

Press Release

Interim statement on the third quarter of 2013 of the board of directors for the period 01.07.2013 to 30.09.2013

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Antwerp, 25 October 2013

Acquisition of a premium high street shop in the inner-city of Bruges

Sale of a retail park in Schelle and a commercial building in Merksem

Letting transactions on prime locations in Brussels on the avenue Louise 7 and in Antwerp on the Leysstraat 28-30

Stable operating distributable result in the first nine months of 2013¹ (- 3 % in the third quarter of 2013²)

Almost stable fair value of the existing real estate portfolio for the first nine months of 2013³(stable fair value in third quarter of 2013⁴)

On 30 September 2013, 58 % of the real estate portfolio of the property investment fund is invested in inner-city shops

Expected gross dividend for financial year 2013: between € 2,60 and € 2,65 per share (€ 2,62 for financial year 2012) offering a gross dividend yield of approximately 5,1 % based on the closing share price on 30 September 2013 (€ 51,01)

¹ Compared to the first nine months of 2012.

² Compared to the third quarter of 2012.

³ Based on an unchanged composition of the real estate portfolio compared to 31 December 2012.

⁴ Based on the fair value of the real estate portfolio on 30 June 2013.

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1. Operational activities in the third quarter of 2013

Acquisition of a premium high street shop in the inner-city of Bruges

At the end of September 2013, property investment fund Vastned Retail Belgium expanded its commercial portfolio with the acquisition of a prime commercial building, let to Massimo Dutti, and located Steenstraat 38 in Bruges for an investment value of approximately € 11,5 million. The building is situated at the very best location of the Steenstraat and has a unique façade of 17 meters. Through this and its corner location with the Zilverstraat the building enjoys the best visibility of the Steenstraat.

The building was constructed in 1673 in classical style for the craft guild of carpenters. About 1982 the building was, apart from the façades, demolished and completely rebuilt as bank office. Till the middle of 2013 the building was used as KBC bank office. Currently the building is designed as shop for

Massimo Dutti with respect for the rich architecture of the façade. The high qualitative design of the interior will increase the aura and character of the building.

The building is acquired at a market rate yield. The current rental value lies below the common market rent. The financing of this transaction is funded from the existing credit lines of the property investment fund.

The commercial space of the building on the Steenstraat 38 is about 700 m² and is located on -1 (215 m²), the ground floor (242 m²) and the first floor (240 m²). On the second floor the additional space of 244 m² will be converted into storage and a social space. Besides this high street shop Vastned Retail Belgium lets the building on the Steenstraat 80 to H&M.



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Sale of a retail park in Schelle and a commercial building in Merksem

Vastned Retail Belgium sold in September 2013 a retail park with a total gross commercial space of 2.962 m² located Provincieweg in Schelle. The retail park comprises two buildings with seven commercial units let to Fabrimode, Kruidvat, Electro AV, Piocheur, Depot +, Zeeman and Iguana Wana.

Furthermore, the property investment fund sold a commercial building on the Bredabaan in Merksem. The building, with a surface of 467 m² is let to Carrefour and is run independently under the concept "GB Express".

The total sales price of these properties amounts to € 4,4 million. This sales price is approximately 10 % above the carrying amount which amounts to € 4,0 million (fair value as determined by the independent property expert of the property investment fund on 31 December 2012). This fair value represents approximately 1 % of the total fair value of the investment properties of the property investment fund on 31 December 2012. The buyers are for both transactions Belgian private investment companies.

New lettings

Retailers keep showing strong interest in retail properties in large cities.

In the third quarter of 2013 Vastned Retail Belgium could conclude two major transactions on prime locations in Brussels and Antwerp. In Brussels on the avenue Louise 7 a lease contract (about 245 m²) has been concluded with ICI Paris XL. In Antwerp on the Leysstraat 28-30 a lease contract (about 252 m²) has been concluded with Pearle.

