

2014 ANNUAL RESULTS

Positive results from further execution of premium city high street strategy

High lights 2014:

- Direct result of € 2.44 per share exceeded the forecast of € 2.35 per share due to one-off gain
- Execution of premium city high street strategy resulted in increase of occupancy rate to 97.6% at year-end 2014 from 94.0% at year-end 2013
- Value growth of premium city high street shops of 5.1%
- Value total portfolio stable (+0,3%)
- Share of non-bank loans at 49% well above target of at least 25%
- Proposed dividend 2014 of € 2.00 per share confirmed
- Anticipated direct result 2015: € 2.10 - € 2.30 per share

Rotterdam, 3 March 2015 – Vastned, the listed European retail property company focusing on 'venues for premium shopping', has realised positive results and an increase of the occupancy rate to 97.6% at year-end 2014 through the further execution of its premium city high street strategy. In 2015, the company will focus on further growth of the portfolio in premium city high street shops in Europe.

Taco de Groot, Vastned CEO: 'The 2014 results show that the focus on premium city high street shops is bearing fruit. These best shops in Europe's most attractive cities with a solid occupancy rate of over 99% realised a 5% value increase and a like-for-like gross rent growth of almost 3%. We notice that interest from retailers for the right property in the right street and in the right city remains very high, even in the present challenging retail climate. On the other hand, particularly in the Netherlands, retailers running shops in less attractive locations are struggling. Over the past year we bought high street shops for a total of € 103 million and divested non-core assets totalling € 257 million, bringing the share of premium city high street shops to 60%. In 2015, we will focus on further growth of the portfolio in premium city high street shops in Europe. We will roll out our strategy step by step, striving to realise more stable and predictable results. For 2015, we anticipate a direct result of between € 2.10 and € 2.30 per share, which is equal to the 2014 initial estimate.'

KEY PARAMETERS

Premium city high street shops are showing positive results on the key parameters. Their positive value movement of 5.1% ensured that the total value movement of the total portfolio, excluding acquisitions and divestments, was positive at 0.3%. Also the growth in like-for-like gross rent for the total portfolio of 0.7% was due to a 2.9% growth in gross rent for premium city high street shops.

	in %	Premium cities high street shops	High street shops	Non-high street shops	Total
Occupancy rate		99.1	96.0	96.2	97.6
Like-for-like gross rental growth		2.9	(0.9)	(0.7)	0.7
Value movement		5.1	(5.5)	(5.1)	0.3
Value (€ millions)		917	329	293	1,539

Rent optimisation

Rent growth in premium cities is realised through active portfolio management. In 2014, Vastned put a great deal of effort into letting out the residential floors above the shops. For example, five studios were created for young professionals at Oudegracht 124-128 in Utrecht, maximising rental income and also contributing to the liveliness and safety of historic city centres, which benefits residents, retailers and landlords.



REVIEW OF THE PROPERTY PORTFOLIO

Introduction

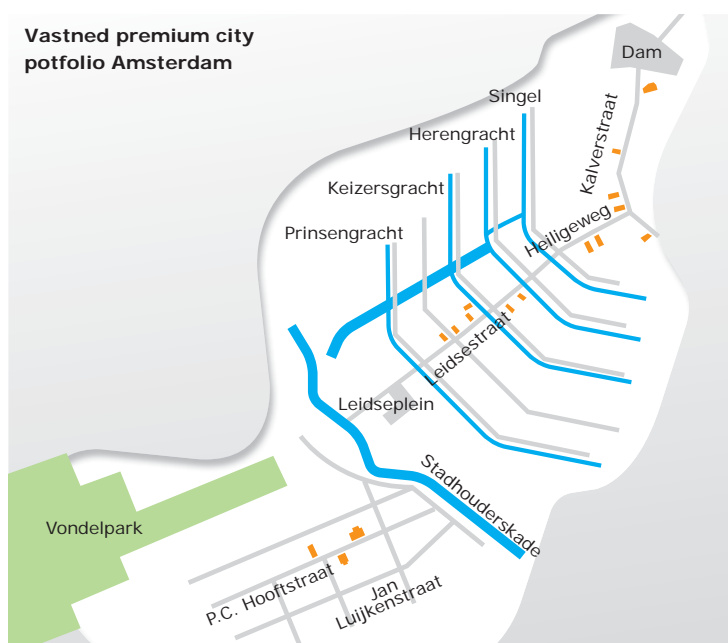
Vastned's portfolio has undergone a major transition over the past year. The share of premium city high street shops increased to 60% at year-end 2014 from 46% at year-end 2013, e.g. by investing € 103 million in high street shops in cities like Amsterdam, Utrecht, Lyon and Ghent. Vastned also divested non-core assets totalling € 257 million, including seven shopping centres/galleries and a retail park in Spain for € 158 million. With these acquisitions and divestments, Vastned's portfolio is now far more solid and more concentrated with the formation of clusters in a number of major European cities. The biggest clusters are in Istanbul, Paris, Amsterdam and Bordeaux. Almost half (49%) of the total portfolio is located in the 10 biggest clusters.

Clusters add to Vastned's premium city high street profile and create more opportunities for realising potential rent increases by combining or dividing adjoining retail units. This gives Vastned a unique flexibility in supplying retail floor area and helps to serve different retailers better.

It is one of Vastned's objectives to raise the share of premium city high street shops to 75% of the total portfolio, and the company will continue on its path of pragmatic, step by step investments and divestments. At year-end 2014, the value of the portfolio was € 1.5 billion (year-end 2013: € 1.7 billion).

Top 10 clusters

City	Value (€ million)	Number of high street shops
Istanbul	132	9
Paris	116	4
Amsterdam	107	24
Bordeaux	86	22
Utrecht	65	23
The Hague	55	24
Antwerp	52	11
Brussels	49	5
Lille	48	34
Ghent	41	5
Total	751	161



Occupancy rate

The occupancy rate of the premium city high street shops remained virtually unchanged at 99.1% (year-end 2013: 99.2%). The occupancy rate of the high street shops outside premium cities rose to 96.0% at year-end 2014, from 94.7% at year-end 2013. The non-high street shops category realised a significant improvement to 96.2% at year-end 2014 compared to 89.7% at year-end 2013. The increased occupancy rate was mainly due to the improved quality of the portfolio by means of acquisitions in premium city high street shops and divestments of non-core assets, which often had lower occupancy rates. The latter impacted especially the non-high street shops category.

Occupancy rate

Year-end 2014	Premium city high street shops	High street shops	Non-high street shops	Total portfolio
Netherlands	99.0	95.9	97.1	97.3
France	98.5	97.3	76.8	96.5
Belgium	100.0	93.8	97.7	97.9
Spain/Portugal	100.0	100.0	100.0	100.0
Turkey	99.3	-	-	99.3
Total	99.1	96.0	96.2	97.6

Year-end 2013	Premium city high street shops	High street shops	Non-high street shops	Total portfolio
Netherlands	98.9	95.5	96.4	96.8
France	99.2	95.7	76.1	95.4
Belgium	98.6	89.0	95.8	95.4
Spain/Portugal	100.0	100.0	84.9	86.6
Turkey	100.0	-	-	100.0
Total	99.2	94.7	89.7	94.0

Leasing activity

In 2014 Vastned concluded a total of 137 leases with new and existing tenants (2013: 265), yielding a total gross rental income of € 10.4 million (2013: € 18.5 million). This equals 10.7% of the theoretical gross rental income. The number of leases declined mainly due to the sale of the Spanish shopping centres and the non-core assets in France. Of the € 18.5 million in leases concluded in 2013, € 5.6 million related to leases in the Spanish shopping centres that were sold. Early termination options were often used by tenants to demand rent reductions. This is not an issue with premium city high street shops; we find that tenants are very keen to continue their presence in the best locations and renew their leases.

