

Summary 2015

- Continued execution of the strategy to ensure that the share of premium city high street shops in the real estate portfolio exceeds 75% in the long term.
- As at 31 December 2015, 58% of the real estate portfolio consisted of premium city high street shops, 17% of high street shops and 25% of non-high street shops (retail parks and retail warehouses).
- Acquisition of four premium city high street shops in the historic city centre of Antwerp for a total investment amount of € 18 million.
- Start of prominent redevelopment and thorough restoration of a premium city high street shop of 3.000 m² on Zonnestraat in Ghent.
- Divestment of 14 non-strategic retail properties, i.e. retail warehouses and inner-city shops at secondary locations, accounting for € 31 million or 9% of the overall real estate portfolio.
- Realisation of 24 rental transactions representing approx. 15% of the total annual rental income, resulting in an average increase in rent of 15%.
- Occupancy rate as at 31 December 2015: 98% (98% as at 31 December 2014).
- Increase in fair value by approximately 1%¹ of the existing real estate portfolio in financial year 2015, mainly as a result of the stronger yields of the premium city high street shops and new lettings.
- Gross dividend amounts to € 2,51 per share for financial year 2015 (€ 2,72 for financial year 2014). Gross dividend yield of 4,5% based on the closing share price as at 31 December 2015, i.e. € 55,97.
- Decrease in the operating distributable result to € 2,52 per share for financial year 2015 (€ 2,72 for financial year 2014), primarily due to the divestment at the end of 2014 of 19 non-strategic properties, approximately 12% of the real estate portfolio.
- Further optimisation of the spreading of expiry dates for the credit lines.
- Limited debt ratio of 28% as at 31 December 2015.

1 With unchanged composition of the real estate portfolio compared with 31 December 2014.

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1. Operating activities in 2015

1.1. General and strategic evolutions

Vastned Retail Belgium continued to pursue its approach in 2015 by means of an **investment strategy** focusing explicitly on premium quality locations and properties. Vastned Retail Belgium believes that popular high streets in the city centres of major cities guarantee the most authentic and unique shopping experience while at the same time offering the greatest security as a long-term investment. Based on currently identifiable trends in the retail market, Vastned Retail Belgium intends to concentrate on premium city high street shops. Premium cities are attractive shopping cities that have positive demographic growth, strong purchasing power, a historic city centre, are highly attractive to tourists and are home to national and international institutions and universities. These include cities such as Antwerp, Brussels, Bruges and Ghent. Vastned Retail Belgium will focus exclusively on the prime high streets in the historic centres of these cities. Some 58% of the real estate portfolio was already invested in these types of locations as at 31 December 2015, which is higher than the initial goal of 50%.

The aim is to achieve the strategic goal of investing 75% of the portfolio in these markets in the high-street shops segment through acquisitions and divestments. For the remaining 25%, Vastned Retail Belgium will continue to invest in high-quality retail warehouse locations and inner-city locations in other cities.

In this context, the company invested in **four premium city high street shops** in the historic city centre of Antwerp in 2015, i.e. Schuttershofstraat 22, a top-class property located at Graanmarkt 13, the distinctive Schuttershofstraat 55 and the property at Arme Duivelstraat 6, all for a total investment amount of € 18 million. A prominent **redevelopment** and restoration of a premium city high street shop has started on Zonnestraat in Ghent.

In terms of **divestment**, in 2015 Vastned Retail Belgium sold 14 non-strategic retail warehouse properties and inner-city shops at secondary locations, thereby further increasing the quality of the real estate portfolio.

The result of the strategic focus on premium city high street shops is that the buildings attract high-quality tenants and that the average rent increases when lease agreements are renewed. The success of the strategic focus is also apparent from the 100% **occupancy rate** in this segment and the increase in the fair value of the real estate portfolio.

In the area of **leases and rent increase**, 2015 was an active year for Vastned Retail Belgium. A total of 24 rental transactions were concluded that were valued at € 2,7 million in annual rental income. This represents roughly 15% of the company's total annual rental income. The average rent increase in these transactions is about 15%.

The **operating distributable result** amounts to € 12,7 million for financial year 2015, compared to € 13,8 million for financial year 2014, or a decrease of € 1,1 million or almost 8%. This decrease is primarily due to the divestment of non-strategic retail properties, both in 2014 and in 2015, resulting in a reduction of rental income. This effect is partly compensated by lower property charges and financing costs and by income from the acquisition of premium city high street shops.

With 5.078.525 shares, this represents a **gross dividend** of € 2,51 per share for financial year 2015, compared to € 2,72 in 2014. This implies that the gross dividend share yield is 4,5% based on the share price as at 31 December 2015.

1.2. Evolution real estate portfolio²

As at 31 December 2015, 58% of the real estate portfolio of Vastned Retail Belgium consisted of premium city high street shops, i.e. prime retail properties located on the best shopping streets of the major cities of Antwerp, Brussels, Ghent and Bruges (49% as at 31 December 2014).

17% of the portfolio consists of high street shops (19% as at 31 December 2014), i.e. inner-city shops outside the premium cities, while the non-high street shops, i.e. retail parks and retail warehouses, make up 25% of the real estate portfolio (32% as at 31 December 2014).

REAL ESTATE PATRIMONY	31.12.2015	31.12.2014
Fair value of investment properties (€ 000)	346.674	356.536
Total leasable space (m ²)	90.220	111.594

As at 31 December 2015, the fair value of the **investment properties** of Vastned Retail Belgium was € 347 million (€ 357 million as at 31 December 2014)). This decrease by € 10 million in 2015 compared to 31 December 2014 is primarily the combined effect of:

- the divestment of 14 non-strategic retail properties and inner-city shops in secondary locations with a total fair value of € 31 million as at 31 December 2014, or approximately 9% of the overall real estate portfolio
- the acquisition of four premium city high street shops in Antwerp with a total fair value of approximately € 18 million
- a € 3 million increase in the fair value of the existing real estate portfolio, primarily from premium city high street shops as a result of stronger yields and new leases.