THE ACQUISITION OF THE STEENSTRAAT 38 IN BRUGES AND THE SALE OF THE RETAIL PARK IN SCHELLE ARE IN LINE WITH THE STRATEGIC AIM TO BRING THE SHARE OF INNER-CITY SHOPS ON PRIME LOCATIONS TO 65 % OF THE TOTAL PORTFOLIO. AFTER THESE TRANSACTIONS 58 % OF THE PORTFOLIO CONSISTS OF INNER-CITY SHOPS

JEAN-PAUL SOLS, CEO VASTNED RETAIL BELGIUM

Schelle - 2.962 m²



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Julianus Shopping in Tongeren

In 2013, several tenants have terminated the lease contract in Julianus Shopping in Tongeren. The occupancy rate of the shopping centre amounts to 91 % on 30 September 2013. Except in case of re-letting of these vacant spaces, the occupancy rate will drop considerably in 2014. In the third quarter of 2013 the fair value of the shopping centre has further declined because of this decreasing occupancy rate, but also owing to a lower rental value and a higher yield. The decreasing occupancy rate is related to the large supply of shops in adjacent towns.

The commercial centre is attractive, also due to the presence of a large underground car park and its central location linked with the Maastrichterstraat. Vastned Retail Belgium aims to give the shops around the inner court of Julianus Shopping a more recreational function related to the adjacent Eburon hotel.



Tongeren - 8.890 m²

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Investment properties

REAL ESTATE PATRIMONY	30.09.2013	30.06.2013	31.12.2012	30.09.2012
Fair value of investment properties (€ 000)	363.552	357.925	359.183	367.338
Investment value of investment properties (€ 000)	372.640	366.873	368.162	376.577
Total leasable space (m ²)	147.313	149.873	151.041	159.533
Occupancy rate ⁵ (%)	95,8 %	95,7 %	97,3 %	97,4 %

In the third quarter of 2013, the **fair value of the investment properties** of Vastned Retail Belgium has increased by € 6 million compared to the fair value on 30 June 2013 and amounts on 30 September 2013 to € 364 million (€ 358 million on 30 June 2013).

This increase of the real estate properties in the third quarter of 2013 results primarily from the investment in an inner-city shop in Bruges with a fair value of € 11,3 million and the disinvestment of a retail park in Schelle and a commercial building in Merksem with a total fair value of € 4,0 million.

After the acquisition of the premium high street shop in Bruges and the sale of the retail park in Schelle and the commercial building in Merksem, inner-city shops represent 58 % of the total fair value of the property investment fund on 30 September 2013.

The **occupancy rate** of the real estate portfolio remains quite stable compared to 30 June 2013 and amounts to 95,8 % on 30 September 2013.



Namur - 2.332 m²

⁵ The occupancy rate is calculated as the ratio of the rental income to the same rental income plus the estimated rental value of the vacant locations for rent.

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2. Financial results

2.1. Cumulative figures for the first nine months of 2013

RESULTS in thousands €	30.09.2013	30.09.2012
Operating distributable result	9.969	9.976
Result on portfolio	-1.626	6.143
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	1.613	-1.746
NET RESULT	9.956	14.373

RESULT PER SHARE	30.09.2013	30.09.2012
Number of shares entitled to dividend	5.078.525	5.078.525
Net result (€)	1,96	2,83
Operating distributable result (€)	1,96	1,96

In the first nine months of 2013, the **operating distributable result** of Vastned Retail Belgium remains stable at € 10,0 million compared to the same period of financial year 2012. This results mainly from € 0,4 million lower rental income through the sale of 3 % of the real estate portfolio in December 2012, compensated by a decrease of property charges of € 0,2 million and a decrease of net interest charges of € 0,2 million.

Consequently, the **operating distributable result per share** amounts to € 1,96 for the first nine months of 2013 which is unchanged compared to the same period of prior year.

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KEY FIGURES PER SHARE	30.09.2013	31.12.2012	30.09.2012
Number of shares entitled to dividend	5.078.525	5.078.525	5.078.525
Net asset value (fair value) (€)	45,86	46,29	45,38
Net asset value (investment value) (€)	47,62	48,07	47,16
Net asset value EPRA (€)	46,64	47,61	46,70
Share price on closing date (€)	51,01	47,60	47,95
Premium to net asset value (fair value) (%)	11 %	3 %	6 %

On 30 September 2013, the **net asset value (fair value)** of the share is € 45,86 (€ 46,29 on 31 December 2012). Given that the share price of Vastned Retail Belgium on 30 September 2013 is € 51,01, the share is quoted with a premium of 11 % compared to the net asset value (fair value).

