value of the Dutch portfolio saw a limited decrease and the situation in Turkey resulted in a mark-down of the Istanbul portfolio.

value movements*	in € million	in %
Premium city high street shops	10.4	1.0
High street shops	(6.7)	(2.4)
Non-high street shops	(8.4)	(3.8)
<i>Total</i>	(4.7)	(0.3)

* excluding acquisitions and divestments



Leidsestraat, Amsterdam

value movements per type and country

in € million	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Premium city high street shops	7.5	3.5	1.4	1.5	(3.5)	10.4
High street shops	(7.0)	(0.2)	(0.2)	0.7	n.a.	(6.7)
Non-high street shops	(7.4)	(1.7)	0.7	n.a.	n.a.	(8.4)
Total	(6.9)	1.6	1.9	2.2	(3.5)	(4.7)

Acquisitions

In Q1 2016, Vastned acquired premium city high street shops in Le Marais, Paris and in Utrecht for € 23.8 million in total (including purchasing costs). No acquisitions were concluded in the second quarter.



Vredenburg 9, Utrecht

divestments

In the first quarter, Vastned sold non-strategic assets in Drachten, IJsselstein and Houten in the Netherlands and a retail warehouse in Castellón de la Plana. In the second quarter, the divestment of Haarlemmerstraat 213 in Leiden was completed. In H1 2016 Vastned sold non-strategic assets for an amount of € 11.4 million and realised net sales proceeds of € 0.7 million.

Review of the HY1 2016 financial results

Result to shareholders Vastned Retail N.V.

The result, which comprises the direct and indirect results, was € 12.6 million in HY1 2016, or € 0.66 per share. Compared to HY1 2015 (€ 26.4 million or € 1.39 per share) the result fell, mainly due to negative value movements in the property portfolio and in interest-rate derivatives in HY1 2016.

Direct result

The direct result for HY1 2016 of € 23.0 million was slightly lower than in HY1 2015 (€ 23.4 million). The main reasons behind the change were, in addition to the quality improvement of the property portfolio (high-yielding more risky assets were sold and lower yielding but less risky assets acquired), the absence of one-off gains that were included in the 2015 results, and lower financing costs due to the lower average interest rates.

Indirect result

The indirect result was € 10.4 million negative (HY1 2015: € 2.9 million positive). The value movements of the property portfolio totalled € 6.7 million negative. The value movements comprise the value increases of the premium city high street shops of € 9.6 million, which partly offset the negative value movements of the high street and non-high street shops of € 6.7 million and € 9.6 million. In addition, the value movements of financial derivatives due to the lower market interest rate, were € 3.2 million negative.

Net income from investment properties

Gross rental income

The gross rental income for HY1 2016 of € 45.6 million was virtually equal to HY1 2015 (€ 45.7 million). The development of the gross rental income was as follows:

- Acquisitions (€ 2.9 million increase)

Acquisitions of premium city high street shops in the Netherlands, Belgium and France yielded a positive contribution to the gross rental income of € 2.9 million.

- Divestments (€ 2.9 million decrease)

Divestments of non-strategic assets in the Netherlands, Belgium France and Spain reduced the gross rental income by € 2.9 million.

- Like-for-like gross rent growth (€ 0.1 million decrease)

The like-for-like gross rent growth of € 0.1 million negative in the first half of 2016 was mainly due to the negative like-for-like gross rent growth of the high street shops (€ 0.5 million).

The like-for-like gross rent growth of premium city high street shops was € 0.4 million positive, however.

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

The operating expenses increased over the past six months with € 0.3 million compared to HY1 2015 (€ 5.8 million) to € 6.1 million in HY1 2016. The increase was predominantly due to higher allocations to the provision for doubtful debtors as a result of some bankruptcies of mainly Dutch retailers.

Value movements investment properties

During the first half year, the value movements were € 6.7 million negative. The value movements of the premium city high street shops of € 9.6 million partly offset the negative value movements of the high street and non-high street shops of € 6.7 million and € 9.6 million respectively.

Net result on disposal of investment properties

In the first half of 2016, Vastned realised a net result of € 0.7 million on divestments of non-strategic assets totalling € 11.4 million.

Expenditure

Net financing costs

The net financing costs including value movements of financial derivatives decreased from € 14.5 million as at 30 June 2015 to € 13.1 million as at 30 June 2016. The development of the net financing costs is presented in the table below.

Development net financing costs

(in € million)

Net financing costs H1 2015	(14.5)
Increase due to on average higher interest-bearing loans	(0.6)
On balance decrease through decrease of average interest rate and changes in fixed/floating and working capital	1.5
One-off interest receivables	(0.4)
Value movement of financial derivatives	<u>1.0</u>
Net financing costs H1 2016	(13.1)

Due to changes in the composition of the loan portfolio and the expiration, unwinding and retaking out of financial derivatives, the average interest rate on the interest-bearing loan capital improved from 3.2% in the first half of 2015 to 2.7% in the first half of 2016. The average (spot) interest rate as at 30 June 2016 was 2.6%.

General expenses

The general expenses fell marginally and were € 4.1 million in HY1 2016 (HY1 2015: € 4.2 million).

Current income tax expense

Income tax due on the reporting period was € 0.7 million (HY1 2015: € 0.1 million). The increase was caused mainly by the fact that the income tax on HY1 2015 contained a € 0.5 million release of a provision for an additional tax assessment in France that was successfully appealed.

movement in Deferred tax assets and liabilities

The movements in deferred tax assets and liabilities were € 0.3 million (HY1 2015: € 0.9 million). The allocation to the provision for deferred tax liabilities of € 0.3 million was due to value increases in the Spanish and Portuguese property portfolios and to value decreases in the Turkish property portfolio.

Result attributable to non-controlling interests

The result attributable to non-controlling interests was € 2.7 million (HY1 2015: € 3.8 million) and comprised the direct and indirect results attributable to non-controlling interests of € 2.1 million (HY1 2015: € 2.1 million) and € 0.6 million (€ 1.7 million) respectively.

