

Press Release

Interim statement by the board of directors for the first quarter of 2013

Regulated information - embargo till 07/05/2013, 8:00



Antwerp, 7 May 2013

Change of name Intervest Retail into Vastned Retail Belgium
Increase of operating distributable result of 5 %¹
Slight increase in fair value of the real estate portfolio
Low debt ratio: 32 %

1. Operational activities for the first quarter of 2013

Change of name

Property investment fund Intervest Retail has changed its name into Vastned Retail Belgium. This change of name indicates that the property investment fund joins the strategy of its Dutch majority shareholder Vastned regarding the real estate investment policy. Also on an operational level a strengthened synergy is pursued between the countries in which Vastned is active by means of frequent dialogue on operational matters.

Vastned, the listed European real estate fund listed that focusses on "venues for premium shopping" is active in the Netherlands, France, Belgium, Spain and Turkey (Istanbul) with an invested patrimony of approximately € 2,0 billion. Vastned, the majority shareholder of Intervest Retail since 1999, was previously already associated with its legal predecessor and has currently a shareholding of 65,5 %.

The strengthened strategy of Vastned targets the best retail real estate in the most popular commercial streets in larger cities ("high streets"). New acquisitions will be realised in inner-cities with strong commercial areas providing a genuine shopping experience. Vastned Retail Belgium joins this strategy and wishes herewith to respond to the changing retail landscape.

The direct yield of such investments on top locations in inner-cities is in the short term lower than the yield of retail warehouses. Vastned Retail Belgium aims to increase the share of high street shops on prime locations from 50 % of the entire portfolio (at year-end 2012) to at least 65 % of the portfolio in view of obtaining a lower risk profile.

Rental activity

In the first quarter of 2013, Vastned Retail Belgium has renewed 8 lease contracts for a rental volume of approximately 595.000 €/year. Compared to the current rental level, the rental level as from the first expiry date will increase by 18 %, which is a good performance given the current economic situation. Consumer confidence is still at a very low level, inciting retailers to adopt a more critical attitude towards new commercial locations. This phenomenon is more distinct outside absolute prime locations.

Furthermore Vastned Retail Belgium has made a step forward in repositioning the commercial complex Jardin d'Harscamp in Namur. Through the regrouping with another shop, Club expands its shop from 317 m² to 478 m². The rental level will increase by 46 % compared to previously current rental conditions regarding this space. Club will adapt the shop to its new shop formula.

¹ Compared to the operating result of the first quarter of 2012.

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2. Financial results

Consolidated income statement

in thousands €	31.3.2013	31.3.2012
Rental income	5.466	5.489
Rental-related expenses	-39	-48
Property management costs and income	3	0
PROPERTY RESULT	5.430	5.441
Property charges	-566	-638
General costs and other operating costs and income	-260	-288
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	4.604	4.515
Result on disposals of investment properties	-35	1
Changes in fair value of investment properties	888	3.278
Other portfolio result	-3	39
OPERATING RESULT	5.454	7.833
Financial result (excl. changes in fair value - IAS 39)	-1.248	-1.314
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	528	-472
Taxes	-9	-10
NET RESULT	4.725	6.037
Note:		
Operating distributable result	3.333	3.182
Result on portfolio	850	3.318
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	542	-463
DATA PER SHARE	31.3.2013	31.3.2012
Number of shares entitled to dividend	5.078.525	5.078.525
Net result (€)	0,93	1,19
Operating distributable result (€)	0,66	0,63

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Analysis of results²

Despite the sale of approximately 3 % of the real estate portfolio in December 2012 (3 peripheral retail warehouses located in Hasselt, Beaumont and Mons and a retail park in Andenne) the **rental income** of Vastned Retail Belgium remains stable at € 5,5 million (€ 5,5 million) in the first quarter of 2013. This results mainly from indexations of existing lease contracts and rental renewals. The **occupancy rate**³ of the real estate portfolio amounts to 96,3 % on 31 March 2013 (97,3 % on 31 December 2012). The decrease compared to 31 December 2012 comes from the termination of a few temporary lettings.