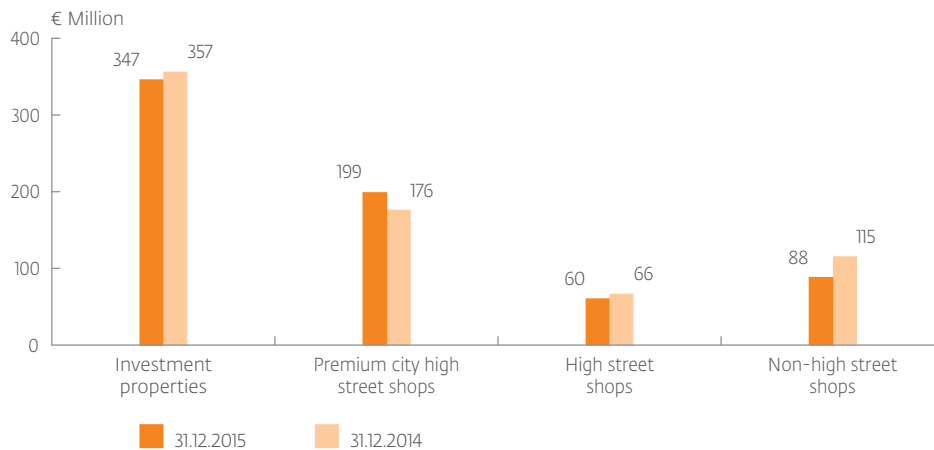
The total fair value of the investment properties amounted to € 347 million as at 31 December 2015.



▲ Graanmarkt 13 - Antwerp

² The graphs were compiled on the basis of the annual rental income of 2015 and the real estate value as at 31 December 2015.

Evolution of the fair value of the existing real estate portfolio (million €)



The **fair value of the existing real estate portfolio** of Vastned Retail Belgium increased by € 3 million or by 1% in 2015 (with unchanged composition of the real estate portfolio compared to 31 December 2014). The fair value of the premium city high street shops rose by approximately 4%, whereas that of the high street shops dropped by approximately 4% and, on average, that of the non-high street shops remained stable.

Market rents and yields³ improved in 2015, primarily for premium city high street shops. The average yield in the real estate company's portfolio dropped slightly by 20 basis points.

As at 31 December 2015, the average yield in the Vastned Retail Belgium portfolio was 5% for premium city high street shops (5% as at 31 December 2014), 6% for high street shops (6% as at 31 December 2014) and 7% for non-high street shops (7% as at 31 December 2014).



▲ Chaussée d'Ixelles 41 - Brussels

³ Yield is calculated as the ratio between current rents (increased by the estimated rental value of unoccupied rental premises) and the investment value of the investment properties.

Annual results 2015

Vastned Retail Belgium focuses on an investment policy based on commercial real estate, with respect for criteria of risk spread in the real estate portfolio, relating to the type of building as well as to the geographic spread and the sector of the tenants.

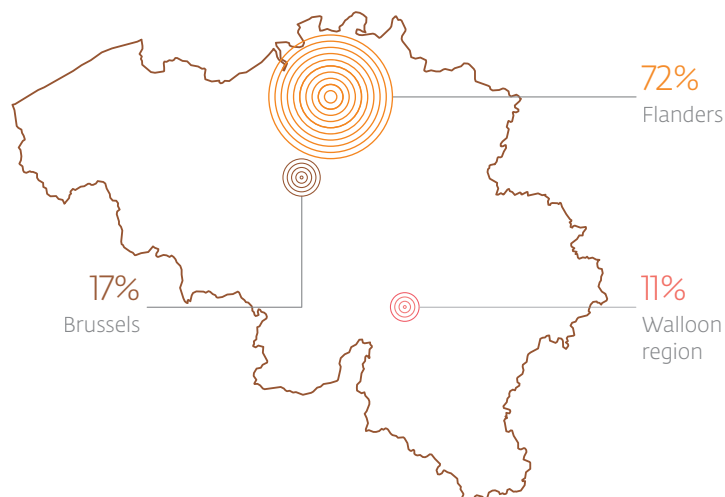
As at 31 December 2015 the risk spread was as follows:

Type of retail property



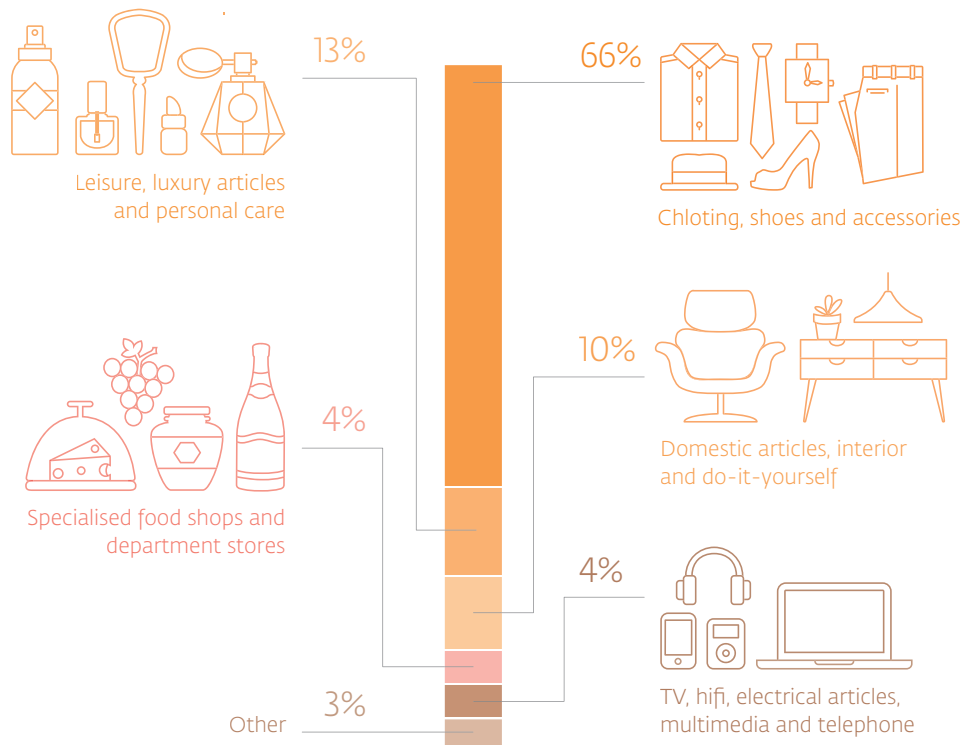
As at 31 December 2015, 58% of the real estate portfolio consisted of premium city high street shops, 17% of high street shops and 25% of non-high street shops (retail parks and retail warehouses).