On average, leases in 2014 were concluded 5.3% below the previous rent. Especially the five lease renewals that lead to a rent reduction of 46%, which Vastned concluded in the two shopping centres in Limoges in order to keep the occupancy rate stable and the leases on non-high street shops in the Netherlands, were a major factor in reducing the average rent of non-high street shops of 15.2%. Vastned concluded 24 leases for premium city high street shops for € 4.2 million in total, with an average 3.6% rent increase on the former leases.

The departure of 78 tenants representing € 4.2 million in rental income, or 4.4% of the theoretical gross rental income, was largely offset by the influx of 72 new tenants representing a gross rental income of € 3.5 million. Vastned agreed new leases with attractive retailers such as Mango, Nike en Desigual.

Leasing activity in 2014 per type

	volume		Movement of gross rental income			
	2014		2014		2013	
	in € million	%	in € million	%	in € million	%
Premium city high street shops	4.2	4.3	0.1	3.6	0.2	3.2
High street shops	2.6	2.7	(0.1)	(3.0)	(0.1)	(4.9)
Non-high street shops	3.6	3.7	(0.6)	(15.2)	(2.8)	(25.4)
Total	10.4	10.7	(0.6)	(5.3)	(2.7)	(12.7)

Lease incentives

Lease incentives, such as rent-free periods, lease discounts and other payments or contributions to tenants, fell to 2.5% of the gross rental income in 2014, from 3.4% in 2013. In euros, the lease incentives decreased from € 4.7 million to € 2.6 million.

Lease incentives in %

	2014		2013	
	actual	IFRS	actual	IFRS
Netherlands	(2.6)	(1.9)	(2.4)	(1.8)
France	(1.8)	(2.5)	(3.1)	(2.80)
Belgium	(3.7)	(2.8)	(2.2)	(1.60)
Spain	(2.4)	(2.4)	(7.3)	(7.5)
Turkey	(5.2)	(5.5)	(13.5)	(4.9)
<i>Total</i>	(2.9)	(2.5)	(4.1)	(3.4)

Value movements

The premium city high street portfolio, excluding acquisitions and divestments, rose in value in all markets, resulting in an average 5.1% value increase. The value decreases of both the Dutch high street and non-high street portfolios of 7.8% and 9.5% respectively, were amply offset by the value increase of the premium city high street shops. In the Netherlands the portfolio outside premium cities is the biggest, which is why it was affected most by the clear polarisation in the European retail market. Retailers remain highly critical in their choice of retail locations and they wish to be present in those locations where consumers like to shop. These popular retail locations are therefore highly in demand, which gives rise to rent and value increases; this contrasts sharply with secondary locations, where the exact opposite occurs and values are under pressure. The total portfolio, excluding acquisitions and divestments, realised a value movement of 0.3% compared to year-end 2013.

Value movements 2014

	Value in € millions year-end 2014	Premium city high street shops %	High street shops %	Non-high street shops %	Total %
Netherlands	650	1.9	(7.8)	(9.5)	(4.7)
France	331	6.5	0.3	(14.1)	4.7
Belgium	357	7.3	(2.5)	(2.1)	3.4
Spain/Portugal	69	14.9	(7.0)	3.7	8.2
Turkey	132	2.5	n.a.	n.a.	2.5
<i>Total</i>	1,539	5.1	(5.5)	(5.1)	0.3

Breakdown of the property portfolio

	in € millions	Premium city high street shops	High street shops	Non-high street shops	Total
Netherlands	293	197	160	650	
France	269	52	10	331	
Belgium	176	66	115	357	
Spain/Portugal	47	14	8	69	
Turkey	132	n.a.	n.a.	132	
<i>Total</i>	917	329	293	1,539	

Acquisitions

In the course of 2014, Vastned acquired 20 premium high street shops and one high street shop for € 103 million in total.

Netherlands

In the Netherlands, Vastned expanded its premium city high street portfolio in Amsterdam, Utrecht, Maastricht and Den Bosch and its high street portfolio in Arnhem for a total of € 70 million. Thanks to its local network and by acting proactively and quickly, Vastned was able to acquire these high street shops before they came on the market.

Amsterdam

Leidsestraat 60-62
Kalverstraat 132
Heiligeweg 37
P.C. Hoofdstraat 46-48
P.C. Hoofdstraat 50

Tenants

Rituals and The Coffee Company
The Amsterdam Cheese Company
El Ganso
Burberry
Mulberry

Utrecht

Steenweg 22- 26
Steenweg 28

WAM Denim, Osimo and Lee
Dr. Adams

Den Bosch

Schapenmarkt 17-19

ZARA

Maastricht

Grote Staat 59
Muntstraat 21-23

van Dalen
Tommy Hilfiger

Arnhem

Bakkerstraat 5

Claudia Sträter

In Amsterdam and Utrecht Vastned expanded its premium city high street portfolio through several acquisitions on e.g. P.C. Hoofdstraat and Heiligeweg in Amsterdam.

In addition, Vastned expanded its cluster in Maastricht to € 21 million with acquisitions at Grote Staat 59 and Muntstraat 21-23, which are leased to footwear specialist Van Dalen and international fashion retailer Tommy Hilfiger respectively. In Den Bosch Vastned purchased Schapenmarkt 17-19, where popular fashion house ZARA has one of its new flagship stores.

Furthermore, a retail unit on Bakkerstraat in Arnhem was acquired. While Arnhem is not a premium city, this purchase was made in view of the unique opportunity of having three adjoining shops in one of the city's popular shopping streets with a retail floor area in excess of 1,100 square metres and Gerry Weber, Claudia Sträter and Marc Cain as tenants.

France

In Lyon Vastned acquired two assets on Rue Édouard Herriot 70 for € 5 million. Rue Édouard Herriot is one of the best shopping streets in Lyon with luxury retailers like Louis Vuitton, Cartier and Longchamps. Rue Édouard Herriot 70 houses international high-end retailers Cosmo Paris and Sandro.



Belgium

In Belgium Vastned acquired Veldstraat 23-27 on the corner of Bennesteeg in Ghent for € 28 million, which is leased to the world famous fashion brand H&M. This shop has a retail floor area of some 2,600 square metres and a unique 25-metre façade on Veldstraat and 28-metre façade on Bennesteeg.

Spain and Turkey

No acquisitions were made in Spain and Turkey (Istanbul) during 2014.

Divestments

In addition to the divestment of the Spanish shopping centres and the retail park, Vastned sold for a total of € 99 million in non-core assets in smaller towns in the Netherlands, France and Belgium, thus realising a clear quality increase in the portfolio. The divestments were made on average at 2.6% below book value.

Netherlands

In the Netherlands, Vastned sold non-core assets in e.g. Zaandam, Heerde, Bussum, Delft and Hilversum for € 13 million in total. On average the non-strategic assets were divested 6.2% above book value. The share of premium city high street shops rose from 36% to 45% at year-end 2014.

France

In France, a total of non-core assets were sold for € 45 million in 2014, 3.1% below book value. The divestments included apartments in Ferrière-La-Grande, a retail warehouse in Toulon La Garde and a portfolio of individual shops in towns like Roubaix, Troyes, Alençon and Amiens. In France the share of premium city high street shops increased from 70% year-end 2013 to 81% year-end 2014.

Belgium

In Belgium, Vastned divested non-core assets in 2014, including shopping centre Julianus in Tongres, retail warehouses in Hasselt and Wilrijk, some 'baanwinkels' and individual shops in places like Hoboken, Bergen, Vilvoorde and Sint-Pieters-Leeuw, for € 41 million in total, which is 4.4% below book value. The share of premium city high street shops grew from 39% to 49% at year-end 2014.