The **property charges** have slightly decreased through lower commercial costs and amount to € 0,6 million for the first quarter of 2013 (€ 0,6 million). The **general costs** remain at the same level as previous financial year.

The **positive changes in fair value of investment properties** for the first quarter of 2013 amount to € 0,9 million (€ 3,3 million). This positive effect comes from indexations and rental renewals in the existing real estate portfolio.

The **financial result (excl. changes in fair value - IAS 39)** amounts to - € 1,2 million (- € 1,3 million). The decrease results from the disposals of investment properties for an amount of € 11 million in December 2012. The average interest rate for the property investment fund for the first quarter of 2013 is approximately 4,3 % (4,2 %).

As at 31 March 2013, 76 % of the credit lines are long-term financings, with an average remaining duration of 3,3 years. 24 % of the credit lines are short-term financings consisting of financings with unlimited duration progressing each time for 364 days or 30 days. In the first quarter of 2013, Vastned Retail Belgium has prolonged the financing of a credit facility for an amount of € 10 million which expired on 15 April 2013. The existing credit facility has been refinanced at the same bank for a duration of 4,5 years on terms in line with current market conditions. In so doing, the property investment fund has completed all refinancing for financial year 2013.



Antwerp - 721 m²

² Between brackets comparable figures of the first quarter of 2012.

³ 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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The **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** include in the first quarter of 2013 the reduction 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 € 0,5 million (- € 0,5 million).

The **net result** of property investment fund Vastned Retail Belgium amounts to € 4,7 million (€ 6,0 million) for the first quarter of 2013 and can be divided in:

- ✓ the operating distributable result of € 3,3 million (€ 3,2 million) or an increase of approximately 5 %
- ✓ the result on portfolio of € 0,9 million (€ 3,3 million)
- ✓ the changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements for an amount of € 0,5 million (- € 0,5 million).

The **operating distributable result** per share increases by 5 % and amounts to € 0,66 (€ 0,63) for the first quarter of 2013.

BALANCE SHEET DATA PER SHARE	31.3.2013	31.12.2012
Number of shares entitled to dividend	5.078.525	5.078.525
Net asset value (fair value) (€)	47,30	46,29
Net asset value (investment value) (€)	49,08	48,07
Net asset value EPRA (€)	48,43	47,61
Share price on closing date (€)	51,50	47,60
Premium to net asset value (fair value) (%)	9 %	3 %

On 31 March 2013, the **net asset value** (fair value) of the share is € 47,30 (€ 46,29 on 31 December 2012). Given that the share price on 31 March 2013 is € 51,50, the share of Vastned Retail Belgium (VASTB, previously INTV) is quoted with a premium of 9 % compared to this net asset value (fair value).

In the first quarter of 2013 the **debt ratio** of the property investment fund has decreased by 1 % and amounts to 32 % on 31 March 2013 (33 % on 31 December 2012).

The **fair value of the real estate portfolio** of Vastned Retail Belgium amounts to € 359 million and remains herewith practically unchanged compared to year-end 2012 (€ 359 million on 31 December 2012).

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3. General meeting and dividend distribution

The ordinary general meeting of shareholders of 24 April 2013 has approved the statutory and consolidated annual accounts of Vastned Retail Belgium (Intervest Retail at that time) closed on 31 December 2012, as well as the result allocation. For financial year 2012, the ordinary general meeting has decided to distribute a gross dividend of € 2,62 per share. After deduction of 25 % withholding tax, the net dividend for financial year 2012 amounts thus to € 1,97 per share.

The dividend is payable as from 3 May 2013 on the basis of the shareholding on 2 May 2013.

For bearer shares, payment has been made through presentation of certificate number 13 at Bank Degroof (main paying agent) or another financial institution at convenience.

For holders of dematerialized shares, distribution has been made by the financial institution where the shares are listed on a securities account.

The dividend for the nominal shares has been automatically paid towards the shareholders by the company.

