vastned
Venues for Premium Shopping

ANNUAL REPORT 2013

Content

COLOFON

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Profile, vision and mission

PROFILE

Vastned is the closed-end listed high street property fund with focus on 'venues for premium shopping' and is listed on NYSE Euronext Amsterdam (AMX). Its market value was € 628 million at the end of 2013.

Vastned invests in a number of selected premium cities in Europe and Turkey, focusing specifically on the best retail property in the most popular high streets. Premium cities are attractive shopping cities with positive demographic trends, strong purchasing power, an historic city centre, tourist appeal and the presence of national and international institutions and universities. These are cities that offer a unique shopping experience thanks to their authenticity; making these the places where consumers prefer to go shopping and where national and international retailers prefer to have their outlets.

This clear focus enables Vastned to offer retailers/tenants a large choice of high-quality retail locations in these premium cities. For its shareholders, this strategy ensures solid and sustainable value development and stable and predictable investment results.

Quality is an important factor not only in the composition of the property portfolio, but also in the organisation itself and its financing strategy. Vastned works with a strong, compact team of specialists (68 FTEs in total), who take a hands-on, proactive and entrepreneurial attitude. Vastned's financing strategy is conservative and risk averse, aimed at a loan-to-value ratio of between 40% and 45%.

Vastned's total property portfolio represented approximately € 1.7 billion at the end of 2013 and is spread across six European countries: The Netherlands, France, Belgium, Spain, Portugal and Turkey (Istanbul).

VISION

The demand for retail locations in the popular shopping cities and high streets is on the rise. One reason for this is that consumers want a physically appealing shopping environment. Shopping is increasingly becoming a means of leisure and relaxation. The cities with the best prospects are those with an historic city centre and a varied range of shops, museums and hospitality establishments. These are not only appealing for the city's own residents and people from the surrounding region, they also attract tourists.

Today's consumers are much better informed about quality and prices on the products and services of their interest since they can go online to orientate themselves. The impact of online sales channel has therefore changed the function of the physical shop. Successful retailers put their shops to broader use than only as a sales channel. They see the physical shop as an important part of the brand experience. Strong leading national and international retailers are increasingly demanding when it comes to the retail space and location, especially since the economic crisis has affected consumer spending and, by extension, retail sales. Aspects like employees, service and innovation also play an increasingly important role, allowing the retailer to distinguish itself.

For the retail property investor, the important thing is to anticipate these developments and offer the retailer a broad choice and variation in locations in the high streets and shopping cities where consumers prefer to shop. Good locations contribute to the retailer's success, which in turn translates into success for the property investor. Strong, successful tenants contribute to a stable and predictable cash flow, which is precisely Vastned's aim.

MISSION

Vastned offers 'Venues for premium shopping'. The best retail property in the most popular high streets in a selected number of European cities with attractive historic city centres, 'premium cities'. Vastned aims to provide retailers with high-quality retail locations in popular European shopping cities so that the retailer can reach consumers where the consumer prefers to shop. The appeal of these premium venues also enables Vastned to generate a stable and predictable cash flow and consequently to realise solid and sustainable value development for its shareholders, which ultimately benefits all stakeholders.

Taco de Groot: I believe in the extra mile

In 2013, Vastned confirmed its focus on the high streets by acquiring buildings in Amsterdam, Maastricht, Utrecht, Bruges and Bordeaux. Investment properties in smaller cities were on the other hand sold. In 2013, Vastned passed the target of 65% high street shop investment properties. That success prompted a renewal of the high street strategy in January 2014. Vastned is now focusing its acquisitions policy exclusively on high street shops in premium cities. CEO Taco de Groot explains why…

Taco de Groot (51)

POSITION

CEO Vastned and therefore responsible for setting the strategy and its execution. My aim is to develop the European high street property fund. My job is to manage Vastned, analyse our markets, and discover and make the most of opportunities and possibilities to further improve our property portfolio. I take action to enable Vastned to perform even better and am constantly in contact with my colleagues, our clients and our shareholders.