Geographic spread



At present the portfolio is made up of 143 leasable units, spread over 61 different locations.

Sector of tenants



Spreading per tenant by size

As at 31 December 2015, the share of the buildings let to H&M (Hennes & Mauritz) amounted to 21,5% of the consolidated assets of Vastned Retail Belgium. The FSMA granted Vastned Retail Belgium a derogation from the limitation to 20% in accordance with Article 30 §3 and §4 of the RREC law. This Article prohibits RRECs from investing more than 20% of their assets in one single property entity.

In the light of this granted derogation, the debt ratio may not amount to more than 33%, in accordance with the provisions of article 30 §4 of the RREC Law. The debt ratio of Vastned Retail Belgium amounted to 28% as at 31 December 2015. The aforementioned derogation was obtained for 2 years, until October 2017.

1.3. Investments

Acquisition of four premium city high street shops in the historic city centre of Antwerp: Schuttershofstraat 22, a top-class property located at Graanmarkt 13, the distinctive Schuttershofstraat 55 and the property at Arme Duivelstraat 6, for a total investment amount of € 18 million.

Regarding new investments, the focus of Vastned Retail Belgium is on high-quality retail property in prime locations in the centre of major cities in Belgium such as Antwerp, Brussels, Ghent and Bruges. Vastned Retail Belgium acquired four premium city high street shops in the historic centre of Antwerp in 2015.

Number 22 on Schuttershofstraat was added to the portfolio for an amount of € 4 million. The newly acquired building has a total surface area of 272 m² on a ground floor and on a first floor. The building has in the meantime been leased to international luxury brand Falke, which plans to open its flagship store and showroom at this prime location.

In addition to numbers 22, 24, 30 and 32 leased to, among others, Terre Bleue, Manila Grace and jeweler Slaets, Vastned Retail Belgium has also acquired **number 55 on Schuttershofstraat**. The property is located near Hopland and the Wapper, a prime location in the centre of Antwerp. This authentic building exudes character and has been completely renovated and converted into premises housing 100 m² of retail space on the ground floor and 38 m² of storage space in the cellar. The retail space has been leased to 7 For All Mankind. This acquisition comes with a price tag of approximately € 5 million.



▲ 7 For All Mankind - Schuttershofstraat 55 - Antwerp

Number 13 on Graanmarkt was acquired for an amount of approximately € 6 million through the takeover of shares belonging to the public limited company Tim & Ilse. Graanmarkt 13 is a unique architectural project by Vincent Van Duysen of approximately 1.000 m² in which each floor is attributed a different purpose. A high-end store is located on the ground floor, one storey above a gastronomic restaurant. The gallery is located on the second floor while the two upper floors are a luxury apartment with hotel service and customised service provision. The operation of the 'Graanmarkt 13' concept remains under the responsibility of the previous owners of the property, who are further developing their concept in Belgium and abroad.

The Graanmarkt is located behind Schuttershofstraat, a luxury shopping street near the popular shopping streets Meir and Huidevettersstraat, where the majority of Vastned Retail Belgium's real estate portfolio in Antwerp is located. The Graanmarkt neighbourhood is expected to further increase in value and take up an important position in the luxury retail segment.



▲ Graanmarkt 13 - Antwerp

The fourth premium city high street shop, namely **Arme Duivelstraat 6**, was added to the portfolio in December 2015 for approximately € 2 million. Arme Duivelstraat connects Kelderstraat to Schuttershofstraat, Antwerp's luxury shopping street with retailers such as Hermès, Gucci, Jimmy Choo and Chanel. The acquired property is close to premises housing, among others, Karl Lagerfeld, Ladurée and Essentiel. It has been leased to Les Hommes, a Belgian luxury menswear brand. The neighbourhood is clearly in high demand among prominent retailers in the upper segment.

The acquisitions of Schuttershofstraat 22 and 55, Graanmarkt 13 and Arme Duivelstraat 6 were financed by available credit lines. The purchase values are in line with the valuation by the company's independent property expert.



▲ Les Hommes - Arme Duivelstraat 6 - Antwerp (simulation facade)

1.4. Redevelopments

In addition to the expansions in Antwerp, Vastned Retail Belgium is also active in **Ghent**. Vastned Retail Belgium has started the prominent redevelopment and thorough restoration of a premium city high street shop on **Zonnestraat**. The property was originally a fabric shop belonging to Franchomme & Cie, built by architect Maurice Fétu in 1922.

It is the company's express intention to give back to the retail property in this prime location its original character and appeal. The vacant space on the first floor will be opened up so that it once again offers a view of the beautiful art deco stained glass domes. The façade will also be given a thorough overhaul and restored to its original state as much as possible. Vastned Retail Belgium commissioned Karuur Architecten from Antwerp for this project.

This redevelopment involves an investment amount of approximately € 2 million. AS Adventure will become the new tenant of this building at the end of 2016.

The acquisition of the retail properties in Antwerp, and the redevelopment in Ghent, fit in with Vastned Retail Belgium's investment strategy of focusing on premium city high street shops in prime locations on the most popular shopping streets of larger cities with firmly-established shopping areas.

1.5. Divestments

In 2015, Vastned Retail Belgium divested a total of 14 non-strategic retail properties having a total fair value of € 31 million, or approximately 9% of its overall real estate portfolio.

It is the strategy of Vastned Retail Belgium to reduce in the long term the share of non-high street shops in the company's real estate portfolio and to move towards a 75% share of premium city high street shops in the portfolio.