The direct result attributable to non-controlling interests remained virtually unchanged. The indirect result attributable to non-controlling interests decreased due to lower positive value movements in the Belgian property portfolio and negative value movements of financial derivatives.

Financing

Solvency and loan capital financing

As at 30 June 2016, Vastned's balance sheet showed a healthy financing structure with the following features:

	30 June 2016	31 December 2015
Loan-to-value (in %)	42.9	41.6
Solvency (in %)	54.5	56.0
Interest coverage ratio	4.0	4.1
Duration based on contract dates (in years)	4.4	4.0
Duration based on interest review dates (in years)	3.3	3.8

Solvency, being group equity plus deferred tax liabilities divided by the balance sheet total, was 54.5% as at 30 June 2016 (30 June 2015: 56.0%). With this solvency rate of 54.5% and an interest coverage ratio of 4.0, Vastned complies with all its bank covenants.

Loan portfolio

As at 30 June 2016, the loan portfolio was 64.3% fixed interest. The share of non-bank loans was 43.1% as at 30 June 2016, which was well above the internal target of 25%.

During the first half year of 2016, Vastned renegotiated its existing syndicated credit facility, whereby the available facility was increased by € 75 million to € 375 million and the duration was extended by two years to February 2022.

Taking the adjusted syndicated credit facility into account, the available room on credit lines was € 124.8 million as at 30 June 2016.

Loan portfolio

in € million	Fixed interest rate ¹⁾	Floating interest rate	Total	% of total
Long-term debt	426.7	230.5	657.2	92.5
Short-term debt	30.0	23.2	53.2	7.5
	456.7	253.7	710.4	100.0
% of total	64.3	35.7	100.0	

1) Interest-rate derivatives taken into account

Interim Dividend 2016

In line with the dividend policy, the 2016 interim dividend is 60% of the direct result for the first half year. The direct result for HY1 2016 was € 1.21 per share, so that the interim dividend was set at € 0.73 per share. On 4 August 2016 the Vastned share will quote ex dividend and the interim dividend will be made payable on 25 August 2016.

Outlook 2016

Vastned doesn't expect the polarisation in the retail market to change. Demand for prime retail locations at the best shopping streets of major European cities remains high, because this is where the consumer prefers to shop. Retailers will have to continue to distinguish itself to be successful and to maintain customer loyalty, and location plays a crucial role in it.

Regarding the portfolio in Istanbul Vastned maintains its previously communicated stance that it will not further expand its portfolio in Istanbul and that all other options are examined. The portfolio in Istanbul consists of 100% premium city high street shops, which are located at the best locations in the city centre. We closely keep an eye on the situation in Turkey, but it is too early to draw any conclusions about the impact this might have. We confirm our guidance for the 2016 direct result of between € 2.30 - € 2.40 per share. Additionally, we expect to propose a dividend of € 2.05 per share. The same as in 2015.

Relocation

In October 2016, Vastned will relocate its headquarters and the Dutch country team from Lichtenauerlaan 130 in Rotterdam to The Boelelaan 7 in Amsterdam. Vastned will move to Amsterdam because many of its relations are based there and to improve its proximity to other European premium cities. And finally, Amsterdam is a premium city, the core of Vastned's strategy.

Statement of the Executive Board

In accordance with Section 5:25d of the Act on financial supervision, the Executive Board declares that to the best of its knowledge:

- the half-year financial statements give a true and fair view of the assets, the liabilities, the financial position and the result of Vastned and its consolidated subsidiaries; and
- the half-year report gives a true and fair view of the main events in the first six months of the financial year and their effect on the half-year financial statements, a true and fair account of the main risks and uncertainties for the remaining six months of the year and a true and fair view of the main transactions with related parties.

Rotterdam, 1 August 2016

Executive Board:

Taco de Groot, CEO

Reinier Walta, CFO

Conference call

On 2 August 2016 at 10am, Vastned will comment on the 2016 half year results in a conference call for analysts and shareholders. The conference call can be followed live on http://www.vastned.com/en/investor-relations/financiele_resultaten.

Financial Calendar 2016

Date	Time	Subject
4 August 2016		Ex-interim dividend date
5 August 2016		Record date interim dividend
25 August 2016		Payment date interim dividend
1 November 2016	before trading	Trading update first nine months 2016

About Vastned

Vastned is a listed European retail property company focusing on venues for premium shopping. Vastned invests in selected cities in Europe and in Istanbul, with a clear focus on the best retail property in the most popular shopping streets in the bigger cities (high streets). Vastned's tenants are strong and leading international and national retail brands. The property portfolio has a value of approximately € 1.7 billion.

Further information

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DEVELOPMENT NET RENTAL INCOME

PREMIUM CITY HIGH STREET SHOPS

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Gross rental income 2015	7,613	6,368	4,271	1,075	3,965	23,292
Acquisitions	2,066	374	428	-	-	2,868
Taken into /out of operation	-	83	-	-	-	83
Divestments	(35)	(365)	(1)	-	-	(401)
Like-for-like rental growth	287	69	(119)	4	191	432
Gross rental income 2016	9,931	6,529	4,579	1,079	4,156	26,274
Operating expenses	(1,456)	(544)	(300)	(106)	(252)	(2,658)
Net rental income 2016	8,475	5,985	4,279	973	3,904	23,616
Net rental income 2015	6,577	5,845	4,000	973	3,685	21,080
Operating expenses as % of gross rental income:						
- in 2016	14.7%	8.3%	6.6%	9.8%	6.1%	10.1%
- in 2015	13.6%	8.2%	6.3%	9.5%	7.1%	9.5%