BACKGROUND

A real property professional with a broad background in several real estate areas. I was based in London for several years and gained national and international experience in different fields of the European real estate market. First as founder and Chief Investment Officer of GPT Halverton Ltd. After that as co-founder of MSeven LLP Real Estate and Fund Management. From 1997 to 2004, I was Chief Executive Officer and partner at Cortona Holdings in Amsterdam. Before that I had served in various positions since 1990, including some time as a lettings and investment broker at DTZ Zadelhoff in Utrecht.

GREAT SHOP

There are many examples I could give, but Massimo Dutti stands out. It is part of Inditex, which scores with as much as eight brands. Very impressive how they manage to provide a wide-ranging and high-quality product range at a reasonable price.

FAVOURITE CITY

There is always something happening in Amsterdam. Walking along the canals in the morning, enjoying a cup of coffee on the Leidsestraat and then shopping… You have so many options: the Kalverstraat, the 9 Straatjes, the Utrechtsestraat, the P.C. Hooftstraat or the Haarlemmerdijk. And after that you can go to one of the big museums, catch a film or dine in a fine restaurant.

BEST STREET

The P.C. Hooftstraat in Amsterdam. Nowhere else in the Netherlands can you find so many high-end luxury brands together; even the side streets profit from this and make the offering even more varied.

DIFFERENT

CEO Taco de Groot: 'Major changes do not take place from one day to the next. The results of our strategy became clearly visible in 2013. The property portfolio changed clearly to more focused and hig-quality high street portfolio. In the organisation more emphasis was laid on the hands-on and proactive approach. The country teams work more closely together and there have been some personnel changes. Also on financing we have made progress by creating more diversity among capital funding. The past few years were marked by the transition to becoming a specialised high street property fund. Hence, why we decided to make this year's annual report theme "different". Next to our strategy and results, we would like to give a broader impression of the environment Vastned operates in and the people working at Vastned.
'For us, choosing high street shops meant choosing for quality, stability and predictability. The last few years our high street shop results outperformed the other investment properties. These retail locations attract strong, leading retailers as tenants. And those retailers manage to create consumer loyalty. As a result, these investments generate stable and predictable cash flows. And that in turn provides solid and sustainable value development that benefits our shareholders. We approach the market pragmatically and proactively, whilst at the same time always pursuing a conservative financing policy.'

HIGH STREETS

'Our focus is the high streets in premium cities. These are the most appealing shopping streets in cities with positive demographic developments, strong purchasing power, an historic city centre, tourist appeal, and the presence of national and international institutions and universities. These are the locations where retailers want to open shops and – more importantly – where consumers want to shop. We aim to grow the share of premium city high street shops to 75% of the total property portfolio. On the one hand by divesting non-strategic assets and acquiring high street shops in premium cities. The last two years we have disposed approximately € 400 million in properties in smaller cities and several larger shopping centres. At the same time we have acquired some € 210 million in the high streets of Amsterdam, The Hague, Maastricht, Utrecht, Paris, Istanbul, Bordeaux and Bruges.'

'In France we sold two shopping centres and properties in smaller cities (valued at approximately € 150 million). As a result, 93% of our property portfolio in France now consists of high street shops.'

'At the beginning of 2014 we also reached agreement on the sale of seven Spanish shopping centres/galleries and a retail park for € 160 million, pushing the share of high street shops up even further.'

'Our main goal now is to have high street shops in premium cities represent 75% of our total portfolio. These investments outperform other investment properties. For us that confirms that we are on the right track with this strategy, for the long term as well. Especially because we continue to improve the quality of our property portfolio with a good lettings policy and strong relationships with retailers.'

'25% of the portfolio will continue to consist of investment properties other than high street shops in premium cities, but these are ones that satisfy our quality standards. These include well-situated supermarkets, high street shops in smaller and medium-sized cities and so-called 'baanwinkels' in Belgium. These last are solitary stores or retail parks along major roads. That particular concept works excellently there and, being pragmatic, we will keep these in our portfolio.'

INSPIRATION

'I take inspiration in the first place from people. Outside of my field, for instance, I think of Marianne Vos. Several-time world champion and incredibly versatile on the bicycle, with the right focus and commitment. And that amazing modesty. The football world could really learn something from her.'