Since retail properties are in high demand on the investment market, Vastned Retail Belgium took advantage of these favourable market conditions to divest a total of 14 **non-strategic retail properties** for a total amount of € 31 million in 2015. The properties involved are high street shops and non-high street shops in secondary locations, namely Bruges, Dilsen, Vilvoorde, Borgloon, Froyennes, Heusden-Zolder, La Louvière, Mortsel, Overpelt, Sint-Niklaas, Tienen, Grivegnée and Hasselt. The properties sold represent a total retail surface area of approximately 23.034 m².

The net sales price is approximately 2% below the carrying amount as at 31 December 2014 (fair value as determined by the company's independent property expert). The buildings constitute 9% of the total fair value of the company's real estate portfolio and represent approximately € 2,3 million in rental income, or 11% of the total annual rental income of Vastned Retail Belgium.

1.6. Leases

In the area of leases, 2015 was an active year for Vastned Retail Belgium. A total of 24 rental transactions were concluded that were valued at € 2,7 million in annual rental income. This represents roughly 15% of the company's total annual rental income. The average rent increase in these transactions is about 15%. In 2015, 11 lease agreements started, with the rest to commence in 2016 or later.

Rental activities clearly indicate that locations in the premium cities are in high demand among prominent retailers in the upper segment. Premises in the heart of the most attractive Belgian commercial cities continue to be an important element for strong retailers. They wish to maintain or expand their market share and interest at these locations.

New leases

In 2015, 14 rental transactions were concluded with **new tenants** for a total annual rental volume of € 1,4 million. The new rent for these lease agreements is on average 12% higher than the rent for the previous lease agreements. These 14 lease agreements represent roughly 8% of the company's total annual rental income.

The **premium cities** remain steadfast and prominent retailers are paying higher prices for the best locations in these cities. Vastned Retail Belgium was able to achieve an excellent rent increase on Schuttershofstraat in Antwerp with newcomer Manila Grace, an Italian high-end ladies' fashion brand. This lease agreement entered into force during the second half of 2015, after the departure of the previous tenant, Pain de Sucre.

The **redevelopment** and thorough restoration of a premium city high street shop on **Zonnestraat in Ghent** will allow Vastned Retail Belgium to realise a rent increase of over 50%. AS Adventure will become the new tenant of this building at the end of 2016.

Due to the current market situation, it is often impossible to realise a rent increase when leasing **high street shops** to new tenants and it is often necessary to lower the rent at secondary locations. In 2015, Vastned Retail Belgium concluded 5 lease agreements in this segment for a total annual rental volume of € 0,3 million. This involved an average rent decrease of 19% compared to the rent for the previous lease agreements.

In the **non-high street shops** segment, Décor Heytens moved out of 4 of its retail warehouse locations on 1 January 2015: Huy, Kurne, La Louvière and Montignies. In the meantime, the shops in Huy and La Louvière have been leased again with an average rent increase of 10%. These transactions indicate that retailers planning to expand, believe in the quality and location of the Vastned Retail Belgium retail parks.

Lease extensions and renegotiations with existing tenants

Vastned Retail Belgium **renewed 10 lease agreements** in 2015 for a total annual rental volume of approximately € 1,3 million. On average, the new rent for these lease agreements is 17% higher than the rent being charged in the current lease agreements. These 10 lease agreements represent roughly 7% of the company's total annual rental income.

The largest rent increase was achieved in a **premium city high street shop** in Brussels, where the rent rose by

approximately 57%. This renewal once again proves that it pays to invest in the very best shopping streets of the most beautiful cities in Belgium.

The other 9 lease extensions were for **non-high street shops**. Increases in rent of over 20% were also achieved in primary locations (Tielt-Winge, Kampenhout and Jemappes). The rent level could be maintained in secondary locations, which may indicate that the market is stabilising after a period of downward price adjustments.

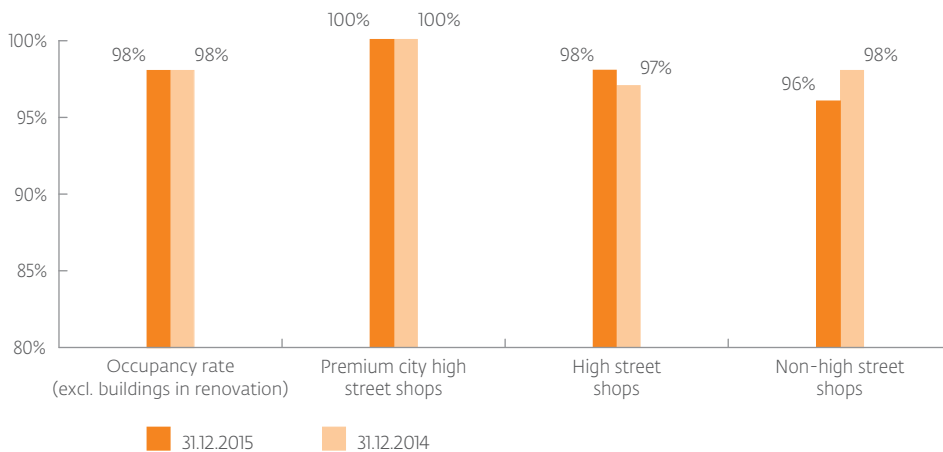
Occupancy rate

The **occupancy rate** of the portfolio amounted to 98% as at 31 December 2015, remaining stable compared to 31 December 2014. The occupancy rate of the real estate portfolio remained at 100% for the premium city high street shops segment.

As at 31 December 2015

the occupancy rate

amounted to 98%.



2. Financial results 2015

2.1. Consolidated income statement⁴

in thousands €	2015	2014
Rental income	19.617	22.011
Rental-related expenses	-185	-81
Property management costs and income	40	43
Property result	19.472	21.973
Property charges	-1.844	-2.468
General costs and other operating costs and income	-1.071	-1.223
Operating result before result on portfolio	16.557	18.282
Result on disposals of investment properties	-654	-1.870
Changes in fair value of investment properties	3.356	11.102
Other result on portfolio	-393	-1.305
Operating result	18.866	26.209
Financial result (excl. changes in fair value - IAS 39)	-3.541	-4.191
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	197	-1.240
Taxes	-220	-290
Net result	15.302	20.488
Note:		
Operating distributable result	12.745	13.801
Result on portfolio	2.308	7.927
Changes in fair VALUE OF FINAncial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	249	-1.240
RESULT PER SHARE (in €)	2015	2014
Number of shares entitled to dividend	5.078.525	5.078.525
Weighted average number of shares	5.078.525	5.078.525
Net result (€)	3,01	4,03
Gross dividend (€)	2,51	2,72
Net dividend ⁵ (€)	1,8323	2,0400

⁴ Between brackets: comparable figures for financial year 2014.