HIGH STREET SHOPS

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Gross rental income 2015	7,419	1,291	1,857	631	-	11,198
Divestments	(535)	(347)	(145)	-	-	(1,027)
Like-for-like rental growth	(539)	(17)	38	5	-	(513)
Gross rental income 2016	6,345	927	1,750	636	-	9,658
Operating expenses	(1,358)	(46)	(179)	(28)	-	(1,611)
Net rental income 2016	4,987	881	1,571	608	-	8,047
Net rental income 2015	6,018	1,165	1,584	577	-	9,344
Operating expenses as % of gross rental income:						
- in 2016	21.4%	5.0%	10.2%	4.4%	-	16.7%
- in 2015	18.9%	9.8%	14.7%	8.6%	-	16.6%

NON-HIGH STREET SHOPS

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Gross rental income 2015	6,428	563	3,840	383	-	11,214
Taken into /out of operation	(66)	-	-	-	-	(66)
Divestments	(308)	-	(989)	(258)	-	(1,555)
Like-for-like rental growth	(57)	(26)	108	-	-	25
Gross rental income 2016	5,997	537	2,959	125	-	9,618
Operating expenses	(1,199)	(289)	(317)	(6)	-	(1,811)
Net rental income 2016	4,798	248	2,642	119	-	7,807
Net rental income 2015	5,138	430	3,536	367	-	9,471
Operating expenses as % of gross rental income:						
- in 2016	20.0%	53.8%	10.7%	4.8%	-	18.8%
- in 2015	20.1%	23.6%	7.9%	4.2%	-	15.5%

TOTAL

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Gross rental income 2015	21,460	8,222	9,968	2,089	3,965	45,704
Acquisitions	2,066	374	428	-	-	2,868
Taken into /out of operation	(66)	83	-	-	-	17
Divestments	(878)	(712)	(1,135)	(258)	-	(2,983)
Like-for-like rental growth	(309)	26	27	9	191	(56)
Gross rental income 2016	22,273	7,993	9,288	1,840	4,156	45,550
Operating expenses	(4,013)	(879)	(796)	(140)	(252)	(6,080)
Net rental income 2016	18,260	7,114	8,492	1,700	3,904	39,470
Net rental income 2015	17,733	7,440	9,120	1,917	3,685	39,895
Operating expenses as % of gross rental income:						
- in 2016	18.0%	11.0%	8.6%	7.6%	6.1%	13.4%
- in 2015	17.4%	9.5%	8.5%	8.2%	7.1%	12.7%

KEY FIGURES

Results (x € 1,000)

	30 June 2016	31 December 2015	30 June 2015
Gross rental income	45,550	93,174	45,704
Direct result	23,020	49,189	23,437
Indirect result	(10,466)	16,282	2,949
<i>Result</i>	12,554	65,471	26,386

Balance sheet (x € 1,000)

Investment properties	1,657,558	1,647,900	1,656,497
Equity	884,857	901,013	873,686
Equity Vastned Retail shareholders	802,196	816,640	790,832
Long-term liabilities	702,318	692,130	718,270
Solvency (in %)	54.5	56.0	53.4
Loan-to-value (in %)	42.9	41.6	44.4
Interest coverage ratio	4.0	4.1	3.9
Financial occupancy rate total portfolio (in %)	96.1	96.5	96.7
Premium city high street shops (in %)	98.3	98.6	98.8
High street shops (in %)	91.6	93.4	94.0
Non-high street shops (in %)	94.8	95.2	95.3
Average number of ordinary shares in issue	19,036,646	19,036,646	19,036,646
Number of ordinary shares in issue (end of period)	19,036,646	19,036,646	19,036,646

Per share (x € 1)

Equity Vastned Retail shareholders at beginning of year (including final dividend)	42.90	41.09	41.09
Final dividend previous financial year	(1.31)	(1.27)	(1.27)
<i>Equity Vastned Retail shareholders at beginning of period (excluding final dividend)</i>	41.59	39.82	39.82
Direct result	1.21	2.58	1.23
Indirect result	(0.55)	0.86	0.16
<i>Result</i>	0.66	3.44	1.39
Remeasurement of defined benefit pension obligation	(0.11)	0.04	-
Value movements financial derivatives directly recognised in equity, after taxes	-	0.09	0.09
Reclassification of unrealised results of financial derivatives to profit-and-loss account	-	0.25	0.24
Interim dividend	-	(0.74)	-
<i>Equity Vastned Retail shareholders at end of period (including final dividend)</i>	42.14	42.90	41.54

Share price (end of period) (x € 1)

Share price (end of period) (x € 1)	36.505	42.35	39.515
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Premium / (Discount) (in %)

Premium / (Discount) (in %)	(13.4)	(1.3)	(4.9)
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DIRECT AND INDIRECT RESULT (x € 1,000)

	HY1 2016	HY1 2015
Direct result		
Gross rental income	45,550	45,704
Ground rents paid	(78)	(73)
Net service charge expenses	(304)	(278)
Operating expenses	(5,698)	(5,458)
<i>Net rental income</i>	39,470	39,895
Financial income	32	458
Financial expenses	(9,567)	(10,366)
<i>Net financing costs</i>	(9,535)	(9,908)
General expenses	(4,151)	(4,204)
<i>Direct result before taxes</i>	25,784	25,783
Current income tax expense	(690)	(85)
Movement deferred tax assets and liabilities	(5)	(137)
<i>Direct result after taxes</i>	25,089	25,561
Direct result attributable to non-controlling interests	(2,069)	(2,124)
<i>Direct result attributable to Vastned Retail shareholders</i>	23,020	23,437
Indirect result		
Value movements investment properties in operation	(5,497)	8,071
Value movements investment properties under renovation	(1,163)	417
Value movements investment properties in pipeline	-	(6)
<i>Total value movements investment properties</i>	(6,660)	8,482
Net result on disposals of investment properties	714	1,459
Financial expenses	(407)	(405)
Value movements financial derivatives	(3,233)	508
Reclassification of unrealised results on financial derivatives from equity	58	(4,693)
<i>Indirect result before taxes</i>	(9,528)	5,351
Movement deferred tax assets and liabilities	(320)	(763)
<i>Indirect result after taxes</i>	(9,848)	4,588
Indirect result attributable to non-controlling interests	(618)	(1,639)
<i>Indirect result attributable to Vastned Retail shareholders</i>	(10,466)	2,949
<i>Result attributable to Vastned Retail shareholders</i>	12,554	26,386
PER SHARE (x € 1)		
Direct result attributable to Vastned Retail shareholders	1.21	1.23
Indirect result attributable to Vastned Retail shareholders	(0.55)	0.16
	0.66	1.39

EPRA PERFORMANCE MEASURES (x € 1,000)

In line with EPRA's Best Practice recommendations, the key performance indicators are set out below.