'Retail is a people's business, so I also look at people in my field. Take Maria, a salesperson at Peak Performance on the P.C. Hooftstraat in Amsterdam. She knows her business and her products. Customers can turn to her with any kind of question and get a professional answer. In short: Maria is the shop. The passion for retail is often in the little details – in the finishing, the atmosphere, the service and the actual commitment of someone like Maria. Even if your product is just as good, an uninterested or uninformed salesperson drives away customers. Retailers who have not kept pace with the times and still do things the way they did twenty years ago have missed the boat. Some are still standing, but the question is how long they will be able to hang on. What retailers are doing it right? The young, fresh, dynamic, service-oriented and creative businesses. When I walk down a high street, it makes me very happy when a shop's concept is just right and the enthusiasm of the salespeople is tangible. These retailers 'go the extra mile' and that translates into success.'

THE VASTNED TEAM

'Vastned is a different company to what it was a number of years ago. We are now working with a group of young, enthusiastic professionals who know how to approach things and who work well together. As colleagues, you are a kind of family, at least you do spend a lot of time together. That is why I feel it is important that relations between the people on the team are good. On 1 January 2014, Annelou de Groot joined the company as Country Manager Netherlands. With her, our team is at full strength and completely ready for the future.'

'The team shares my fascination for our profession. That is not only the building and location, but also the character, energy, environment, people and culture of a city like Istanbul, Paris, Amsterdam or Brussels. Every city is different. They all have their own dynamics and require a different approach. That is precisely what makes this work so much fun.'

DEVELOPMENTS SPAIN

'Vastned operates in five countries – France, Belgium, the Netherlands, Spain and Turkey (Istanbul) – all of which have been hit by the crisis. Spain has been hit the hardest. In Spain we have a strong team that is working day to day to improve our position. We have tried to keep our shopping centres occupied – if necessary at a lower rent – which at times has been prevented by the severe market conditions. There is a great deal of activity, but it is still a tough job. And frustrating as well, because the results in Spain are putting our results in the other countries under pressure. Added to this is the fact that the Spanish shopping centres will require major investments in the coming years. This in combination with the large supply of shopping centres in Spain, the reduction in the number of retail locations by retailers and the persistent pressure on rent levels prompted us to decide to sell seven shopping centres/galleries and a retail park in 2014. Most of the Spanish team will have the chance to continue working for the buyer, which I am very happy about. I owe this team a great debt of thanks for their dedication and loyalty over the past years.'

THE RETAIL LANDSCAPE

'We see that the retail market is in flux. This dynamic environment is causing certain retailers to go bankrupt, whilst in fact creating opportunities for innovative entrepreneurs. Using the latest technologies and their creativity, they manage to achieve success even in these times when consumers are watching every penny and buying more online. Hats off to a retailer who manages to achieve higher turnover in crisis years. How are they managing this? The quality of the products and the service.'

'I talk to a lot of retailers and I know that some of them are having difficulties. The crisis is forcing them to re-think their service, communication, personnel, innovation, e- commerce and location. Their shop is no longer a collection of products, but must be part of a total concept aimed at the consumer experience. Multi-channel concepts are an indispensable part of the trade these days.'

'Start-ups have a chance of success as well, even if they are active in a market that appears to be saturated. The young club at WineSupply, for instance. In their shop you can actually taste all the wines that they sell and they have a high service content. This concept draws customers because they add something unique. There are also chains that do this very well. Rituals offers affordable products that are nonetheless luxurious.'

'Partly thanks to our acquisitions in the high streets, Vastned managed to add a number of first-class retailers as tenants in 2013. Retailers like KIKO, Armani Jeans, Rituals and Schaap en Citroen have a positive impact on the value development of the building and the area.'

THE CONSUMER

'The customer is king. For them, online and offline (the physical shop) complement each other and together constitute one total concept. Retailers that understand this can turn that to their advantage. Vastned also looks closely at where consumers spend their money. We see a divide arising between popular and less popular shopping areas. The consumer has a clear preference for the old city centres of the major cities. Consumers visit these high street shops not only to buy something, but also to get inspiration. Shopping is a day out, a leisure activity that is not strictly necessary. The environment, the atmosphere and the amenities available in a city reinforce the experience. Restaurants, cafés and other catering establishments as well as museums in the vicinity of the shopping street are therefore just as important as a varied retail offering.