⁵ The withholding tax on dividends of public regulated real estate companies was increased from 25% to 27% (subject to certain exemptions) with effect from 1 January 2016, pursuant to the law of 26 December 2015 laying down measures for the reinforcement of job creation and purchasing power, published in the Belgian Official Gazette of 30 December 2015.

Rental income of Vastned Retail Belgium amounted to € 19,6 million (€ 22,0 million) in 2015. The decrease of € 2,4 million or 11% compared to 2014 is primarily due to the divestment at the end of 2014 of 19 non-strategic retail properties (i.e. retail warehouses and high street shops at secondary locations), which accounts for approximately 12% of the real estate portfolio. This decrease is partly compensated by the acquisition of a premium city high street shop in Ghent in the third quarter of 2014 and four premium city high street shops in the centre of Antwerp in 2015, on the one hand, and by the indexation of existing lease agreements and lease renewals realised, on the other hand.

Property charges amounted to € -1,8 million (€ -2,5 million) in 2015 and decreased in terms of maintenance costs, commercial costs, vacancy costs and costs for the owner as a result of the divestment of 19 non-strategic retail properties in 2015.

General costs and other operating income and costs decreased in 2015 to € -1,1 million (€ -1,2 million). In 2014 the company incurred a one-off cost for advice and publication costs by converting the company's status of public real estate investment fund to regulated real estate company (RREC).

Through the decrease in rental income, partially compensated by the decrease of property charges and general costs, the **operating result before result on portfolio** decreased in 2015 by € 1,7 million to € 16,6 million (€ 18,3 million).

The operating margin of Vastned Retail Belgium was 84% for financial year 2015 (83% in 2014).

The **result on disposals of investment properties** amounted to € -0,7 million (€ -1,9 million) and comprised the loss realised on the divestment in 2015 of 14 non-strategic retail properties and inner-city shops in secondary locations. The total sales prices of the divested properties is approximately 2% lower than the fair value as at 31 December 2014 (fair value as estimated by the independent property expert of the company).

In 2015, the fair value of the existing real estate portfolio of Vastned Retail Belgium increased by 1% compared to the end of 2014. The **changes in fair value** of investment properties in 2015 are thus positive and amounted to € 3,4 million compared to € 11,1 million in 2014. This increase in fair value comes mainly from the increase of € 3 million in the fair value of the existing real estate portfolio, mainly for premium city high street shops as a result of stronger yields and new leases.

The **other result on portfolio** comprised the immediate taking into result of the difference in price of € -0,4 million on the acquisition of the shares of the public limited company Tim & Ilse nv (owner of the premium city high street shop in Antwerp at Graanmarkt 13) as at 31 July 2015. IFRS 3 is not applicable to this acquisition.

The **financial result (excl. changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39))** amounted to € -3,5 million in financial year 2015 (€ -4,2 million), which constitutes a € 0,7 million decrease compared to 2014, primarily due to the combination of:

- the decreased use of credit facilities as a result of the divestment of 19 non-strategic retail properties in 2014
- the investment in premium city high street shops in Ghent and Antwerp
- the one-off termination fee of € 0,3 million to convert a fixed-rate loan to a variable-rate loan which will result in lower interest costs in the future.

For financial year 2015, the average interest rate of the outstanding credit facilities of the company amounts to 3,1% including bank margins (3,2% in 2014).

The average interest rate, excluding the early termination fee for the refinancing, was 2,8% in 2015.

Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) in 2015 included the decrease of the negative market value of interest rate swaps that, in line with IAS 39, cannot be classified as cash flow hedging instruments, for an amount of € 0,2 million (€ -1,2 million).

The **net result** of Vastned Retail Belgium amounted to € 15,3 million (€ 20,5 million) in financial year 2015 and can be split up into:

- the **operating distributable result** of € 12,7 million (€ 13,8 million) or a decrease of € 1,1 million or approximately 8%, which is primarily due to the divestment of non-strategic retail properties, both in 2014 and in 2015, resulting in a reduction of rental income; this effect is partly compensated by lower property charges and financing costs and by income from the acquisition of premium city high street shops
- the **result on portfolio** of € 2,3 million (€ 7,9 million) mainly as a result of the increase in the fair value of the investment properties
- **changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements** for an amount of € 0,2 million (€ -1,2 million).

For financial year 2015, the **operating distributable result** of Vastned Retail Belgium thus decreased to € 12,7 million (€ 13,8 million). With 5.078.525 shares being issued, this represents a gross dividend of € 2,51 per share for financial year 2015, compared to € 2,72 in 2014. As such the **gross dividend** yield amounts to 4,5% based on the share price as at 31 December 2015.

2.2. Consolidated balance sheet⁶

in thousands €	31.12.2015	31.12.2014
ASSETS		
Non-current assets	347.196	357.023
Current assets	1.082	5.391
Total assets	348.278	362.414
Shareholders' equity and LIABILITIES		
Shareholders' equity	244.495	242.967
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	127.797	120.910
Net result of financial year	15.302	20.494
Minority interests	0	167
Liabilities	103.783	119.447
Non-current liabilities	69.775	91.632
Current liabilities	34.008	27.815
Total shareholders' equity and liabilities	348.278	362.414

⁶ Between brackets: comparable figures for financial year 2014.

Assets

As at 31 December 2015, the fair value of the **investment properties** of Vastned Retail Belgium was € 347 million (€ 357 million). This decrease by € 10 million in 2015 compared to 31 December 2014 is primarily the combined effect of:

- the divestment of 14 non-strategic retail properties and inner-city shops in secondary locations with a total fair value of € 31 million on 31 December 2014, which accounts for approximately 9% of the real estate portfolio
- the acquisition of four premium city high street shops in Antwerp with a total fair value of approximately € 18 million
- a € 3 million increase in the fair value of the existing real estate portfolio, primarily from premium city high street shops as a result of stronger yields and new leases.