1 EPRA earnings

	HY1 2016	HY1 2015
Result as stated in consolidated IFRS profit and loss account	12,554	26,386
Value movements in property	6,660	(8,482)
Net result on disposals of property	(714)	(1,459)
Financial expenses	407	405
Value movements in financial derivatives	3,175	4,185
Movement in deferred tax assets and liabilities	320	763
Attributable to non-controlling interests	618	1,639
<i>EPRA Earnings</i>	23,020	23,437
<i>EPRA Earnings per share (EPS) (x €1)</i>	1.21	1.23

2 and 3 EPRA NAV and EPRA NNNAV

	30 June 2016		30 June 2015	
		per share (x € 1)		per share (x € 1)
Equity Vastned Retail shareholders	802,196	42,14	790,832	41,54
Adjustment for effect of convertible bond	-	-	-	-
Diluted equity Vastned Retail shareholders	802,196	42,14	790,832	41,54
Fair value of financial derivatives	7,151	0,38	1,810	0,10
Deferred tax	24,726	1,30	20,937	1,10
<i>EPRA NAV</i>	834,073	43,82	813,579	42,74
Fair value of financial derivatives	(7,151)	(0,38)	(1,810)	(0,10)
Fair value of interest-bearing loans	(18,921)	(1,00)	(19,162)	(1,01)
Deferred tax	(15,675)	(0,82)	(14,173)	(0,74)
<i>EPRA NNNAV</i>	792,326	41,62	778,434	40,89

4 EPRA Net Initial Yield and EPRA Topped-up Net Initial Yield (in %)

	30 June 2016		31 December 2015	
	Net Initial Yield	Topped-up Net Initial Yield	Net Initial Yield	Topped-up Net Initial Yield
Netherlands	4.7	4.8	5.0	5.1
France	4.0	4.0	4.1	4.2
Belgium	4.7	4.8	4.6	4.7
Spain/Portugal	4.3	4.3	4.7	4.7
Turkey	6.0	6.0	5.8	5.8
<i>Total</i>	4.6	4.7	4.8	4.8
Premium city high street shops	4.0	4.1	4.1	4.1
High street shops	5.5	5.7	5.9	5.9
Non-high street shops	6.6	6.8	6.8	6.9
<i>Total</i>	4.6	4.7	4.8	4.8

5 EPRA vacancy rate (in %)

	30 June 2016	31 December 2015
Netherlands	5.4	2.8
France	1.9	2.1
Belgium	1.3	1.7
Spain/Portugal	-	-
Turkey	0.5	0.6
<i>Total</i>	3.3	2.2
Premium city high street shops	0.8	0.3
High street shops	7.7	4.9
Non-high street shops	6.8	4.8
<i>Total</i>	3.3	2.2

6 EPRA cost ratios

	HY1 2016	HY1 2015
General expenses	4,151	4,204
Ground rents paid	78	73
Operating expenses	5,698	5,458
Net service charge expenses	304	278
less:		
ground rents paid	(78)	(73)
<i>EPRA costs (including vacancy costs) (A)</i>	10,153	9,940
Vacancy costs	(479)	(396)
<i>EPRA costs (excluding vacancy costs) (B)</i>	9,674	9,544
Gross rental income less grounds rent paid (C)	45,472	45,631
(i) EPRA Cost Ratio (including vacancy costs) (A/C)	22.3%	21.8%
(ii) EPRA Cost Ratio (excluding vacancy costs) (B/C)	21.3%	20.9%

2016 HALF-YEAR FINANCIAL STATEMENTS

Content

- Consolidated profit and loss account
- Consolidated statement of comprehensive income
- Consolidated balance sheet
- Consolidated statement of movements in equity
- Consolidated cash flow statement
- Notes to the 2016 half-year consolidated financial statements

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

	Note	HY1 2016	HY1 2015
Net income from property			
Gross rental income	4	45,550	45,704
Ground rents paid	4	(78)	(73)
Net service charge expenses	4	(304)	(278)
Operating expenses	4	(5,698)	(5,458)
<i>Net rental income</i>		39,470	39,895
Value movements in property in operation	4	(5,497)	8,071
Value movements in property under renovation	4	(1,163)	417
Value movements in property in pipeline	4	-	(6)
<i>Total value movements in property</i>		(6,660)	8,482
Net result on disposals of property	4	714	1,459
<i>Total net income from property</i>		33,524	49,836
Expenditure			
Financial income		32	458
Financial expenses		(9,974)	(10,771)
Value movements in financial derivatives		(3,233)	508
Reclassification of unrealised results on financial derivatives from equity		58	(4,693)
<i>Net financing costs</i>		(13,117)	(14,498)
General expenses		(4,151)	(4,204)
<i>Total expenditure</i>		(17,268)	(18,702)
<i>Result before taxes</i>		16,256	31,134
Current income tax expense		(690)	(85)
Movement in deferred tax assets and liabilities		(325)	(900)
<i>Total income tax</i>		(1,015)	(985)
<i>Result after taxes</i>		15,241	30,149
Result attributable to Vastned Retail shareholders		12,554	26,386
Result attributable to non-controlling interests		2,687	3,763
		15,241	30,149
Per share (x € 1)			
Result attributable to Vastned Retail shareholders		0.66	1.39
Diluted result attributable to Vastned Retail shareholders		0.66	1.30