'The consumer is critical and has become much more cautious as a result of the crisis. Take the Netherlands for instance. It is a relatively rich country and still consumer confidence has been low since the start of the crisis. Perhaps more political decisiveness could alleviate that uncertainty. However, the reality of today is that people are still watching every penny.'

THE CITY

'A city is not automatically a success story. The municipality, retailers and owners must work together to keep the city centre attractive for residents, students, tourists and people from the region. A varied retail offering is important, but it must be accompanied by a number of urban amenities. If a city – like Utrecht – does not have its parking policy in order, that impacts the number of visitors. Safety and cleanliness are also important factors.'

'Some cities, like Zutphen, have a strong regional function. Combined with an old and attractive city centre, they stay attractive. However, towns like Zoetermeer, Leidschendam and Rijswijk have a more difficult time of it. Most of the shops are chains that you find in every city. No one seeks these places out for a day of shopping. Furthermore there is a trend that large chains no longer feel it is as necessary to have locations everywhere. Inditex and H&M, for example, are already opting for larger shops at the better locations and are closing their small local branches. If this continues – and I expect it will – there is the danger of even more vacancy in the smaller city centres.

'Vastned is playing it safe and therefore opting for acquisitions in the large cities, 'premium cities'. With their historic city centres, museums, events and hospitality offerings, Paris, Istanbul, Madrid, Antwerp and Amsterdam draw people from the country and from abroad. The retail offerings are automatically varied. Take Amsterdam, for instance, where only 25% of the shops are part of larger retail chains. Exactly right, because you do want to have those there too. For the sake of comparison: in a city like Rijswijk that number is 80%.'

THE RESULTS

'2013 was the year in which our high street strategy really took shape. We are still in a transition phase however. We sold higher-risk, i.e. higher-return, investment properties and acquired lower-risk, i.e. lower-return, investment properties. This reduced the size of our property portfolio, causing the direct investment result to be lower than last year. The quality of the property portfolio has in fact been strongly improved by the transition.'

'The economic malaise has had relatively the least grip on the high streets, where performance remained stable. For instance, the occupancy rate for high street shops in premium cities was 99.2% at the end of the year, we saw positive like-for-like growth in rental value of 4.2%, and positive value movements achieved on the premium city investment properties. We also managed to keep the loan-to-value ratio at between 40 to 45%, as desired, and we spread the financing across several financiers.'

'Vastned is the only listed retail property fund in Europe that focuses specifically on the high streets in premium cities. We do have competition, for instance from retailers who want to invest their profit in their own buildings and from unlisted property funds. That is why we act fast. Fortunately we are a strong and compact organisation. We operate as shrewdly and as quickly as a privately run property business. Our corporate governance is properly provided for and we work for a group of loyal investors, both institutional and private. Despite the economic situation, we let out more than in 2012 and have good reason to be proud of our business therefore.'

THE FUTURE

'You see that successful retailers pursue a multi-channel strategy and know how to distinguish themselves by their service and personnel. The new starting points of today bring with them new concepts. Some retailers opt for smaller floor areas, while others are expanding with large flagship and brand stores. For retailers it is a matter of "look, listen and learn". The focus will shift even more to the consumer. The technical possibilities make not only payments easier, but information exchange as well. Retailers who are smart about it can get to know their customers better and generate extra business through the combination of online and offline. Some parties will not know how to profit from this, however, which means we expect further bankruptcies in 2014, along with the emergence of new parties.'

'Vastned will continue to implement its premium city high street strategy, step by step. This will be done pragmatically. By acquiring the right venues for premium shopping, selling non-strategic assets, and being even more of a sparring partner for our tenants in working out their retail concepts. We already sold many non-strategic investment properties last year, including the shopping centres in Val Thoiry and Dunkirk, the 50% interest in the Het Rond shopping centre and, last but not least, the seven Spanish shopping centres/galleries and a retail park at the beginning of 2014. This reduced the size of the property portfolio, which means rental income for 2014 will be lower than in 2013. In the medium term, the transition to having 75% of the property portfolio consisting of high street shops in premium cities will result in solid and sustainable value developments and stable and predictable cash flows.'