4. Forecast

Vastned Retail Belgium, as the only Belgian property investment fund, has developed a high-quality position at prime city locations. This makes Vastned Retail Belgium a unique investment and the property investment fund aims to strengthen its position at these city centre locations, with a clear focus on high-quality locations in larger cities. The portfolio consists of 50 % retail warehouses and 50 % of inner-city shops, of which some top locations in larger cities. Given the limited debt ratio of 32 %, the fund is in a very comfortable position to respond quickly to new opportunities.

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

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Annexes



FINANCIAL STATEMENTS

Consolidated income statement

in thousands €	31.3.2013	31.3.2012
Rental income	5.466	5.489
Rental-related expense	-39	-48
NET RENTAL INCOME	5.427	5.441
Recovery of rental charges and taxes normally payable by tenants on let properties	53	20
Rental charges and taxes normally payable by tenants on let properties	-53	-20
Other rental-related income and expenses	3	0
PROPERTY RESULT	5.430	5.441
Technical costs	-123	-125
Commercial costs	-47	-95
Charges and taxes on unlet properties	-40	-56
Property management costs	-318	-325
Other property charges	-38	-37
PROPERTY CHARGES	-566	-638
OPERATING PROPERTY RESULT	4.864	4.803
General costs	-268	-311
Other operating income and costs	8	23
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	4.604	4.515
Result on disposals of investment properties	-35	1
Changes in fair value of investment properties	888	3.278
Other portfolio result	-3	39
OPERATING RESULT	5.454	7.833
Financial income	0	1
Net interest charges	-1.244	-1.305
Other financial charges	-4	-10
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	528	-472
FINANCIAL RESULT	-720	-1.786
RESULT BEFORE TAXES	4.734	6.047
Taxes	-9	-10
NET RESULT	4.725	6.037

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Consolidated income statement (continued)

in thousands €	31.3.2013	31.3.2012
NET RESULT	4.725	6.037
Note:		
Operating distributable result	3.333	3.182
Result on portfolio	850	3.318
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	542	-463
Attributable to:		
Equity holders of the parent company	4.725	6.037
Minority interests	0	0

Consolidated statement of comprehensive income

in thousands €	31.3.2013	31.3.2012
NET RESULT	4.725	6.037
Changes in the effective part of fair value of allowed hedging instruments that are subject to hedge accounting	404	30
COMPREHENSIVE INCOME	5.129	6.067
Attributable to:		
Equity holders of the parent company	5.129	6.067
Minority interests	0	0

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Consolidated balance sheet

ASSETS in thousands €	31.3.2013	31.12.2012
Non-current assets	360.014	359.792
Intangible assets	3	4
Investment properties	359.406	359.183
Other tangible assets	602	602
Trade receivables and other non-current assets	3	3
Current assets	2.907	3.142
Assets held for sale	1.398	1.999
Trade receivables	218	245
Tax receivables and other current assets	161	161
Cash and cash equivalents	299	216
Deferred charges and accrued income	831	521
TOTAL ASSETS	362.921	362.934

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Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.3.2013	31.12.2012
Shareholders' equity	240.208	235.080
Shareholders' equity attributable to the shareholders of the parent company	240.208	235.080
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	115.423	115.020
Net result of financial year 2012	18.664	18.664
Net result of financial year - first quarter of 2013	4.725	0
Minority interests	0	0
Liabilities	122.713	127.854
Non-current liabilities	94.846	94.648
Non-current financial debts	90.016	89.517
<i>Credit institutions</i>	90.000	89.500
<i>Financial lease</i>	16	17
Other non-current financial liabilities	4.621	4.998
Other non-current liabilities	176	118
Deferred taxes - liabilities	33	15
Current liabilities	27.867	33.206
Current financial debts	23.505	27.399
<i>Credit institutions</i>	23.500	27.394
<i>Financial lease</i>	5	5
Other current financial liabilities	1.142	1.697
Trade debts and other current debts	1.977	2.971
Other current liabilities	206	210
Accrued charges and deferred income	1.037	929
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	362.921	362.934