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

	Note	HY1 2016	HY1 2015
Result		15,241	30,149
Items not reclassified to the profit and loss account			
Remeasurement of defined benefit obligation	8	(2,001)	-
Items that have been or could be reclassified to the profit and loss account			
Value movements financial derivatives directly recognised in equity		-	1,788
Reclassification of unrealised results on financial derivatives to profit-and-loss account		(58)	4,693
Other comprehensive result after taxes		(2,059)	6,481
<i>Total comprehensive income</i>		13,182	36,630
Attributable to:			
Vastned Retail shareholders		10,495	32,796
Non-controlling interests		2,687	3,834
		13,182	36,630
Per share (x € 1)			
Total comprehensive income attributable to Vastned Retail shareholders		0.55	1.72

CONSOLIDATED BALANCE SHEET (x € 1,000)

	Note	30 June 2016	31 December 2015	30 June 2015
Assets				
Property in operation	4,7	1,646,118	1,644,828	1,652,136
Property under renovation	4,7	8,425	-	-
Accrued assets in respect of lease incentives	4	3,015	3,072	3,126
		<u>1,657,558</u>	<u>1,647,900</u>	<u>1,655,262</u>
Property in pipeline	4	-	-	1,235
<i>Total property</i>		<u>1,657,558</u>	<u>1,647,900</u>	<u>1,656,497</u>
Tangible fixed assets		1,081	1,146	1,115
Financial derivatives		-	-	675
<i>Total fixed assets</i>		<u>1,658,639</u>	<u>1,649,046</u>	<u>1,658,287</u>
Debtors and other receivables		4,972	2,211	4,672
Income tax		108	56	164
Financial derivatives		-	-	293
Cash and cash equivalents		4,171	2,762	12,628
<i>Total current assets</i>		<u>9,251</u>	<u>5,029</u>	<u>17,757</u>
<i>Total assets</i>		<u>1,667,890</u>	<u>1,654,075</u>	<u>1,676,044</u>
Equity and liabilities				
Capital paid-up and called		95,183	95,183	95,183
Share premium reserve		472,640	472,640	472,640
Hedging reserve in respect of financial derivatives		558	616	719
Translation reserve		(5,728)	(5,728)	(5,728)
Other reserves		226,989	188,458	201,632
Result attributable to Vastned Retail shareholders		12,554	65,471	26,386
Equity Vastned Retail shareholders		<u>802,196</u>	<u>816,640</u>	<u>790,832</u>
Equity non-controlling interests		82,661	84,373	82,854
<i>Total equity</i>		<u>884,857</u>	<u>901,013</u>	<u>873,686</u>
Deferred tax liabilities		24,793	24,586	20,760
Provisions in respect of employee benefits	8	8,020	6,047	6,344
Long-term interest-bearing loans	9	657,218	652,513	682,397
Financial derivatives		8,661	5,427	4,151
Long-term tax liabilities		-	-	1,128
Guarantee deposits and other long-term liabilities		3,626	3,557	3,490
<i>Total long-term liabilities</i>		<u>702,318</u>	<u>692,130</u>	<u>718,270</u>
Payable to banks	9	33,195	7,953	11,897
Redemption long-term interest-bearing loans	9	20,017	25,017	40,017
Income tax		4,937	5,108	9,058
Other liabilities and accruals		22,566	22,854	23,116
<i>Total short-term liabilities</i>		<u>80,715</u>	<u>60,932</u>	<u>84,088</u>
<i>Total equity and liabilities</i>		<u>1,667,890</u>	<u>1,654,075</u>	<u>1,676,044</u>

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

	Capital paid up and called	Share premium reserve	Hedging reserve in respect of financial derivatives	Translation reserve	Other reserves	Result attributable to Vastned Retail shareholders	Equity Vastned Retail shareholders	Equity non-controlling interests	Total equity
Balance as at 1 January 2015	95,183	472,640	(5,691)	(5,728)	194,103	31,706	782,213	83,786	865,999
Result						26,386	26,386	3,763	30,149
Value movements financial derivatives			1,717				1,717	71	1,788
Reclassification of unrealised results on financial derivatives to profit-and-loss account			4,693				4,693		4,693
<i>Total comprehensive income</i>	-	-	6,410	-	-	26,386	32,796	3,834	36,630
Final dividend for previous financial year in cash						(24,177)	(24,177)	(4,766)	(28,943)
Contribution from profit appropriation					7,529	(7,529)	-		-
<i>Balance as at 30 June 2015</i>	95,183	472,640	719	(5,728)	201,632	26,386	790,832	82,854	873,686
Balance as at 1 January 2016	95,183	472,640	616	(5,728)	188,458	65,471	816,640	84,373	901,013
Result						12,554	12,554	2,687	15,241
Remeasurement of defined benefit obligation					(2,001)		(2,001)		(2,001)
Reclassification of unrealised results on financial derivatives to profit-and-loss account			(58)				(58)		(58)
<i>Total comprehensive income</i>	-	-	(58)	-	(2,001)	12,554	10,495	2,687	13,182
Final dividend for previous financial year in cash						(24,939)	(24,939)	(4,399)	(29,338)
Contribution from profit appropriation					40,532	(40,532)	-		-
<i>Balance as at 30 June 2016</i>	95,183	472,640	558	(5,728)	226,989	12,554	802,196	82,661	884,857

CONSOLIDATED CASH FLOW STATEMENT (x € 1,000)