'Finally I would like to thank all the employees and in particular the Spanish team for their unwavering dedication over the past years to piloting our portfolio through the tough economic times and bringing the sales process to a successful conclusion. I would also like to thank our shareholders and financiers for their confidence in Vastned and our strategy, and all other parties with whom we have enjoyed working once again this past year.'


ZADIG&VOLTAIRE

FINANCIAL KEY FIGURES

	2013	2012[1]	2011	2010	2009
Results (x € 1 million)					
Gross rental income	123.2	133.5	132.5	126.6	130.6
Direct investment result	54.2	62.5	67.0	67.8	68.6
Indirect investment result	(143.2)	(103.5)	29.1	31.4	(130.0)
Investment result	**(89.0)**	**(41.0)**	**96.1**	**99.2**	**(61.4)**
Balance sheet (x € 1 million)					
Investment properties	1,694.4	1,981.0	2,129.0	1,995.5	1,861.4
Equity	872.6	1,018.4	1,105.7	1,074.9	1,035.1
Equity Vastned Retail shareholders	791.4	899.7	1,000.4	975.6	939.1
Long-term liabilities	586.5	753.0	835.7	686.9	673.6
Average number of shares in issue	19,036,646	18,876,591	18,574,595	18,409,519	17,028,420
Number of share in issue (at year-end)	19,036,646	19,036,646	18,621,185	18,495,220	18,265,213
Per share (x € 1)					
Equity Vastned Retail shareholders at the beginning of the year (incl dividend)	47.26	53.66	52.75	51.42	60.80
Final dividend previous financial year	(1.54)	(2.52)	(2.58)	(2.78)	(2.68)
Equity Vastned Retail shareholders at the beginning of the year (excl dividend)	**45.72**	**51.14**	**50.17**	**48.64**	**58.12**
Direct investment result	2.85	3.31	3.61	3.68	4.03
Indirect investment result	(7.53)	(5.48)	1.56	1.71	(7.64)
Investment result	**(4.68)**	**(2.17)**	**5.17**	**5.39**	**(3.61)**
Other movements	1.45	(0.70)	(0.53)	(0.18)	(1.84)
Interim dividend	(0.92)	(1.01)	(1.09)	(1.10)	(1.25)
Equity Vastened Retail shareholder at year-end (incl. dividend)	**41.57**	**47.26**	**53.72**	**52.75**	**51.42**
EPRA NNNAV	41.17	47.70	55.07	54.14	52.17
Share price (at year-end)	32.99	32.75	34.60	51.98	45.84
Dividend in cash	2.55[2]	2.55	3.61	3.68	4.03
or in cash	-	-	1.09	2.43	2.35
and in shares charged to the share premium reserve	-	-	7.75%	2.56%	4.00%
Solvency ratio (in %)	51.5[3]	51.5	52.6	54.6	55.9
Loan-to-value ratio (in %)	44.6[3]	43.9	43.1	41.4	39.9

1 Amended following IAS19R
2 Subject to approval of the Annual General Meeting of shareholders
3 The solvency ratio and loan-to-value will, ceteris paribus, amount to 56.7% and 39.7% respectively, after realisation of the anticipated sale of the Spanish shopping centres/galleries and retail park and the settlement of the related interest-rate derivates at the beginning of 2014.