The fair value of the real estate portfolio amounted to € 347 million as at 31 December 2015.

Liabilities

Shareholders' equity of the company amounts to € 244 million (€ 243 million). The share capital (€ 97 million) and the share premium (€ 4 million) have remained unchanged. The number of shares entitled to dividend amounted to 5,078,525 as at 31 December 2015. The reserves of the company as at 31 December 2015 amounted to € 128 million (€ 121 million).

In 2015 the free float of the share remained unchanged at 34,5%.

Compared to 2014, **non-current liabilities** decreased to € 70 million (€ 92 million) and consisted mainly of € 65 million long-term financings as well as the negative market value of € 4 million in non-current hedging instruments. The decrease of 22 million results mainly from the realised sales of investment properties.

Current liabilities amounted to € 34 million (€ 28 million) and consisted of € 30 million (€ 19 million) current financial debts (of € 5 million short-term financing progressing each time and a bank loan of € 25 million expiring before 31 December 2016), of € 2 million in trade debts and other current debts and of € 1 million in deferred charges and accrued income.

The **debt ratio** of the company amounted to 28% as at 31 December 2015 and decreased by 3% compared to 31 December 2014, mainly as a result of the realised sales of investment properties.

A low debt ratio of 28% as at 31 December 2015 offers the company a stable balance-sheet position.

Data per share	2015	2014
Number of shares entitled to dividend	5.078.525	5.078.525
Net value (fair value) (€)	48,14	47,81
Net value (investment value) (€)	49,90	49,59
Net asset value EPRA ⁷ (€)	49,02	48,71
Share price on closing date (€)	55,97	57,97
Premium to net value (fair value) (%)	16%	21%
Debt ratio (max. 65%)	28%	31%

As at 31 December 2015, the **net value** (fair value) of the share was € 48,14 (€ 47,81). Given that the share price as at 31 December 2015 was € 55,97, the share of Vastned Retail Belgium was quoted with a premium of approximately 16% compared to this net value (fair value).

As at 31 December 2015 the share price of Vastned Retail Belgium was € 55,97 offering a gross dividend yield of 4,5%.

⁷ Financial performance indicator calculated in accordance with the EPRA (European Public Real Estate Association) Best Practices Recommendations. See also www.epra.com. These data are not required by the regulations on regulated real estate companies and are not subject to verification by public authorities.

2.3. Financial structure

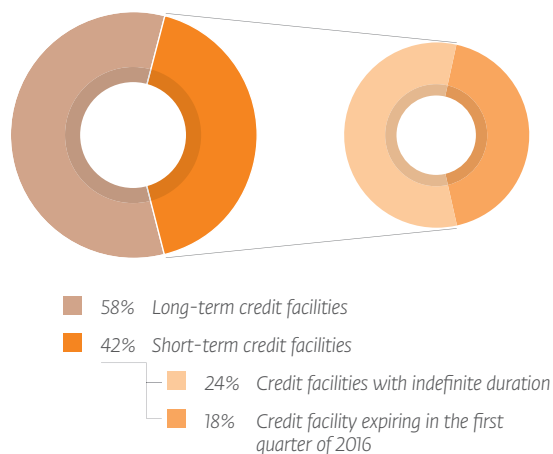
As at 31 December 2015, Vastned Retail Belgium had a conservative financial structure allowing it to continue to carry out its activities in 2016.

The most important characteristics of the financial structure as at 31 December 2015 were:

- amount of financial debts: € 95 million
- 58% of the available credit lines with financial institutions are long-term financing schemes with an average remaining duration of 3,2 years
- spread expiry dates of credit facilities between 2016 and 2021
- spread of credit facilities over 5 European financial institutions
- € 42 million of available non-withdrawn credit lines at financial institutions
- 66% of the available credit facilities have a fixed interest rate or are fixed through interest rate swaps, 34% have a variable interest rate; of the withdrawn credit facilities this is respectively 94% and 6%
- fixed interest rates are fixed for a remaining period of 3,3 years on average
- average interest rate for 2015: 3,1% including bank margins (3,2% in 2014)
- market value of financial derivatives: € 4,1 million in negative
- limited debt ratio of 28% (legal maximum: 65%) (31% as at 31 December 2014)

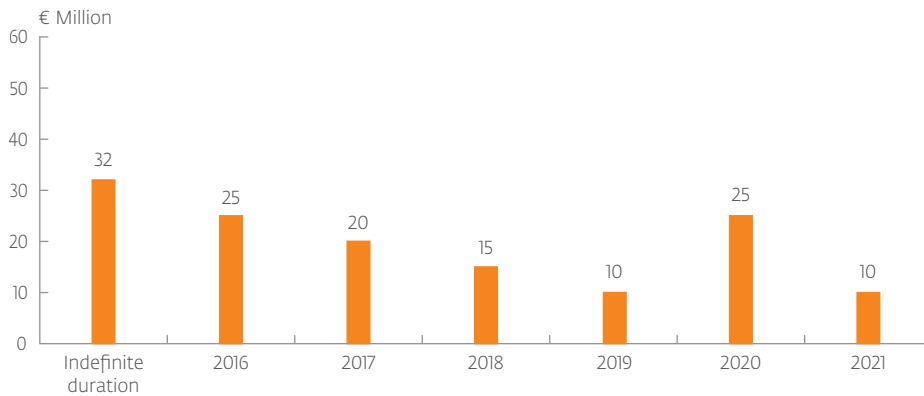
As at 31 December 2015, 58% of the available credit lines with financial institutions were long-term financing schemes. Some 42% of the credit lines were short-term financing, with 24% consisting of credit facilities with an unlimited duration (€ 32 million) and 18% of a credit facility which has to be refinanced in the first semester of 2016 (€ 25 million). For the refinancing of the latter credit facility, discussions are ongoing with several financial institutions.