Spain

In Spain, the sale of the seven Spanish shopping centres/galleries and a retail park was concluded successfully. At year-end 2014, the Spanish- Portuguese portfolio was valued at € 69 million, and consisted of 88% fully occupied premium city high street shops and high street shops.

Turkey

No divestments were made in Turkey (Istanbul).

RESULT FOR 2014

The result is comprised of the direct and the indirect result. The result improved to € 31.7 million positive in 2014, from € 91.2 million negative in 2013. The main cause of this increase was the improvement of the indirect result from € 145.4 million negative in 2013 to € 14.8 million negative in 2014, due to less negative value movements. The direct result came to € 46.5 million (2013: € 54.2 million).

Vastned has decided to change its accounting principle for deferred tax assets and liabilities. As of 1 January 2014, deferred tax liabilities exclusively include the amounts of income tax payable in future periods on taxable

temporary differences between the book value of assets and liabilities and their fiscal book value and is the most probable way of selling property no longer taken into account. The change in accounting principle has resulted in an adjustment of the comparative figures for 2013: compared to the reported 2013 figures, the result was adjusted downwards from € 89.0 million negative to € 91.2 million negative, and the indirect result was adjusted from € 143.2 million negative to € 145.4 million negative. The direct result remained unchanged.

Direct result

The direct result declined from € 54.2 million in 2013 to € 46.5 million in 2014. In line with its strategy focusing on premium city high street shops, Vastned further strengthened the quality of the portfolio by selling non-core assets. The sales proceeds were used partly to purchase premium city high street shops and partly to strengthen the balance sheet. Thus, Vastned was a net seller. This was the main cause of the decreased net rental income with € 21,0 million.

Furthermore, net financing costs fell by € 10.3 million due to on average lower interest-bearing debts resulting from net divestments and the lower average interest rate, which positively impacted the direct result.

The general expenses remained virtually unchanged from 2013 and the current income tax expense declined due to a lower tax burden in Spain caused by the sale of the shopping centres/galleries and the retail park in the first quarter of 2014.

Additionally, Vastned received a one-off gain of € 1.7 million following a favourable court decision in a dispute with the Belgian tax and customs administration concerning dividend distributions by Vastned Retail Belgium over the period 2005 - 2012.

Indirect result

The indirect result rose sharply from € 145.4 million negative in 2013 to € 14.8 million negative in 2014, a € 130.6 million improvement on 2013. The negative indirect result in 2013 was largely caused by a value decline of the portfolio, especially in Spain. Total value movement were € 0.8 million negative, which is a slight decline of 0.1% compared to the start of 2014. Due to repayments on loans as a result of Vastned being a net seller and the placement of a convertible bond, a number of financial derivatives under IFRS no longer qualified as effective hedges in 2014. Consequently, the € 3.9 million unrealised negative value movements on these financial derivatives were reclassified from equity to the profit and loss account. In 2014, an amount of € 3.3 million was allocated to the provision for deferred tax liabilities. This was mainly in view of the value increase of the Spanish portfolio and the abolishment of the Spanish existing refund facility for income tax owed when realised capital gains are reinvested.

NET RENTAL INCOME FROM PROPERTY

Gross rental income

The property portfolio shrank from € 1.7 billion to € 1.5 billion, mainly due to net divestments over the past year. This reduced the gross rental income from € 123.2 million in 2013 to € 96.4 million in 2014.

-Acquisitions and properties taken into operation (€ 6.4 million increase)

Vastned's gross rental income increased by € 6.4 million compared to 2013 due to acquisitions in the Netherlands, France and Belgium and the taking into operation of properties in Istanbul, Turkey. Of the increase, € 1.9 million concerned additional rental income from acquisitions in the Netherlands in 2013 and 2014. In France, the

premium city high street shops acquired in Bordeaux and Lyon in 2013 and 2014 contributed € 1.1 million to the growth of the gross rental income in 2014. The premium city high street shop on Steenstraat in Bruges acquired in 2013 and premium high street shop on Veldstraat in Ghent acquired in July 2014 added € 0.7 million to the gross rental income in Belgium. In Istanbul the gross rental income increased by € 2.7 million after H&M's first flagship store and the Armani brand store were taken into operation in 2013 and 2014 respectively.

-Divestments (€ 33.9 million decrease)

In line with its premium city high street strategy Vastned sold a total of € 525.8 million in non-core assets in 2013 en 2014, which reduced the gross rental income by € 33.9 million compared to 2013. € 19.8 million of this was due to the sale of the Spanish shopping centres/galleries, which was finalised in March 2014. In the Netherlands, France and Belgium the gross rental income fell by € 6.4 million, € 6.9 million and € 0.8 million respectively as a result of non-core divestments.

– Like-for-like gross rental growth (€ 0.7 million increase)

Like-for-like growth of the gross rental income was € 0.7 million positive. As the table on page 13 shows, like-for-like growth was positive for premium city high street shops in all countries (€ 1.1 million). Like-for-like gross rental income growth was impaired by negative gross rent growth caused by lower rental income from lease renewals for high street shops and non-high street shops, mainly in the Netherlands.

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

The operating expenses fell from € 16.5 million in 2013 to € 10.7 in 2014 million due to divestments of non-core assets. Especially the shopping centres in Spain that Vastned divested, had relatively high net service charge expenses. Operating expenses as a percentage of gross rental income were 11.1% (2013: 13.4%). This improvement was due partly to the share of premium city high street shops rising. Premium city high street shops have lower operating expenses (9.3%) than high street shops (13.3%) and non-high street shops (12.1%).

Value movements in property

The value movements in 2014 were € 0.8 million negative (2013: € 121.6 million negative), representing a marginal decline of 0.1% compared to the beginning of 2014. The value movements comprised a € 4.1 million value increase of the standing portfolio, and on the other hand a € 4.9 million value decrease due to purchase costs of properties.

Net result on disposal of property

In addition to the sale of the shopping centres/galleries and the retail park in Spain for € 157.9 million, Vastned in 2014 sold € 99.0 million in non-core assets. € 12.5 million of these sales were made in the Netherlands. In Belgium, € 41.0 million in non-core assets was sold and in France € 45.5 million. The net result on divestments from the divestments realised in 2014 after deduction of sales costs, was € 2.6 million negative, of which € 1.4 million negative was realised on French sales. In Belgium the net result on divestments was € 1.9 million negative, while the Dutch divestments realised a positive net result of € 0.7 million.

EXPENDITURE

Net financing costs

The net financing costs including value movements of financial derivatives, decreased from € 46.7 million in 2013 to € 29.8 million in 2014. The average interest rate on the total interest-bearing loan capital improved from 4.3% in 2013 to 4.1% in 2014. The decrease was mainly due to the issue of a convertible bond with a fixed coupon of 1.875%. The decrease remained limited compared to the development of the market interest rate due to the fact

that in 2014 a large part of the loan portfolio was financed at a fixed rate.

The value movements of the interest rate derivatives not qualified as effective hedges under IFRS were € 1.2 million negative due to the lower market interest rate (2013: € 1.4 million positive). Due to loan redemption as a result of Vastned being a netseller and the placement of a convertible bond, a number of financial derivatives under IFRS no longer qualified as effective hedges. Accordingly, the negative fair value of these financial derivatives of € 3.9 million (2013: € 13.7 million negative) was reclassified from equity to the profit and loss account, but does not affect the net asset value.

Additionally there was a one-off gain of € 1.2 million recognised through the net financing costs following the earlier described favourable court decision in a dispute with the Belgian tax and customs administration.