KEY FIGURES PROPERTY PORTFOLIO

	The Netherlands	France	Belgium	Spain/ Portugal	Turkey	Assets held for sale[3]	Total
Number of tenants[1]	521	140	208	20	10	395	**1,294**
Theoretical annual rental income (x € 1 million)[2]	44.4	21.8	23.2	4.3	8.0	27.0	**128.7**
Market rent (x € 1 million)[2]	43.8	22.2	22.5	3.8	8.4	23.6	**124.3**
(Over-)/underrent (in %)	(1.3)	1.8	(3.3)	(12.8)	3.8	(14.2)	**(3.6)**
Average occupancy rate (in %)	96.5	95.2	95.7	100.0	88.8	87.4	**94.0**
Occupancy rate at year-end (in %)	96.8	95.4	95.4	100.0	100.0	84.5	**94.0**
Number of properties (including pipeline)	257	90	86	16	9	8	**466**
Investment property including pipeline (x € 1 million)	623.3	359.4	361.7	63.5	128.6	157.9	**1,694.4**
Investment property including pipeline (in %)	36.8	21.2	21.3	3.7	7.6	9.4	**100.0**
Average size per property including pipeline (x € 1 million)	2.4	4.0	4.2	4.0	14.3	19.7	**3.6**
Lettable floor area including pipeline (x 1,000 sqm)	206.0	57.5	146.9	10.8	13.1	133.5	**567.8**
EPRA topped-up net initial yield (in %)	5.6	5.2	5.5	6.4	6.1	10.1	**5.6**[4]
Sector spread including pipeline (in %)							
Premium cities high street shops	35.9	69.8	38.8	63.4	100.0	n.a.	**46.2**
High street shops other	34.5	23.3	19.6	23.8	n.a.	n.a.	**22.7**
Other	29.6	6.9	41.6	12.8	n.a.	100.0	**31.1**
Average rent per sqm (x € 1)							
Premium cities high street shops	417.1	589.7	386.3	1,291.6	614.5	n.a.	**503.2**
High street shops other	220.0	239.7	317.3	332.6	n.a.	n.a.	**239.4**
Other	156.7	230.6	99.0	150.9	n.a.	202.2	**157.7**
Occupancy rate at year-end 2013 (in %)							
Premium cities high street shops	98.9	99.2	98.6	100.0	100.0	n.a.	**99.2**
High street shops other	95.5	95.7	89.0	100.0	n.a.	n.a.	**94.7**
Other	96.4	76.1	95.8	100.0	n.a.	84.5	**89.7**

1 Excluding apartments and parking spaces.
2 Including other income (lease of public spaces of shopping centres).
3 This comprises the Spanish assets held for sale, which were sold at the beginning of 2014
4 Excluding the Spanish assets held for sale

Fashion designer/retailer Joline Jolink

FOLLOW YOUR HEART!

When I finished my master's degree at the Fashion Institute in Arnhem in 2005, I knew exactly what I wanted. I energetically got to work on my first collection and presented it at the right shows. After that, I waited for the orders from the buyers from the fashion shops, which is how it worked at the time. Those orders did come, but little by little, in numbers that were not at all consistent with my ambition and the love I had put into my work. Nor did there arise enough energetic cooperation in the years that followed.

The technological developments and the Internet have changed how retail works over the past decades. Consumers are better informed and much more sensitive to authenticity. Buyers have to decide far in advance what the consumer will want later on. Everything is done very cautiously because every decision puts pressure on the resources. Where is the flexibility? Where is the passion? I wasn't feeling it.

I realised that I had to make a change. To do that I had to abandon the well-travelled paths and follow my heart. If I couldn't reach my customers via the traditional retailer system, I would have to find them myself. In 2008, I started my own online store and now really found a connection with the market. Two years ago, I even stopped altogether with supplying to general sales points where a great many brands are sold. I could not offer my customers the total concept I had in mind at those locations. It proved to be the right move, because there was no shop that called me up to ask: 'Gee, can we still sell your products?'

My partner Peter takes care of the business side of my company. That gives me the freedom to design. I take inspiration from different muses all the time. Strong and talented women like Katherine Hepburn, Amelia Earhart, Jane Goodall, Lee Miller and now Ukranian-born artist Louise Nevelson. Their stories set my heart beating faster and give my work a certain atmosphere. My designs are a tribute to them and create a connection with the strong, independent women who wear my clothing – women with something to do.

An online store has its limits however. My story needs a physical place where I can meet my customers, inform them, listen to them, where they can feel the fabrics and get good advice. It is the combination of online and offline that makes the picture complete. At a location where there are other enthusiastic and energetic entrepreneurs with passionate employees, that is where I feel at home, and where my customers feel at home as well. For me this was a confirmation: anyone who follows his/her heart is automatically on the right track.