Balance between long-term and short-term financing



▲ H&M - Veldstraat 23-27 - Ghent

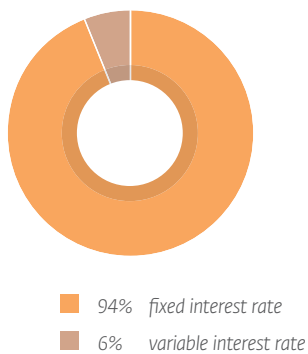
Expiry calendar credit lines



To safeguard its operating results from future interest rate fluctuations, Vastned Retail Belgium partially hedges interest rate fluctuations with interest rate swaps.

In 2015 the company purchased interest rate swaps for a notional amount of € 20 million with durations of 5 and 6 years. As at 31 December 2015, Vastned Retail Belgium had a notional amount of € 90 million in active interest rate swaps, with an average remaining term of 3,3 years.

Balance credit lines with variable and fixed interest rate



The company has a limited debt ratio of 28%.



▲ 7 For All Mankind - Schuttershofstraat 55 - Antwerp

3. Outlook for 2016

Cities will need to redefine and more clearly delineate their shopping districts and shopping streets. Premium cities must ensure that they retain their strength by maintaining their general appeal (retail offer, culture, tourism, hotel, restaurant and catering facilities). Smaller cities are well-served by a more local retail offering and a few larger retail clusters. The middle bracket in particular will need to see where it can go, focusing explicitly on prime locations. Small local trade can be an important asset in smaller cities and in secondary areas in larger cities. Increased vacancy is expected in c-locations, but they do have the advantage that they are located close to residential neighbourhoods, which offers more reconversion possibilities. Government will have a role to play in re-purposing these vacant buildings.

Developing clusters is the future. An increasing number of projects are combining multiple functions: leisure, residence, work and shopping. Redevelopments of existing sites are displaying this tendency, and housing above shops is a clear trend. Clustering is a must, both in the periphery and in city centres, ribbon development is outmoded and does not benefit mobility.

Strong retailers are expected to further integrate their sales channels, and consumers are expected to play the central role in this respect. Online and offline sales will be attuned to one another and will no longer be regarded as competitors.

Vastned Retail Belgium intends to pursue its strategy further in 2016 by focusing explicitly on premium quality retail locations and properties. The company intensified its **investment strategy** at the beginning of 2015. The objective of having at least 75% of its investments in high street shops has in the meantime been achieved

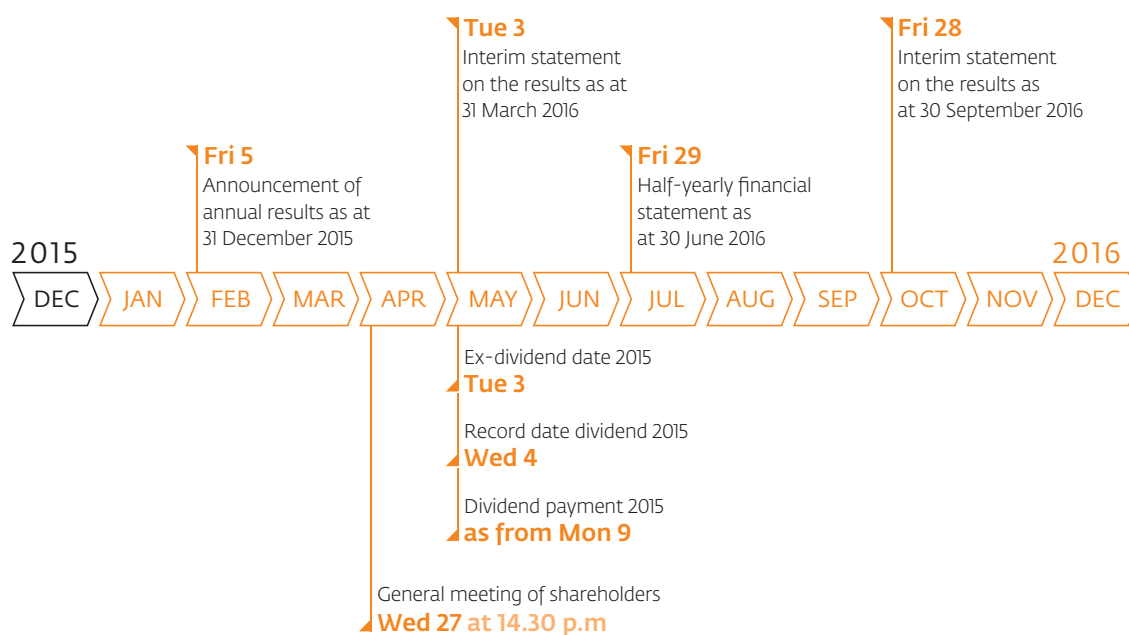
in Belgium. These are locations where consumers and retailers find one another, which means that retailers are willing to continue to pay to be present in such popular places.

The company will continue to work towards a clear predominance of **premium city** high street shops, i.e. the very best retail property in the most popular shopping streets in the major cities of Antwerp, Brussels, Ghent and Bruges. Vastned Retail Belgium now has several premium city high street shops in its portfolio. Having several properties in the same city centre means greater knowledge of the environment and makes it easier to assess opportunities, a fact that is clearly proven by the acquisitions in Antwerp.

The **divestments** in 2014 and 2015 freed up funds to further implement the strategic focus on high street shops. Additional divestments will, for the most part, be made in an opportunistic way, and are only being considered for non-strategic high-street shops in smaller cities and non-strategic retail warehouses or retail parks. Absolute premium retail warehouse projects, such as the Gouden Kruispunt in Tielt-Winge, will remain in the portfolio. By means of active asset management, Vastned Retail Belgium is seeking to better exploit the commercial potential of its best retail warehouse projects through an optimisation of the tenant mix. This allows it to continue to emphasise quality in the real estate portfolio, with regard to both real estate and tenants.

Improving the quality of the real estate portfolio results in a lower risk profile. The short-term consequence of this is that the **operating distributable result** is expected to be significantly lower in 2016 than in 2015.