General expenses

General expenses remained virtually unchanged in 2014 at € 8.9 million (2013: € 9.0 million). These expenses fell due to the sale of the shopping centres/galleries and the retail park in Spain and the transfer of the majority of our Spanish team to the buyer. This decrease was largely set off by non-recurring additional personnel costs due to the departure of some employees and a lower amount that could be allocated to properties in operation in view of the smaller size of the portfolio.

Current income tax expense

Income tax totalled € 0.5 million in 2014 (2013: € 0.3 million). With respect to the previously mentioned procedure of Belgian withholding taxes, an income of € 0.5 million was recognised in 2014. In Belgium, the tax burden rose by € 0.3 million, mainly as a result of taxes on the result of the taxable entity which holds the premium city high street shop on Veldstraat in Ghent, which was acquired in 2014. The tax burden in France was € 0.5 million due to an additional tax assessment; in Spain the tax burden was € 0.2 million.

Movement in deferred tax assets and liabilities

The movement in deferred tax assets and liabilities in 2014 was € 4.3 million negative (2013: € 1.8 million positive, including taxes on unrealised results on financial derivatives). The allocation to the provision for deferred tax liabilities of € 4.3 million in 2014 was mainly related to the value increase of the Spanish portfolio and the abolishment of the Spanish existing refund facility for income tax owed when realised capital gains are reinvested.

Result attributable to non-controlling interests

The result attributable to non-controlling interests of € 7.1 million (2013: € 12.7 million) consists of the direct and indirect result attributable to non-controlling interests of € 4.8 million positive (2013: € 6.8 million positive) and € 2.3 million positive (2013: € 5.9 million positive) respectively. The direct result attributable to non-controlling interests decreased by € 2.0 million, the majority of which was due to the sale of the limited partnership Shopping Centre Het Rond in Houten at the end of September 2013.

The indirect result attributable to non-controlling interests fell by € 3.6 million. Of this decrease, € 6.9 million was caused by higher positive value movements in the Belgian portfolio in 2013 compared to 2014. In addition, the indirect result attributable to non-controlling interests increased by € 3.3 million due to the sale of the interest in the limited partnership Shopping Centre Het Rond in Houten in 2013.

Financing

During 2014, Vastned increased the number of its financiers and raised the share of non-bank loans to 49% of the total loan portfolio (year-end 2013: 14%). As a result, the objective of at least 25% non-bank loans as formulated in 2011 has been amply achieved.

In April 2014, Vastned issued a five-year € 110.0 million convertible bond with a fixed annual 1.875% coupon. The bonds are senior and unsecured and will be converted into Vastned shares, subject to Vastned opting for payment in cash instead of partial or full transfer of the shares. Furthermore, in September 2014 Vastned concluded a seven-year € 75.0 million unsecured loan with AXA Real Estate Investment Managers at a competitive floating interest rate. In November 2014, Vastned took out a revolving five-year credit facility of € 300.0 million from a syndicate of five banks. With this new revolving credit facility virtually all bilateral credit facilities expiring in 2015 have been refinanced. It has further been used to convert short-term credit facilities into a committed five-year credit facility. This credit facility has a floating interest rate at a competitive margin.

Loan portfolio

Year-end 2014 (x € million)

	Fixed interest rate ¹⁾	Floating interest rate	Total	% of total
Long-term debt	435.9	163.5	599.4	97.2
Short-term debt	15.0	2.6	17.6	2.8
	450.9	166.1	617.0	100.0
% of total	73.1	26.9	100.0	

1) Including interest-rate swaps

On 31 December 2014, Vastned's balance sheet had a healthy financing structure with a loan-to-value of 40.3% (year-end 2013: 44.6%) and a solvency rate, being group equity plus deferred tax liabilities divided by the balance sheet total, of 56.5% (year-end 2013: 51.5%). With a solvency rate of 56.5% and an interest coverage ratio of 3.5, Vastned complies with all the loan covenants.

Dividend

In the Annual General Meeting of shareholders of 24 April 2015, Vastned will propose to pay-out a dividend for 2014 of € 2.00 per share. Taking into account the interim dividend of € 0.73 per share distributed in August 2014, a final dividend of € 1.27 per share will be proposed. The final dividend will be made payable on 15 May 2015.

Events after balance sheet date

On 3 February 2015, Vastned announced that Charlotte Insinger and Marc van Gelder will be nominated for appointment to the Supervisory Board for a four-year term and that Pieter Verboom will retire from the Supervisory Board during the Annual General Meeting of shareholders of 24 April 2015 after an eleven years' service.

OUTLOOK 2015

Vastned's strategy to invest 75% of its portfolio in premium city high street shops is aimed at generating more stable and predictable results. Over the past year, the quality of the portfolio further improved and the share of premium city high street shops rose to 60% at year-end 2014, from 46% at year-end 2013. Now the portfolio rotation has been virtually completed in all markets except in the Netherlands. The focus in 2015 will be on further growth in European premium cities, for which Vastned will also be looking beyond its current core markets. In addition, Vastned will focus on optimising the return on the existing investment properties, inter alia by gauging opportunities to create residential housing above the retail locations.

Vastned anticipates that the polarisation between popular and less popular retail locations will increase further, so that demand for retail units on European well-known shopping streets will remain strong, but will fall in towns that do not have a regional function. Vastned anticipates, in particular in the Netherlands, retailers who stick to old formulas in the mid-segment, or who have too many outlets will struggle. Retailers wish to have a presence at those locations where consumers like to shop. In their choice of shops, tourism is gaining in importance. And Vastned's strategy is a good fit with that.

Vastned's direct result is determined to a great extent by rental income and by financing costs. Rental income will remain under pressure in lesser locations, while the best locations in premium cities benefit from strong demand from leading retail chains. Vastned anticipates that the average financing costs will be lower in 2015 due to the current low interest rates. For 2015, Vastned anticipates a direct result per share of between € 2.10 and € 2.30 per share, equal to the initial estimate for 2014.

CONFERENCE CALL

On 3 March 2015 at 10am CET, Vastned will comment on the annual results for 2014 in a conference call with analysts and shareholders. The conference call can be followed in a live webcast on www.vastned.com.

FINANCIAL CALENDAR 2015

24 April 2015, 1:00pm	Annual General Meeting, Rosarium Amsterdam
28 April 2015	Ex final dividend date 2014
29 April 2015	Record date final dividend 2014
11 May 2015	Trading update first quarter 2015
15 May 2015	Payment date final dividend 2014
20 August 2015	Interim results 2015
24 August 2015	Ex interim dividend date 2015
25 August 2015	Record date interim dividend 2015
8 September 2015	Payment date interim dividend 2015
3 November 2015	Trading update first nine months 2015

ABOUT VASTNED

Vastned is a listed European retail property company focusing on venues for premium shopping. Vastned invests in selected cities in Europe and 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 size of approximately € 1.5 billion.