16 Annelou de Groot: Retail is: smelling, seeing and tasting

Annelou de Groot knows what she wants. She accidentally ended up in real estate and soon made a name for herself. She has strengthened Vastned's team since the beginning of 2014. As Country Manager Netherlands, she manages four portfolio managers and plays an important role in implementing Vastned's strategy.

Annelou de Groot (34)

WORK LOCATION

Rotterdam

POSITION

Country Manager Netherlands, since January 2014

BACKGROUND

'After completing the Hotel Management School and the Corporate Finance programme at Nyenrode, I developed an office valuation model while a trainee at Deloitte. That is how I started my real estate career. From 2006 to the end of 2013, I was director at Dynamis, the national partnership of twelve large regional estate agents.'

DIFFERENT IN 2013

'After nearly eigth years at my former employer I decided to choose a fantastic new position at Vastned.'

BEST BRAND

' De Tuinen is a retailer that I find very appealing. The fact that they have their own training institute demonstrates that they understand better than anyone that shop employees are their most important asset. By always offering new and innovative products via every channel – online as well offline – they serve their customers optimally.'

FAVOURITE STREET

'The Vughterstraat in Den Bosch. A shopping street with many unique boutiques, for someone from Den Bosch it is like coming home.'

VASTNED

Country manager Annelou de Groot: 'My heart has always been in retail. In my old position – as director at Dynamis, an umbrella organisation for real estate agents – I dealt with retail real estate as well, but also worked much more broadly with real estate. The focus at Vastned is entirely on retail. Retail has a story, and is creative and concrete. It is all about the experience, about smelling, seeing and tasting. My background is in hotel management and there too everything is about this special experience. Another nice aspect of my new position is that I do not go from project to project, but build up a property portfolio that must be interesting for investors in the long term as well. Although I have worked for a listed company in the past, I experience this aspect at Vastned full on. Here it is not only about the performance in property, but also about the investor's interest. This gives the work its own dynamics. Very exciting! I feel very lucky to be a part of the Vastned team.'

FIRST IMPRESSION

'As a newcomer, I still see the organisation as a relatively objective outsider. My first impression? Vastned is a very friendly, honest and open company. There are no political games and there is a great deal of passion for the business. The way I see it, a deal is a deal and you must follow through on your promises. I also expect that from the people with whom I work. The strategy chosen lived up to its promise in 2013. In the Netherlands especially by the acquisitions on the P.C. Hooftstraat and Leidsestraat in Amsterdam and a cluster of high street shops on the Oudegracht in the historical inner city of Utrecht. Vastned also has property in the Netherlands that is not located in the premium cities. We will keep some of that property, such as well-situated supermarkets or high street shops in smaller and medium-sized cities, because it satisfies our standard of quality. Properties that no longer fit in with the strategy will be sold eventually. Also in this field Vastned made significant progress by e.g. the sale of shopping centre Het Rond and several smaller assets in smaller and middle-sized cities like Borculo and Bemmel. We have opted for a clear line and therefore have a clear story for our investors. I believe wholeheartedly in this strategy and this clarity also suits me as a person.'

REAL ESTATE TALENT

'The real estate world is dominated by men. I ended up in this world by accident when I was researching the valuation of offices whilst a trainee at Deloitte. I did not just look at the physical buildings at that time, but mainly at the occupants. This was not yet the usual approach at that time. Later, with the crisis, this way of analysing indeed became relevant. That has certainly strengthened my position in the property world. I am also very straightforward, so have been able to stand firm. I managed to still experience the golden times and witnessed the turnaround from up close. I have seen several bankruptcies from close by and have seen budgets shrivel up. So it is important to remain creative and alert.'