4. Financial calendar 2016



The annual report for financial year 2015 will be available as from 25 March 2016 on the company's website (www.vastned.be).

About Vastned Retail Belgium. Vastned Retail Belgium is a public regulated real estate company (RREC), the shares of which are listed on Euronext Brussels (VASTB). Vastned Retail Belgium invests exclusively in Belgian commercial real estate, more specifically in premium city high street shops (prime retail properties located on the best shopping streets in the major cities of Antwerp, Brussels, Ghent and Bruges), high street shops (city centre shops outside of the premium cities) and non-high street shops (high-end retail parks and retail warehouses). In time, the RREC intends to achieve an investment ratio of at least 75% in premium city high street shops.

For more information, please contact:

VASTNED RETAIL BELGIUM NV, a public regulated real estate company under Belgian law,
Jean-Paul Sols - CEO or Inge Tas - CFO, tel +32 3 287 67 87, www.vastned.be

Financial statements⁸

1. Consolidated income statement

in thousands €	2015	2014
Rental income	19.617	22.011
Rental-related expenses	-185	-81
NET RENTAL INCOME	19.432	21.930
Recovery of rental charges and taxes normally payable by tenants on let properties	1.462	1.506
Rental charges and taxes normally payable by tenants on let properties	-1.462	-1.506
Other rental-related income and expenses	40	43
PROPERTY RESULT	19.472	21.973
Technical costs	-432	-582
Commercial costs	-156	-319
Charges and taxes on unlet properties	-48	-219
Property management costs	-1.270	-1.223
Other property charges	62	-125
Property charges	-1.844	-2.468
OPERATING PROPERTY RESULT	17.628	19.505
General costs	-1.145	-1.248
Other operating income and costs	74	25
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	16.557	18.282
Result on disposals of investment properties	-654	-1.870
Changes in fair value of investment properties	3.356	11.102
Other result on portfolio	-393	-1.305
OPERATING RESULT	18.866	26.209
Financial income	5	6
Net interest charges	-3.536	-4.187
Other financial charges	-10	-10
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	197	-1.240
Financial result	-3.344	-5.431
RESULT BEFORE TAXES	15.522	20.778
Corporate tax	-220	-290
Taxes	-220	-290
NET RESULT	15.302	20.488

⁸ The statutory auditor has confirmed that his full audit, which has been substantially completed, has not revealed material adjustments which would have to be made to the accounting information disclosed in this press release and that an unqualified auditor's report will be issued.

Annual results 2015

in thousands €	2015	2014
NET RESULT	15.302	20.488
Note:		
Operating distributable result	12.745	13.801
Result on portfolio	2.308	7.927
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	249	-1.240
Attributable to:		
Equity holders of the parent company	15.302	20.494
Minority interests	0	-6
RESULT PER SHARE (in €)		
Number of shares entitled to dividend	5.078.525	5.078.525
Weighted average number of shares	5.078.525	5.078.525
Net result (€)	3,01	4,03
Diluted result (€)	3,01	4,03
Operating distributable result (€)	2,51	2,72

2. Consolidated statement of comprehensive income

in thousands €	2015	2014
NET RESULT	15.302	20.488
Other components of comprehensive income (recyclable in the income statement)		
Changes in the effective part of fair value of allowed hedging instruments that are subject to hedge accounting	207	297
COMPREHENSIVE INCOME	15.509	20.785
Attributable to:		
Equity holders of the parent company	15.509	20.791
Minority interests	0	-6

3. Consolidated balance sheet

ASSETS in thousands €	31.12.2015	31.12.2014
Non-current assets	347.196	357.023
Intangible assets	1	3
Investment properties	346.674	356.536
Other tangible assets	519	477
Trade receivables and other non-current assets	2	7
Current assets	1.082	5.391
Assets held for sale	0	4.156
Trade receivables	151	163
Tax receivables and other current assets	106	213
Cash and cash equivalents	272	339
Deferred charges and accrued income	553	520
TOTAL ASSETS	348.278	362.414

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.12.2015	31.12.2014
Shareholders' equity	244.495	242.967
Shareholders' equity attributable to the shareholders of the parent company	244.495	242.800
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	127.797	120.910
Net result of financial year	15.302	20.494
Minority interests	0	167
Liabilities	103.783	119.447
Non-current liabilities	69.775	91.632
Non-current financial debts	65.200	86.906
<i>Credit institutions</i>	65.200	86.900
<i>Financial lease</i>	0	6
Other non-current financial liabilities	4.149	4.552
Other non-current liabilities	131	174
Deferred taxes - liabilities	295	0
Current liabilities	34.008	27.815
Provisions	278	205
Current financial debts	30.280	19.256
<i>Credit institutions</i>	30.280	2.250
<i>Financial lease</i>	0	6
<i>Other current financial debts</i>	0	17.000
Trade debts and other current debts	2.038	7.209
Other current liabilities	630	136
Deferred charges and accrued income	782	1.009
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	348.278	362.414

4. Statement of consolidated changes in equity

in thousands €	Share capital	Share premium	Reserves	Net result of financial year	Minority interests	Total shareholders' equity
Balance as at 31 December 2013	97.213	4.183	121.877	12.194	0	235.467
Comprehensive income of 2014			297	20.494	-6	20.785
Transfer through result allocation 2013:						
Transfer from result on portfolio to reserves			-2.911	2.911		0
Transfer from changes in fair value of financial assets and liabilities			1.586	-1.586		0
Other mutations			61	-61		0
Minority interest Gent Veldstraat 23-27 SA					173	173
Dividends financial year 2013				-13.458		-13.458
Balance as at 31 December 2014	97.213	4.183	120.910	20.494	167	242.967
Comprehensive income of 2015			207	15.302		15.509
Transfer through result allocation 2014:						
Transfer from result on portfolio to reserves			7.935	-7.935		0
Transfer from changes in fair value of financial assets and liabilities			-1.240	1.240		0
Other mutations			-15	15		0
Minority interest Gent Veldstraat 23-27 SA					-167	-167
Dividends financial year 2014				-13.814		-13.814
Balance as at 31 December 2015	97.213	4.183	127.797	15.302	0	244.495