	HY1 2016	HY1 2015
Cash flow from operating activities		
Result	15,241	30,149
Adjustments for:		
Value movements in property	6,660	(8,482)
Net result on disposals of property	(714)	(1,459)
Net financing costs	13,117	14,498
Income tax	1,015	985
<i>Cash flow from operating activities before changes in working capital and provisions</i>	35,319	35,691
Movement in current assets	(1,917)	(1,910)
Movement in short-term liabilities	102	(402)
Movement in provisions	(103)	(289)
	33,401	33,090
Interest received	32	1,618
Interest paid	(10,073)	(10,155)
Income tax paid	(913)	3,698
<i>Cash flow from operating activities</i>	22,447	28,251
Cash flow from investment activities		
Acquisitions of and capital expenditure on property	(27,685)	(144,284)
Disposal of property	10,818	34,597
<i>Cash flow from property</i>	(16,867)	(109,687)
Movement in tangible fixed assets	65	(29)
<i>Cash flow from investment activities</i>	(16,802)	(109,716)
Cash flow from financing activities		
Dividend paid	(24,939)	(24,177)
Dividend paid to non-controlling interests	(4,399)	(4,767)
Interest-bearing loans drawn down	50,111	143,530
Interest-bearing loans redeemed	(25,009)	(27,352)
Unwinding of financial derivatives	-	(5,853)
<i>Cash flow from financing activities</i>	(4,236)	81,381
Movement in cash and cash equivalents		
Cash and cash equivalents as at 1 January	2,762	12,712
<i>Cash and cash equivalents at end of period</i>	4,171	12,628

NOTES TO THE CONSOLIDATED 2016 HALF-YEAR FINANCIAL STATEMENTS

1. General

Vastned Retail N.V. ('the Company' or 'Vastned'), with registered office in Rotterdam, the Netherlands, is a property company that invests sustainably in top quality retail property with a clear focus on the premium city high street shops. Smaller investments are also made in high street shops in other cities, Belgian retail warehouses, a number of supermarkets and in (parts of) a few smaller shopping centres. The property is located in the Netherlands, France, Belgium, Spain, Portugal and Turkey.

Vastned is entered in the trade register of the Chamber of Commerce under number 24262564.

Vastned is listed on the Euronext stock exchange of Amsterdam.

The consolidated half-year financial statements were drawn up by the Executive Board and authorised for publication by the Supervisory Board on 1 August 2016.

The results of HY1 2016 are reviewed by Ernst & Young Accountants LLP.

The results as at year-end 2015 are audited by Deloitte Accountants B.V.

The results of HY1 2016 are reviewed by Deloitte Accountants B.V.

2. Principles applied in the presentation of the consolidated half-year financial statements

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

This consolidated half-year financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed by the European Union. The consolidated half-year financial statements do not contain all the information required for full financial statements and therefore should be read in conjunction with the consolidated financial statements 2015.

The principles applied in the preparation of the consolidated half-year financial statements are consistent with the principles set out in the annual report for the 2015 financial year, with the exception of the application of new standards and interpretations described below.

Effect of new, amended and improved standards

The following new and amended standards and interpretations have come into effect for the current financial year.

- Annual Improvements to IFRSs 2010-2012 Cycle

The amendments include small changes in several standards. The amendments do not affect the presentation, the notes or the financial results of the Group.

- Annual Improvements to IFRSs 2012-2014 Cycle

The amendments include small changes in several standards. The amendments do not affect the presentation, the notes or the financial results of the Group.

- Amendments to IAS 1 (Disclosure Initiative)

The amendments to this standard concern clarifications rather than changes to the explanation requirements. The amendments relate to, among other things, materiality, the order of the notes and accounting principles. As the disclosure requirements for the half-year financial statements are more limited than those for full financial statements, the amendments do not affect the half-year financial statements.

- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments concern supplementary guidelines for including acceptable depreciation and amortisation methods. The amendments do not affect the presentation, the notes or the financial results of the Group.

- Amendments to IAS 19: defined Benefit Plans: Employee Contributions

The amendments concern the treatment of employee contributions. The amendments do not affect the presentation, the notes or the financial results of the Group.

- Amendments to IAS 27 (Equity Method in Separate Financial Statements)

The amendment concerns allowing the equity method to be used for the valuation of participating interests, joint ventures and associates. The amendment does not affect the presentation, notes or financial results of the Group.

- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

The amendments concern the recognition of joint activities upon the acquisition of a share in the operation, in the event the operation can be qualified as a 'business'. The amendments do not affect the presentation, notes or financial results of the Group.

In the preparation of the consolidated half-year financial statements, the essential judgments used by the Executive Board in the application of Vastned's principles for financial reporting and the main estimates are identical to the essential judgments and main estimates used in the 2015 annual accounts. The actual results may deviate from these estimates.

3. Scope of consolidation

On 10 March 2016 SCI 21 rue des Archives was acquired by Vastned and included in the consolidation. SCI 21 rue des Archives is owner of the property at Rue des Archives 21 in Paris. The acquisition of SCI 21 rue des Archives is considered as an acquisition of assets. The acquisition consideration amounted to € 8.1 million.

Vastned holds a 65.5% interest in the publicly regulated property company under Belgian law Vastned Retail Belgium N.V., which is listed on Euronext Brussels. The 34.5% interest in the equity and the result of this company attributable to non-controlling interests is recognised separately in the balance sheet and the profit and loss account.

Vastned has a 100% interest in and full control over all its other subsidiaries.

4. Segmented information

HY1 2016

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Net rental income	18,260	7,114	8,492	1,700	3,904	39,470
Value movements in property in operation	(7,588)	1,341	2,064	2,183	(3,497)	(5,497)
Value movements in property under renovation	(1,163)	-	-	-	-	(1,163)
Value movements in property in pipeline	-	-	-	-	-	-
Net result on disposal of property	169	124	-	421	-	714
<i>Total net income from property</i>	9,678	8,579	10,556	4,304	407	33,524
Net financing costs						(13,117)
General expenses						(4,151)
Income tax						(1,015)
Non-controlling interests						(2,687)
<i>Result attributable to Vastned Retail shareholders</i>						12,554
	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Property in operation:						
Balance as at 1 January	741,647	337,849	356,348	76,333	132,651	1,644,828
- Acquisitions	15,752	8,053	-	-	-	23,805
- Capital expenditure	1,755	993	554	-	-	3,302
- Taken into operation	-	-	-	-	-	-
- Transferred to property under renovation	(9,645)	-	-	-	-	(9,645)
- Divestments	(3,625)	-	-	(7,050)	-	(10,675)
	745,884	346,895	356,902	69,283	132,651	1,651,615
- Value movements	(7,589)	1,341	2,064	2,183	(3,496)	(5,497)
<i>Balance as at 30 June</i>	738,295	348,236	358,966	71,466	129,155	1,646,118
Accrued assets in respect of lease incentives	1,680	303	472	115	445	3,015
<i>Appraisal value as at 30 June</i>	739,975	348,539	359,438	71,581	129,600	1,649,133
Property under renovation	8,425	-	-	-	-	8,425
Property in pipeline	-	-	-	-	-	-
Property	748,400	348,539	359,438	71,581	129,600	1,657,558