The **debt ratio** of the property investment fund amounts to 36 % on 30 September 2013 and increases herewith by 1 % compared to 30 June 2013 through the acquisition of the building located Steenstraat 38 in Bruges.

On 30 September 2013, 87 % of the **credit lines** of the property investment fund are long-term financings, with an average remaining period of 3,0 years. 13 % of the credit lines are short-term financings with unlimited duration. In the third quarter of 2013 Vastned Retail Belgium has prolonged a financing of a credit facility expiring on 1 January 2014 for an amount of € 15 million. The existing credit facility has been refinanced at the same financial institution for duration of 4 years on terms in line with current market conditions. In so doing, the property investment fund has already completed all its refinancing for financial years 2013 and 2014.

On 30 September 2013, 69 % of the credit lines have a fixed interest rate or are fixed by interest rate swaps. The interest rates of the credit lines of the property investment fund are fixed for a remaining period of 3,1 years in average. On 30 September 2013, Vastned Retail Belgium has € 8 million non-withdrawn credit lines at financial institutions to absorb the fluctuations in liquidity needs of the property investment fund.

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2.2. Results of the third quarter of 2013

RESULTS in thousands €	01.07 - 30.09.2013	01.07 - 30.09.2012
Rental income	5.404	5.613
Rental-related expenses	-35	-36
Property management costs and income	11	6
Property result	5.380	5.583
Property charges	-563	-677
General costs and other operating costs and income	-269	-244
Operating result before result on portfolio	4.548	4.662
Result on disposals of investment properties	306	66
Changes in fair value of investment properties	-2.076	1.501
Other result on portfolio	-89	10
Operating result	2.689	6.239
Financial result (excl. changes in fair value - IAS 39)	-1.253	-1.256
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	119	-612
Taxes	-6	-10
Net result	1.549	4.361
Note:		
Operating distributable result	3.267	3.383
Result on portfolio	-1.859	1.577
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	141	-599

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Analysis of results of the third quarter of 2013⁶

Rental income of Vastned Retail Belgium amounts in the third quarter of 2013 to € 5,4 million (€ 5,6 million). This decrease is due mainly to the sale of about 3 % of the real estate portfolio in December 2012, partly compensated by indexations of existing lease contracts and realized rental renewals.

Property charges of the property investment fund have decreased for the third quarter of 2013 to - € 0,6 million (- € 0,7 million) through lower maintenance and repair costs.

General costs remain at the same level as during the third quarter of previous financial year.

The **result on disposals of investment properties** comprises the gain of € 0,4 million which has been realized on the sale of a retail park in Schelle and a commercial building, located in Merksem, with a total fair value of € 4,0 million (on 31 December 2012).

The **changes in fair value of investment properties** for the third quarter of 2013 are negative and amount to - € 2,1 million (€ 1,5 million). This effect comes mainly from the decrease in fair value of Julianus Shopping in Tongeren and the write-off of 2,5 % transaction costs for the acquisition of the building located Steenstraat 38 in Bruges. The fair value of all other properties remains almost stable.

The **financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39))** remains stable for the third quarter of 2013 compared to the third quarter of 2012 and amounts to - € 1,3 million (- € 1,3 million). The average interest rate of the property investment fund for the third quarter of 2013 is 4,1 %, including bank margins (3,8 %).

Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) in the third quarter of 2013 include 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 € 0,1 million (- € 0,6 million).

In the third quarter of 2013 the **operating distributable result** of Vastned Retail Belgium amounts to € 3,3 million (€ 3,4 million) or a decrease of approximately € 0,1 million or 3 %. This represents per share for the third quarter of 2013 an operating distributable result of € 0,64 (€ 0,67) or a decrease of approximately 4 % compared to the third quarter of 2012, resulting mainly from lower rental income through the sale of about 3 % of real estate portfolio in December 2012.



Antwerp - 140 m²

⁶ Between brackets comparable figures of the third quarter 2012 (01.07.2012 - 30.09.2012).