Further information:

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DEVELOPMENTS RENTAL INCOME 2014

PREMIUM CITY HIGH STREET SHOPS

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Gross rental income 2013	10,370	12,073	6,919	2,175	4,496	36,033
Acquisitions	1,833	1,137	739	-	-	3,709
Taken into operation	-	(42)	-	-	2,723	2,681
Divestments	-	(480)	(43)	-	-	(523)
Like-for-like rent growth	389	123	90	24	419	1,045
Gross rent income 2014	12,592	12,811	7,705	2,199	7,638	42,945
Operating expenses	(1,631)	(941)	(779)	(143)	(500)	(3,994)
Net rent income 2014	10,961	11,870	6,926	2,056	7,138	38,951
NNet rent income 2013	8,968	10,693	6,330	2,028	4,204	32,223
Operating expenses as % of gross rental income 2014	13.0%	7.3%	10.1%	6.5%	6.5%	9.3%
Operating expenses as % of gross rental income 2013	13.5%	11.4%	8.5%	6.8%	6.5%	10.6%

HIGH STREET SHOPS

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Gross rental income 2013	16,278	5,514	4,035	1,327	-	27,154
Acquisitions	77	-	-	-	-	77
Taken into operation	-	-	-	-	-	-
Divestments	(567)	(2,126)	(128)	-	-	(2,821)
Like-for-like rent growth	(94)	9	(146)	18	-	(213)
Gross rent income 2014	15,694	3,397	3,761	1,345	-	24,197
Operating expenses	(2,454)	(295)	(342)	(116)	-	(3,207)
Net rent income 2014	13,240	3,102	3,419	1,229	-	20,990
NNet rent income 2013	14,128	5,131	3,661	1,266	-	24,186
Operating expenses as % of gross rental income 2014	15.6%	8.7%	9.1%	8.6%	-	13.3%
Operating expenses as % of gross rental income 2013	13.2%	6.9%	9.3%	4.6%	-	10.9%

NON-HIGH STREET SHOPS

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Gross rental income 2013	19,783	5,852	10,789	23,627	-	60,051
Acquisitions	-	-	-	-	-	-
Taken into operation	-	-	-	-	-	-
Divestments	(5,830)	(4,296)	(613)	(19,857)	-	(30,596)
Like-for-like rent growth	(305)	(323)	355	73	-	(200)
Gross rent income 2014	13,648	1,233	10,531	3,843	-	29,255
Operating expenses	(1,801)	(335)	(1,001)	(392)	-	(3,529)
Net rent income 2014	11,847	898	9,530	3,451	-	25,726
NNet rent income 2013	17,428	4,576	9,842	18,493	-	50,339
Operating expenses as % of gross rental income 2014	13.2%	27.2%	9.5%	10.2%	-	12.1%
Operating expenses as % of gross rental income 2013	11.9%	21.8%	8.8%	21.7%	-	16.2%

TOTAL

	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total
Gross rental income 2013	46,431	23,439	21,743	27,129	4,496	123,238
Acquisitions	1,910	1,137	739	-	-	3,786
Taken into operation	-	(42)	-	-	2,723	2,681
Divestments	(6,397)	(6,902)	(784)	(19,857)	-	(33,940)
Like-for-like rent growth	(10)	(191)	299	115	419	632
Gross rent income 2014	41,934	17,441	21,997	7,387	7,638	96,397
Operating expenses	(5,886)	(1,571)	(2,122)	(651)	(500)	(10,730)
Net rent income 2014	36,048	15,870	19,875	6,736	7,138	85,667
NNet rent income 2013	40,524	20,400	19,833	21,787	4,204	106,748
Operating expenses as % of gross rental income 2014	14.0%	9.0%	9.7%	8.8%	6.6%	11.1%
Operating expenses as % of gross rental income 2013	12.7%	13.0%	8.8%	19.7%	6.5%	13.4%

Key figures

Results (x € 1,000.-)

	31 December 2014	31 December 2013 ¹
Gross rental income	96,397	123,238
Direct result	46,461	54,195
Indirect result	(14,755)	(145,371)
<i>Result</i>	<u>31,706</u>	<u>(91,176)</u>

Balance sheet (x € 1,000)

Properties	1,538,783	1,694,395
Equity	865,999	866,162
Equity Vastned Retail shareholders	782,213	784,917
Long-term liabilities	641,843	580,933
Solvency based on banks' definition (in %)	56.5	51.5
Loan-to-value (in %)	40.3	44.6
Interest coverage ratio	3.5	2.8
Financial occupancy rate total portfolio (in %)	96.6	94.0
Premium city high street shops (in %)	99.1	97.4
High street shops (in %)	94.6	94.7
Non-high street shops (in %)	94.7	91.6
Average number of ordinary shares in issue	19,036,646	19,036,646
Number of ordinary shares in issue (end of period)	19,036,646	19,036,646

Per share (x € 1)

Equity Vastned Retail shareholders at beginning of year (including final dividend)	41.23	47.26
Change in accounting principle	-	(0.23)
	<u>41.23</u>	<u>47.03</u>
Final dividend previous financial year	(1.63)	(1.54)
<i>Equity Vastned Retail shareholders at beginning of period (ex. final dividend)</i>	39.60	45.49
Direct result	2.44	2.85
Indirect result	(0.77)	(7.64)
<i>Result</i>	<u>1.67</u>	<u>(4.79)</u>
Remeasurement of defined benefit pension obligation	(0.14)	0.02
Value movements financial derivatives directly recognised in equity, after tax	0.29	0.98
Reclassification of unrealised results of financial derivatives to profit-and loss account, after tax	0.21	0.52
Translation differences on net investments, after tax	(0.02)	(0.07)
Equity component of convertible bond	0.21	-
Interim dividend	(0.73)	(0.92)
<i>Equity Vastned Retail shareholders at end of period (incl. final dividend)</i>	<u>41.09</u>	<u>41.23</u>

Share price (end of period)

Share price (end of period)	37.45	32.985
Premium/(Discount) (in %)	(8.9)	(20.0)

¹ Following on an agenda decision of the IFRIC in July 2014, Vastned decided to change its accounting principle for deferred tax assets and liabilities. The changed accounting principle has resulted in the following adjustments to the comparative figures for 2013: the (indirect) result (decline 2.140), Equity Vastned Retail shareholders (decline of 6.448), Non-controlling interests (decrease 13) and Deferred tax liabilities (increase 6.461)

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

	<u>2014</u>	<u>2013</u>	<u>HY2 2014</u>	<u>HY1 2014</u>
Net income from properties				
Gross rental income	96,397	123,238	46,454	49,943
Ground rents paid	(113)	(584)	(37)	(76)
Net service charge expenses	(932)	(3,243)	(232)	(700)
Operating expenses	(9,685)	(12,663)	(4,555)	(5,130)
<i>Net rental income</i>	<u>85,667</u>	<u>106,748</u>	<u>41,630</u>	<u>44,037</u>
Value movements properties in operation	(628)	(119,567)	6,229	(6,857)
Value movements properties under renovation	410	-	(71)	481
Value movements properties in pipeline	(579)	49	23	(602)
Value movements assets held for sale	-	(2,057)	-	-
<i>Total value movements properties</i>	<u>(797)</u>	<u>(121,575)</u>	<u>6,181</u>	<u>(6,978)</u>
Net result on disposals of properties	(2,606)	(9,468)	(1,608)	(998)
<i>Total net income from properties</i>	<u>82,264</u>	<u>(24,295)</u>	<u>46,203</u>	<u>36,061</u>
Expenditure				
Financial income	2,908	956	1,442	1,466
Financial expenses	(27,601)	(35,347)	(12,993)	(14,608)
Value movements financial derivatives	(1,186)	1,385	(167)	(1,019)
Reclassification of unrealised results on financial derivatives from equity	(3,932)	(13,741)	-	(3,932)
<i>Net financing costs</i>	<u>(29,811)</u>	<u>(46,747)</u>	<u>(11,718)</u>	<u>(18,093)</u>
General expenses	(8,897)	(8,955)	(3,928)	(4,969)
<i>Total expenditure</i>	<u>(38,708)</u>	<u>(55,702)</u>	<u>(15,646)</u>	<u>(23,062)</u>
<i>Result before taxes</i>	<u>43,556</u>	<u>(79,997)</u>	<u>30,557</u>	<u>12,999</u>
Current income tax expense	(462)	(365)	(379)	(83)
Movement deferred tax assets and liabilities	(4,305)	(1,856)	(2,910)	(1,395)
Reclassification of taxes on unrealised results on financial derivatives from equity	-	3,770	-	-
<i>Total income tax</i>	<u>(4,767)</u>	<u>1,549</u>	<u>(3,289)</u>	<u>(1,478)</u>
<i>Result after taxes</i>	<u>38,789</u>	<u>(78,448)</u>	<u>27,268</u>	<u>11,521</u>
Result attributable to non-controlling interests	(7,083)	(12,728)	(4,795)	(2,288)
<i>Result attributable to Vastned Retail shareholders</i>	<u>31,706</u>	<u>(91,176)</u>	<u>22,473</u>	<u>9,233</u>
Per share (x € 1)				
Result attributable to Vastned Retail shareholders	1.67	(4.79)	1.18	0.49
Diluted result attributable to Vastned Retail shareholders	1.64	(4.79)	1.12	0.49

¹ The changed accounting principle has resulted in the following adjustments: Movement deferred tax assets and liabilities (decline 2,148) and the Result attributable to non-controlling interests (increase 8), resulting in a decline of the 2013 result with 2,140.