HY1 2015

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Net rental income	17,733	7,440	9,120	1,917	3,685	39,895
Value movements in property in operation	(8,365)	6,253	3,435	5,696	1,052	8,071
Value movements in property under renovation	-	417	-	-	-	417
Value movements in property in pipeline	(6)	-	-	-	-	(6)
Net result on disposal of property	345	963	151	-	-	1,459
<i>Total net income from property</i>	9,707	15,073	12,706	7,613	4,737	49,836
Net financing costs						(14,498)
General expenses						(4,204)
Income tax						(985)
Non-controlling interests						(3,763)
<i>Result attributable to Vastned Retail shareholders</i>						26,386
	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Property in operation:						
Balance as at 1 January	647,061	329,021	355,951	68,654	131,512	1,532,199
- Acquisitions	119,057	-	15,352	-	-	134,409
- Capital expenditure	1,758	129	90	-	-	1,977
- Taken into operation	-	2,840	-	-	-	2,840
- Transferred to property under renovation	-	-	-	-	-	-
- Divestments	(4,605)	(18,540)	(4,215)	-	-	(27,360)
	763,271	313,450	367,178	68,654	131,512	1,644,065
- Value movements	(8,365)	6,253	3,436	5,695	1,052	8,071
<i>Balance as at 30 June</i>	754,906	319,703	370,614	74,349	132,564	1,652,136
Accrued assets in respect of lease incentives	1,443	259	660	145	619	3,126
<i>Appraisal value as at 30 June</i>	756,349	319,962	371,274	74,494	133,183	1,655,262
Property under renovation	-	-	-	-	-	-
Property in pipeline	1,235	-	-	-	-	1,235
Property	757,584	319,962	371,274	74,494	133,183	1,656,497

HY1 2016

	Premium city high street shops	High street shops	Non-high street shops	Total
Net rental income	23,616	8,047	7,807	39,470
Value movements in property in operation	9,599	(6,676)	(8,420)	(5,497)
Value movements in property under renovation	-	-	(1,163)	(1,163)
Value movements in property in pipeline	-	-	-	-
Net result on disposal of property	-	169	545	714
<i>Total net income from property</i>	33,215	1,540	(1,231)	33,524
Net financing costs				(13,117)
General expenses				(4,151)
Income tax				(1,015)
Non-controlling interests				(2,687)
<i>Result attributable to Vastned shareholders</i>				12,554

	Premium city high street shops	High street shops	Non-high street shops	Total
Property in operation:				
Balance as at 1 January	1,120,840	285,380	238,608	1,644,828
- Acquisitions	23,805	-	-	23,805
- Capital expenditure	1,840	734	728	3,302
- Taken into operation	-	-	-	-
- Transferred to property under renovation	-	-	(9,645)	(9,645)
- Divestments	-	(3,625)	(7,050)	(10,675)
	1,146,485	282,489	222,641	1,651,615
- Value movements	9,539	(6,616)	(8,420)	(5,497)
<i>Balance as at 30 June</i>	1,156,024	275,873	214,221	1,646,118
Accrued assets in respect of lease incentives	1,937	529	549	3,015
<i>Appraisal value as at 30 June</i>	1,157,961	276,402	214,770	1,649,133
Property under renovation	-	-	8,425	8,425
Property in pipeline	-	-	-	-
Property	1,157,961	276,402	223,195	1,657,558

HY1 2015

	Premium city high street shops	High street shops	Non-high street shops	Total
Net rental income	21,080	9,344	9,471	39,895
Value movements in property in operation	19,342	(2,979)	(8,292)	8,071
Value movements in property under renovation	417	-	-	417
Value movements in property in pipeline	-	-	(6)	(6)
Net result on disposal of property	510	985	(36)	1,459
<i>Total net income from property</i>	41,349	7,350	1,137	49,836
Net financing costs				(14,498)
General expenses				(4,204)
Income tax				(985)
Non-controlling interests				(3,763)
<i>Result attributable to Vastned shareholders</i>				26,386

	Premium city high street shops	High street shops	Non-high street shops	Total
Property in operation:				
Balance as at 1 January	912,022	328,681	291,496	1,532,199
- Acquisitions	134,409	-	-	134,409
- Capital expenditure	1,531	50	396	1,977
- Taken into operation	2,840	-	-	2,840
- Transferred to property under renovation	-	-	-	-
- Divestments	(2,210)	(23,740)	(1,410)	(27,360)
	1,048,592	304,991	290,482	1,644,065
- Value movements	19,345	(2,978)	(8,296)	8,071
<i>Balance as at 30 June</i>	1,067,937	302,013	282,186	1,652,136
Accrued assets in respect of lease incentives	2,083	525	518	3,126
<i>Appraisal value as at 30 June</i>	1,070,020	302,538	282,704	1,655,262
Property under renovation	-	-	-	-
Property in pipeline	-	-	1,235	1,235
<i>Property</i>	1,070,020	302,538	283,939	1,656,497

5. Dividend

On 13 May 2016 the final dividend over financial year 2015 was made payable. The dividend amounted to € 1.31 per share in cash, totalling € 24.9 million.

6. Fair value

The assets and liabilities valued at fair value on the balance sheet are divided into a hierarchy of three levels:

Level 1: The fair value is determined based on published listings in an active market

Level 2: Valuation methods based on information observable in the market

Level 3: Valuation methods based on information that is not observable in the market, which has a more than significant impact on the fair value of the asset or liability.