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3. Forecast for 2013

Except for unexpected evolutions, such as important bankruptcies of tenants or unforeseen increases of interest rates, Vastned Retail Belgium estimates to be able to propose its shareholders a gross dividend per share between € 2,60 and € 2,65 (compared to € 2,62 for financial year 2012). This represents a gross dividend yield of approximately 5,1 %, based on the closing share price on 30 September 2013 (€ 51,01).

Turnhout - 1.269 m²

Note to the editors: for more information, please contact:

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Annexes

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Consolidated income statement (9 months)

in thousands €	30.09.2013	30.09.2012
Rental income	16.297	16.686
Rental-related expenses	-99	-97
NET RENTAL INCOME	16.198	16.589
Property management costs and income	27	5
PROPERTY RESULT	16.225	16.594
Technical costs	-388	-578
Commercial costs	-158	-157
Charges and taxes on unlet properties	-112	-77
Property management costs	-929	-924
Other property charges	-118	-189
PROPERTY CHARGES	-1.705	-1.925
OPERATING PROPERTY RESULT	14.520	14.669
General costs	-802	-807
Other operating income and costs	70	56
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	13.788	13.918
Result on disposals of investment properties	259	560
Changes in fair value of investment properties	-1.794	5.507
Other result on portfolio	-91	76
OPERATING RESULT	12.162	20.061
Financial income	2	37
Net interest charges	-3.737	-3.916
Other financial charges	-8	-4
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	1.561	-1.779
FINANCIAL RESULT	-2.182	-5.662
RESULT BEFORE TAXES	9.980	14.399
TAXES	-24	-26
NET RESULT	9.956	14.373

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Consolidated income statement (9 months) (continued)

in thousands €	30.09.2013	30.09.2012
NET RESULT	9.956	14.373
Note:		
Operating distributable result	9.969	9.976
Result on portfolio	-1.626	6.143
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	1.613	-1.746
Attributable to:		
Equity holders of the parent company	9.956	14.373
Minority interests	0	0
RESULT PER SHARE	30.09.2013	30.09.2012
Number of shares entitled to dividend	5.078.525	5.078.525
Net result (€)	1,96	2,83
Operating distributable result (€)	1,96	1,96

Consolidated statement of comprehensive income (9 months)

in thousands €	30.09.2013	30.09.2012
NET RESULT	9.956	14.373
Changes in the effective part of fair value of allowed hedging instruments that are subject to hedge accounting	1.148	178
COMPREHENSIVE INCOME	11.104	14.551
Attributable to:		
Equity holders of the parent company	11.104	14.551
Minority interests	0	0

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Consolidated balance sheet

ASSETS in thousands €	30.09.2013	31.12.2012
Non-current assets	364.164	359.792
Intangible assets	7	4
Investment properties	363.552	359.183
Other tangible assets	602	602
Trade receivables and other non-current assets	3	3
Current assets	6.088	3.142
Assets held for sale	4.515	1.999
Trade receivables	256	245
Tax receivables and other current assets	120	161
Cash and cash equivalents	425	216
Deferred charges and accrued income	772	521
TOTAL ASSETS	370.252	362.934

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Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	30.09.2013	31.12.2012
Shareholders' equity	232.878	235.080
Shareholders' equity attributable to the shareholders of the parent company	232.878	235.080
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	121.526	115.020
Net result of financial year	9.956	18.664
Minority interests	0	0
Liabilities	137.374	127.854
Non-current liabilities	123.275	94.648
Non-current financial debts	120.013	89.517
<i>Credit institutions</i>	120.000	89.500
<i>Financial lease</i>	13	17
Other non-current financial liabilities	3.110	4.998
Other non-current liabilities	115	118
Deferred taxes - liabilities	37	15
Current liabilities	14.099	33.206
Current financial debts	9.655	27.399
<i>Credit institutions</i>	9.650	27.394
<i>Financial lease</i>	5	5
Other current financial liabilities	875	1.697
Trade debts and other current debts	2.249	2.971
Other current liabilities	215	210
Accrued charges and deferred income	1.105	929
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	370.252	362.934