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

	<u>2014</u>	<u>2013</u>	<u>HY2 2014</u>	<u>HY1 2014</u>
<i>Result</i>	38,789	(78,448)	27,268	11,521
Items not reclassified to the profit and loss account				
Remeasurement of defined benefit obligation	(2,639)	376	(2,639)	-
Items that have been or could be reclassified to the profit and loss account				
Value movements financial derivatives directly recognised in equity	5,659	22,525	2,422	3,237
Reclassification of unrealised results on financial derivatives to profit-and-loss account	3,932	13,741	-	3,932
Translation differences on net investments	(418)	(1,406)	(338)	(80)
Taxes on items that have been or could be reclassified to the profit and loss account	-	(7,154)	-	-
<i>Other comprehensive income after taxes</i>	6,534	28,082	(555)	7,089
<i>Total comprehensive income</i>	<u>45,323</u>	<u>(50,366)</u>	<u>26,713</u>	<u>18,610</u>
Attributable to:				
Vastned Retail shareholders	38,138	(63,611)	21,869	16,269
Non-controlling interests	7,185	13,245	4,844	2,341
	45,323	(50,366)	26,713	18,610
Per share (x € 1)				
Total comprehensive income attributable to Vastned Retail shareholders	2.01	(3.34)	1.15	0.86

DIRECT EN INDIRECT RESULT (X € 1,000.-)

	2014	2013 ¹	HY2 2014	H1 2014
DIRECT RESULT				
Gross rental income	96,397	123,238	46,454	49,943
Ground rents paid	(113)	(584)	(37)	(76)
Net service charge expenses	(932)	(3,243)	(232)	(700)
Operating expenses	(9,685)	(12,663)	(4,555)	(5,130)
<i>Net rental income</i>	<u>85,667</u>	<u>106,748</u>	<u>41,630</u>	<u>44,037</u>
Financial income	2,908	956	1,442	1,466
Financial expenses	(27,006)	(35,347)	(12,582)	(14,424)
<i>Net financing costs</i>	<u>(24,098)</u>	<u>(34,391)</u>	<u>(11,140)</u>	<u>(12,958)</u>
General costs	(8,897)	(8,955)	(3,928)	(4,969)
Direct result before taxes	<u>52,672</u>	<u>63,402</u>	<u>26,562</u>	<u>26,110</u>
Current income tax expense	(1,449)	(2,407)	(778)	(671)
<i>Direct result after taxes</i>	<u>51,223</u>	<u>60,995</u>	<u>25,784</u>	<u>25,439</u>
Direct result attributable to non-controlling interests	(4,762)	(6,800)	(2,396)	(2,366)
Direct result attributable to Vastned Retail shareholders	<u>46,461</u>	<u>54,195</u>	<u>23,388</u>	<u>23,073</u>
INDIRECT RESULT				
Value movements properties in operation	(628)	(119,567)	6,229	(6,857)
Value movements properties under renovation	410	-	(71)	481
Value movements properties in pipeline	(579)	49	23	(602)
Value movements assets held for sale	-	(2,057)	-	-
<i>Total value movements properties</i>	<u>(797)</u>	<u>(121,575)</u>	<u>6,181</u>	<u>(6,978)</u>
Net result on disposals	(2,606)	(9,468)	(1,608)	(998)
Financial costs	(595)	-	(411)	(184)
Value movements financial derivatives	(1,186)	1,385	(167)	(1,019)
Transfer of unrealised results on financial derivatives from equity	(3,932)	(13,741)	-	(3,932)
<i>Indirect result before taxes</i>	<u>(9,116)</u>	<u>(143,399)</u>	<u>3,995</u>	<u>(13,111)</u>
Movement deferred tax assets and liabilities	(3,318)	186	(2,511)	(807)
Reclassification of taxes on unrealised results on financial derivatives from equity	-	3,770	-	-
<i>Indirect result after taxes</i>	<u>(12,434)</u>	<u>(139,443)</u>	<u>1,484</u>	<u>(13,918)</u>
Indirect result attributable to non-controlling interests	(2,321)	(5,928)	(2,399)	78
<i>Indirect result attributable to Vastned Retail shareholders</i>	<u>(14,755)</u>	<u>(145,371)</u>	<u>(915)</u>	<u>(13,840)</u>
<i>Result attributable to Vastned Retail shareholders</i>	<u>31,706</u>	<u>(91,176)</u>	<u>22,473</u>	<u>9,233</u>
Per share (x € 1.-)				
Direct result attributable to Vastned Retail shareholders	2.44	2.85	1.23	1.21
Indirect result attributable to Vastned Retail shareholders	(0.77)	(7.64)	(0.05)	(0.72)
Result attributable to Vastned Retail shareholders	<u>1.67</u>	<u>(4.79)</u>	<u>1.18</u>	<u>0.49</u>

¹ The changed accounting principle has resulted in the following adjustments: Movement deferred tax assets and liabilities (decline 2,148) and the Result attributable to non-controlling interests (increase 8), resulting in a decline of the 2013 result with 2,140.

CONSOLIDATED BALANCE SHEET (x € 1,000)

	31 December 2014	31 December 2013¹
Assets		
Properties in operation	1,532,199	1,531,860
Properties under renovation	2,254	-
Accrued assets in respect of lease incentives	3,095	2,702
	<u>1,537,548</u>	<u>1,534,562</u>
Properties in pipeline	1,235	1,890
<i>Total properties</i>	<u>1,538,783</u>	<u>1,536,452</u>
Tangible fixed assets	1,086	1,465
Financial derivatives	722	1,417
<i>Total fixed assets</i>	<u>1,540,591</u>	<u>1,539,334</u>
Assets held for sale	-	157,943
Debtors and other receivables	9,567	7,844
Income tax	3,723	679
Cash and cash equivalents	12,712	5,133
<i>Total current assets</i>	<u>26,002</u>	<u>171,599</u>
<i>Total assets</i>	<u>1,566,593</u>	<u>1,710,933</u>
Equity and liabilities		
Capital paid-up and called	95,183	95,183
Share premium reserve	472,640	468,555
Hedging reserve in respect of financial derivatives	(5,691)	(15,180)
Translation reserve	(5,728)	(3,870)
Other reserves	194,103	331,405
Result attributable to Vastned Retail shareholders	31,706	(91,176)
Equity Vastned Retail shareholders	<u>782,213</u>	<u>784,917</u>
Non-controlling interests	83,786	81,245
<i>Total equity</i>	<u>865,999</u>	<u>866,162</u>
Deferred tax liabilities	19,860	15,044
Provisions in respect of employee benefits	6,561	4,061
Long-term interest-bearing loans	599,388	536,540
Financial derivatives	11,222	15,874
Long-term tax liabilities	1,128	2,256
Guarantee deposits and other long-term liabilities	3,684	7,158
<i>Total long-term liabilities</i>	<u>641,843</u>	<u>580,933</u>
Payable to banks	2,304	20,722
Redemption long-term interest-bearing loans	15,267	198,398
Financial derivatives	832	15,856
Income tax	8,818	1,708
Other liabilities and accruals	31,530	27,154
<i>Total short-term liabilities</i>	<u>58,751</u>	<u>263,838</u>
<i>Total equity and liabilities</i>	<u>1,566,593</u>	<u>1,710,933</u>