	Level	30 June 2016		31 December 2015		30 June 2015	
		Book value	Fair value	Book value	Fair value	Book value	Fair value
Assets valued at fair value							
Property							
Property in operation (including accrued assets in respect of lease incentives)	3	1,649,133	1,649,133	1,647,900	1,647,900	1,655,262	1,655,262
Property under renovation	3	8,425	8,425	-	-	-	-
Property in pipeline	3	-	-	-	-	1,235	1,235
Fixed assets							
Financial derivatives	2	-	-	-	-	675	675
Current assets							
Debtors and other receivables	2	4,972	4,972	2,211	2,211	4,672	4,672
Cash and cash equivalents	2	4,171	4,171	2,762	2,762	12,628	12,628
Liabilities valued at fair value							
Long-term liabilities							
Long-term interest-bearing loans	2	657,218	676,080	652,513	672,601	682,397	682,397
Financial derivatives	2	8,661	8,661	5,427	5,427	4,151	4,151
Guarantee deposits and other long-term liabilities	2	3,626	3,626	3,557	3,557	3,490	3,490
Short-term liabilities							
Payable to banks	2	33,195	33,195	7,953	7,953	11,897	11,897
Redemption long-term interest-bearing loans	2	20,017	20,017	25,017	25,017	40,017	40,017
Other liabilities and accruals	2	22,566	22,566	22,854	22,854	23,116	23,116

The fair value of the derivatives is determined with reference to information from reputable financial institutions, which information is also based on direct and indirect observable market data. For verification purposes, this information is compared to internal calculations made by discounting cash flows based on the market interest rate for comparable financial derivatives on the balance sheet date. When determining the fair value of financial derivatives, the credit risk of the Group or counterparty is taken into account.

The fair value of the long-term interest-bearing loans is calculated as the present value of the cash flows based on the swap yield curve and credit spreads in effect at 30 June 2016.

The fair value of the 'Debtors and other receivables', 'Cash and cash equivalents', 'Guarantee deposits and other long-term liabilities', 'Payable to banks', and 'Other liabilities and accruals' is considered to be equal to the book value because of the short-term nature of these assets and liabilities or the fact that they are subject to a floating interest rate.

During the first half year of 2016 no changes have occurred that changed the principles for determining the fair value. Additionally no reclassification between the levels occurred for financial assets in the first half year of 2016.

7. Property

The appraisal of the property portfolio resulted in a net yield (purchasing costs payable by the vendor) of 4.7% (31 December 2015: 4.8%). A 25 basis point increase in the net initial yields used in the appraisal values will result in decrease in the value of the property by € 82.4 million or 5.0% (31 December 2015: € 80.8 miljoen or 4.9%) and an increase 225 basis points increase in the loan-to-value ratio (31 December 2015: 214 basis points).

For further information on the property portfolio we refer to the 2016 half-year report.

8. Provisions in respect of employee benefits

Due to the strong decline in the discount rate in the first half year 2016 the defined benefit pension obligation was remeasured, in contrast to previous years. This resulted in an increase of the defined benefit pension obligation of € 2.0 million.

9. Interest bearing debts

	30 June 2016	31 December 2015	30 June 2015
Long-term liabilities			
Secured loans	169	178	187
Unsecured loans	550,514	546,423	576,927
Convertible bond	106,535	105,912	105,283
	657,218	652,513	682,397
Short-term liabilities			
Payable to banks	33,195	7,953	11,897
Redemption long-term interest-bearing loans	20,017	25,017	40,017
	53,212	32,970	51,914
Total	710,430	685,483	734,311

For further information on the interest bearing loans we refer to the 2016 half year report.

10. Rights and obligations not recorded in the balance sheet

In 2014, Vastned sold the company Hispania Retail Properties S.L.U., owner of the seven shopping centres/galleries and a retail park in Spain, to Orange Parent B.V., a company held by a consortium of The Baupost LLC, GreenOak Real Estate and Grupo Lar. In addition to the usual balance sheet guarantees, this consortium was given a guarantee concerning a tax-offsettable loss that existed in 2012, which is composed of multiple years. The balance sheet guarantee expired in 2015, without the buyers having invoked it. The guarantee concerning the tax-offsettable loss diminishes year on year, and will expire for the final year on 25 July 2017. Of the guarantee regarding the tax-offsettable loss an amount not exceeding € 3.0 million remains at balance sheet date.

The acquisition of Rocking Plaza BV, owner of the property located on the Kalverstraat 11-17 / Rokin 12-16 in Amsterdam, was considered in 2015 as an acquisition of assets. The non-balance sheet provision for deferred tax liabilities amounts to € 12.7 million.

11. Subsequent events

There have been no subsequent events that would impact the half-year financial statements.

12. Related parties transactions

Except with respect to the issues described below, no material changes occurred in the first half year of 2016 in the nature, scale or volume of transactions with related parties compared to what was set out in the notes to the 2015 annual accounts.

During the first half of 2016, none of the members of the Supervisory Board and Executive Board of Vastned had a personal interest in Vastned investments. To Vastned's best knowledge, no property transactions were effected during the period under review involving persons or institutions that could be regarded as related parties.

Interests of major investors

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

M. Ohayon	7.14%
Commonwealth Bank of Australia	5.79%
BlackRock, Inc.	5.29%
FMR LLC	5.05%
JP Morgan Asset Management Holdings Inc.	4.99%
NN Group N.V.	4.94%
Société Fédérale de Participations et d'Investissement (SFPI)	3.02%

Review report

To: management and supervisory board of Vastned Retail N.V.

Introduction

We have reviewed the accompanying consolidated interim financial information of Vastned Retail N.V., Rotterdam, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statements of income, comprehensive income, movements in equity, and cash flows for the 6-month period ended 30 June 2016, and the notes, comprising a summary of the significant accounting policies and other explanatory information.

Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information for the 6-month period ended 30 June 2016 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Utrecht, 1 August 2016

Ernst & Young Accountants LLP

Signed by W.H. Kerst