¹ The changed accounting principle has resulted in the following adjustments to the comparative figures for 2013: Other reserves (decline of 4,308), the (indirect) result (decline 2,140), Equity Vastned Retail shareholders (decline of 6,448), Non-controlling interests (decrease 13) and Deferred tax liabilities (increase 6,461)

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	Non-controlling interests	Total equity
Balance as at 31 December 2012	95,183	468,555	(44,747)	(2,464)	424,139	(41,000)	899,666	118,705	1,018,371
Adjustment related to change in accounting principles	-	-	-	-	(4,308)	-	(4,308)	(5)	(4,313)
Balance as at 1 January 2013	95,183	468,555	(44,747)	(2,464)	419,831	(41,000)	895,358	118,700	1,014,058
Result	-	-	-	-	-	(91,176)	(91,176)	12,728	(78,448)
Remeasurement of defined benefit obligations	-	-	-	-	376	-	376	-	376
Value movements financial derivatives, after tax	-	-	18,624	-	-	-	18,624	517	19,141
Reclassification of unrealised results on financial derivatives to profit-and-loss account	-	-	9,971	-	-	-	9,971	-	9,971
Translation differences on net investments	-	-	-	(1,406)	-	-	(1,406)	-	(1,406)
Reclassification	-	-	972	-	(972)	-	-	-	-
<i>Total comprehensive income</i>	-	-	29,567	(1,406)	(596)	(91,176)	(63,611)	13,245	(50,366)
Disposal of shares in subsidiaries	-	-	-	-	-	-	-	(43,208)	(43,208)
Final dividend for previous financial year in cash	-	-	-	-	-	(29,316)	(29,316)	(7,492)	(36,808)
2013 interim dividend in cash	-	-	-	-	(17,514)	-	(17,514)	-	(17,514)
Contribution from profit appropriation	-	-	-	-	(70,316)	70,316	-	-	-
Balance as at 31 December 2013	95,183	468,555	(15,180)	(3,870)	331,405	(91,176)	784,917	81,245	866,162
Result	-	-	-	-	-	31,706	31,706	7,083	38,789
Remeasurement of defined benefit obligations	-	-	-	-	(2,639)	-	(2,639)	-	(2,639)
Value movements financial derivatives, after tax	-	-	5,557	-	-	-	5,557	102	5,659
Reclassification of unrealised results on financial derivatives to profit-and-loss account	-	-	3,932	-	-	-	3,932	-	3,932
Translation differences on net investments	-	-	-	(418)	-	-	(418)	-	(418)
Reclassification	-	-	-	(1,440)	1,440	-	-	-	-
<i>Total comprehensive income</i>	-	-	9,489	(1,858)	(1,199)	31,706	38,138	7,185	45,323
Equity component of convertible bond	-	4,085	-	-	-	-	4,085	-	4,085
Final dividend for previous financial year in cash	-	-	-	-	-	(31,030)	(31,030)	(4,644)	(35,674)
2014 interim dividend in cash	-	-	-	-	(13,897)	-	(13,897)	-	(13,897)
Contribution from profit appropriation	-	-	-	-	(122,206)	122,206	-	-	-
Balance as at 31 December 2014	95,183	472,640	(5,691)	(5,728)	194,103	31,706	782,213	83,786	865,999

EPRA NAV AND EPRA NNNAV (X € 1,000.-)

	31-12-2014		31-12-2013	
		per share (x € 1)		per share (x € 1)
Equity Vastned Retail shareholders	782,213	41.09	784,917	41.23
Adjustment to account for effect of convertible bond	-	-	-	-
Diluted Equity Vastned Retail shareholders	782,213	41.09	784,917	41.23
Fair value of financial derivatives	9,762	0.51	29,068	1.53
Deferred tax	20,472	1.08	15,662	0.82
EPRA NAV	812,447	42.68	829,647	43.58
Fair value of financial derivatives	(9,762)	(0.51)	(29,068)	(1.53)
Fair value of interest-bearing loans real estate	(22,994)	(1.21)	(9,556)	(0.50)
Deferred tax	(10,236)	(0.54)	(7,267)	(0.38)
EPRA NNNAV	769,455	40.42	783,756	41.17
Share price (year-end)		37.45		32.985
Premium/(Discount) (in %)		(7.3)		(19.9)

CONSOLIDATED CASH FLOW STATEMENT (X € 1,000.-)

	<u>2014</u>	<u>2013</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Result	38,789	(78,448)
Adjustments for:		
Value movements in property	797	121,575
Net result on disposals of property	2,606	9,468
Net financing costs	29,811	46,747
Income tax	4,767	(1,549)
<i>Cash flow from operating activities before changes in working capital and provisions</i>	76,770	97,793
Movement current assets	3,253	2,482
Movement short-term liabilities	(358)	(6,767)
Movement provisions	(285)	(69)
	79,380	93,439
Interest received	1,554	3
Interest paid	(28,710)	(34,636)
Income tax paid	(100)	(1,501)
<i>Cash flow from operating activities</i>	52,124	57,305
CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisitions of and capital expenditure on properties	(94,635)	(113,332)
Disposal of properties	253,223	225,779
<i>Cash flow from properties</i>	158,588	112,447
Movement tangible fixed assets	379	130
<i>Cash flow from investment activities</i>	158,967	112,577
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(44,927)	(46,830)
Dividend paid to non-controlling interests	(4,646)	(7,497)
Interest-bearing loans drawn down	390,907	64,100
Interest-bearing loans redeemed	(530,340)	(179,436)
Settlement of financial derivatives	(14,506)	-
<i>Cash flow from financing activities</i>	(203,512)	(169,663)
MOVEMENT IN CASH AND CASH EQUIVALENTS	7,579	219
Cash and cash equivalents as at 1 January	5,133	4,908
Exchange rate differences on cash and cash equivalents	-	6
<i>Cash and cash equivalents at end of period</i>	12,712	5,133

SEGMENTED INFORMATION (X € 1,000.-)

2014

	Netherlands	Belgium	France	Turkey	Spain/ Portugal	Total
Net rental income	36,048	15,870	19,875	6,736	7,138	85,667
Value movements properties in operation	(32,801)	14,037	9,758	5,221	3,157	(628)
Value movements properties under renovation	-	410	-	-	-	410
Value movements properties in pipeline	(579)	-	-	-	-	(579)
Value movements in assets held for sale	-	-	-	-	-	-
Net result on disposals of properties	725	(1,461)	(1,870)	-	-	(2,606)
<i>Total net income from property</i>	3,393	28,856	27,763	11,957	10,295	82,264
Net financing costs						(29,811)
General expenses						(8,897)
Income tax						(4,767)
Non-controlling interests						(7,083)
<i>Result attributable to Vastned shareholders</i>						31,706

	Netherlands	Belgium	France	Turkey	Spain/ Portugal	Total
Properties in operation:						
Balance as at 1 January	620,402	358,948	361,300	63,403	127,807	1,531,860
– Acquisitions	70,325	4,571	27,742	-	-	102,638
– Capital expenditure	894	345	36	30	548	1,853
– Taken into operation	-	(1,900)	-	-	-	(1,900)
– Transferred to assets held for sale	-	-	-	-	-	-
– Disposals	(11,759)	(46,980)	(42,885)	-	-	(101,624)
	679,862	314,984	346,193	63,433	128,355	1,532,827
– Value movements	(32,801)	14,037	9,758	5,221	3,157	(628)
Balance as at 31 December	647,061	329,021	355,951	68,654	131,512	1,532,199
– Accrued assets in respect of lease incentives	1,370	342	585	-	798	3,095
<i>Appraisal value as at 31 December</i>	648,431	329,363	356,536	68,654	132,310	1,535,294
Properties under renovation	-	2,254	-	-	-	2,254
Properties in pipeline	1,235	-	-	-	-	1,235
Assets held for sale	-	-	-	-	-	-
<i>Property</i>	649,666	331,617	356,536	68,654	132,310	1,538,783

2013

	<u>Netherlands</u>	<u>Belgium</u>	<u>France</u>	<u>Turkey</u>	<u>Spain/ Portugal</u>	<u>Total</u>
Net rental income	40,524	20,400	19,833	21,787	4,204	106,748
Value movements properties in operation	(27,793)	(6,124)	24,913	(108,016)	(2,547)	(119,567)
Value movements properties under renovation	-	-	-	-	-	-
Value movements properties in pipeline	(195)	-	-	-	244	49
Value movements in assets held for sale	-	-	-	(2,057)	-	(2,057)
Net result on disposals of properties	(6,537)	(3,204)	273	-	-	(9,468)
<i>Total net income from properties</i>	5,999	11,072	45,019	(88,286)	1,901	(24,295)
Net financing costs						(46,747)
General expenses						(8,955)
Income tax						1,549
Non-controlling interests						(12,728)
<i>Result attributable to Vastned shareholders</i>						(91,176)

	<u>Netherlands</u>	<u>Belgium</u>	<u>France</u>	<u>Turkey</u>	<u>Spain/ Portugal</u>	<u>Total</u>
Properties in operation:						
Balance as at 1 January	716,550	471,507	330,862	327,759	80,035	1,926,713
– Acquisitions	45,368	46,624	11,670	-	-	103,662
– Capital expenditure	3,419	658	351	298	100	4,826
– Taken into/out of operation	-	-	-	-	50,219	50,219
– Transferred to assets held for sale	-	-	-	(156,638)	-	(156,638)
– Disposals	(117,142)	(153,717)	(6,496)	-	-	(277,355)
	648,195	365,072	336,387	171,419	130,354	1,651,427
– Value movements	(27,793)	(6,124)	24,913	(108,016)	(2,547)	(119,567)
<i>Balance as at 31 December</i>	620,402	358,948	361,300	63,403	127,807	1,531,860
Accrued assets in respect of lease incentives	1,011	458	378	30	825	2,702
<i>Appraisal value as at 31 December</i>	621,413	359,406	361,678	63,433	128,632	1,534,562
Properties under renovation	-	-	-	-	-	-
Properties in pipeline	1,890	-	-	-	-	1,890
Assets held for sale	-	-	-	157,943	-	157,943
<i>Property</i>	623,303	359,406	361,678	221,376	128,632	1,694,395

2014

	Premium city high street shops	High street shops	Non-high street shops	Total
Net rental income	38,951	20,990	25,726	85,667
Value movements properties in operation	34,191	(19,376)	(15,443)	(628)
Value movements properties under renovation	410	-	-	410
Value movements properties in pipeline	-	-	(579)	(579)
Value movements in assets held for sale	-	-	-	-
Net result on disposals of properties	(63)	(848)	(1,695)	(2,606)
<i>Total net income from property</i>	73,489	766	8,009	82,264
Net financing costs				(29,811)
General expenses				(8,897)
Income tax				(4,767)
Non-controlling interests				(7,083)
<i>Result attributable to Vastned shareholders</i>				31,706

	Premium city high street shops	High street shops	Non-high street shops	Total
Properties in operation:				
Balance as at 1 January	786,036	386,983	358,841	1,531,860
- Reclassification	2,315	185	(2,500)	-
- Acquisitions	100,813	1,825	-	102,638
- Capital expenditure	1,677	19	157	1,853
- Taken into/out of operation	(1,900)	-	-	(1,900)
- Transferred to assets held for sale	-	-	-	-
- Disposals	(11,110)	(40,955)	(49,559)	(101,624)
	877,831	348,057	306,939	1,532,827
- Value movements	34,191	(19,376)	358,841	(628)
<i>Balance as at 31 December</i>	912,022	328,681	291,496	1,532,199
- Accrued assets in respect of lease incentives	2,036	515	544	3,095
<i>Appraisal value as at 31 December</i>	914,058	329,196	292,040	1,535,294
Properties under renovation	2,254	-	-	2,254
Properties in pipeline	-	-	1,235	1,235
Assets held for sale	-	-	-	-
<i>Property</i>	916,312	329,196	293,275	1,538,783

2013

	Premium city high street shops	High street shops	Non-high street shops	Total
Net rental income	32,223	24,186	50,339	106,748
Value movements properties in operation	8,448	(8,513)	(119,502)	(119,567)
Value movements properties under renovation	-	-	-	-
Value movements properties in pipeline	244	-	(195)	49
Value movements in assets held for sale	-	-	(2,057)	(2,057)
Net result on disposals of properties	365	(1,319)	(8,514)	(9,468)
<i>Total net income from properties</i>	41,280	14,354	(79,929)	(24,295)
				(46,747)
Net financing costs				(8,955)
General expenses				1,549
Income tax				(12,728)
Non-controlling interests				
<i>Result attributable to Vastned shareholders</i>				(91,176)

	Premium city high street shops	High street shops	Non-high street shops	Total
Investment properties in operation:				
Balance as at 1 January	627,008	419,388	880,317	1,926,713
- Reclassification	-	-	-	-
- Acquisitions	103,662	-	-	103,662
- Capital expenditure	2,483	178	2,165	4,826
- Taken into/out of operation	50,219	-	-	50,219
- Transferred to assets held for sale	-	-	(156,638)	(156,638)
- Disposals	(5,783)	(24,071)	(247,501)	(277,355)
	777,589	395,495	478,343	1,651,427
- Value movements	8,447	(8,512)	(119,502)	(119,567)
<i>Balance as at 31 December</i>	786,036	386,983	358,841	1,531,860
- Accrued assets in respect of lease incentives	1,853	360	489	2,702
<i>Appraisal value as at 31 December</i>	787,889	387,343	359,330	1,534,562
Properties under renovation	-	-	-	-
Properties in pipeline	-	-	1,890	1,890
Assets held for sale	-	-	157,943	157,943
<i>Property</i>	787,889	387,343	519,163	1,694,395

The accounting principles used in the press release comply with the International Financial Reporting Standards (IFRS).

The financial statements are presented in euros; amounts are rounded off to thousands of euros, unless stated differently. Properties and financial derivatives are valued at fair value. The other items in the financial statements are valued at historical cost.

In the presentation of the annual accounts, the board of management has made judgements concerning estimates and assumptions which impact the figures included in the annual accounts. The estimates and underlying assumptions concerning the future are based on historical experience and other relevant factors, given the circumstances at balance sheet date. The actual results may deviate from these estimates.

The estimates and underlying assumptions are evaluated regularly. Any adjustments are recognised in the period in which the estimate was reviewed, or if the estimate also impacts future periods, also in these future periods.

During the 2014 financial year none of the members of the supervisory board and the board of management of Vastned Retail had a personal interest in Vastned Retail's investments. To Vastned Retail's best knowledge, no property transactions were effected during the period under review involving persons or institutions that could be regarded as parties with direct interests in Vastned Retail.

The press release has not been audited.