FUTURE

'The real estate business is in flux. In the offices and residential market as well, the concepts are being increasingly targeted to occupants, which is a positive development. Offices are being set up as physical social networks, places where people like to work and stay – like in a hotel. Retail has already taken the lead in this. Customers are increasingly being welcomed hospitably by friendly and committed salespeople. Retailers are on the right track, therefore, but there is still often room for improvement. A retail concept is only good if everything is right. Shops must offer an experience, the salespeople must be well informed, there must be an online link in the physical shop, and personally I think hospitality establishments are indispensable. Being able to grab a bite to eat or a drink in a shopping environment adds value to the concept. I think that our insights can help retailers further improve their atmosphere and approach. I cannot wait to talk with them about this.'

Thierry Fourez: The transition is never finalised; continued focus on quality remains

Vastned France underwent an enormous development in 2013. The share of high street shops rose substantially as a result of e.g. the disposal of shopping centre Val Thoiry and properties in the periphery and acquisitions in Bordeaux and Paris. However, the transition is still fully under way, says country manager Thierry Fourez. And we will always continue to optimise the portfolio.

Thierry Fourez (47)

POSITION
Country Manager France, since September 2012

WORK LOCATION
Lille and Paris

BACKGROUND
My background is in retail; I worked as a property manager for McDonalds, Le Duret (Salon du Thé) and Starbucks. I had just established myself as an independent consultant when Vastned approached me for this job.

DIFFERENT IN 2013
Everything! I came to Vastned as a new manager in mid-2012, with a new style and new strategy. It was great that our team of 15 people was very soon on the same page.

FAVOURITE PLACE
The Le Marais neighbourhood of Paris. It is one of the older parts of the city that is very much on the rise. Rue Franbourgeois is a beautiful high street, where small, stylish independent shops exist alongside larger national and international brands.

FAVOURITE BRAND
Nespresso is making coffee into a luxury item by creating a whole world around it, which is accessible for everyone at home. A very clever concept, in which everything is right.

PREMIUM CITIES

Country Manager Thierry Fourez: 'Just like in other parts of Europe, the difference between the smaller cities and the premium cities is growing in France. The chains that initially wanted to have shops everywhere are slowing their growth or even closing locations. So focus will be on the high streets, not just by retailers but also by us. Our biggest challenge is to secure the best locations and pay the right price for them. We are not the only ones with an eye on the properties in the key shopping streets. Especially in Paris, property prices are rising because foreign investors (from the Middle East and China) want to invest their money there. In this competitive environment it is important to have a strong local network and make decisions quickly to invest in the best locations.'

2013

'For us, 2013 was a year of acceleration. We disposed of many properties that no longer fit in with our strategy – shopping centres, retail assets in smaller cities and solitary assets in the suburbs. At the same time we acquired properties in the Golden Triangle of Bordeaux. As a result the share of high street shops increased rapidly, from 65% to 93%. And we are not done yet. We plan to divest more non-strategic assets in 2014. We have sharpened our focus for the coming years even more – on the premium cities. In France we have chosen the cities Paris, Lille, Bordeaux, Toulouse, Lyon and Nice/Cannes. That is where we want to expand our position – to create clusters.'

RETAILERS

'It is no different in France than in the Netherlands, Belgium or Spain. Many retailers are experiencing a tough time and are trying to negotiate lower rents on the lesser locations. It will be much the same in the coming year. There is some recovery, but very gradual. I expect it to stay that way. In any event it is never going to be like it was in the years 2006, 2007 and 2008. However, seen in retrospect, those were not rational times. In the current economic conditions retailers see opportunities through investing in service, design and the integration of e-commerce. Some do that very well, while others are not quick enough. Some sectors are having a hard time. The shops with inexpensive shoes, for instance. You also see electronics stores and the Virgin megastores which were once so big disappearing from the streetscape. They are making way for new parties, from the United States, Great Britain and Italy, for instance. Those are the parties with which we want to do business. For instance, we managed to replace Oxbow in Bordeaux with the popular new Italian cosmetics brand KIKO. Attracting strong brands as tenants also strengthens our portfolio.'

FRANCE

'The unemployment rate (10.5%) as well as taxation remain high which is impacting consumer confidence. Consumption stays at a low level and the estimated GDP growth for 2014 is slightly over 1%. 2014 is a year of local elections which should reflect the frustrations and the fear of the population.
This being said, France and Paris remain very attractive for tourists and investors; if the measures of lower taxation recently announced by the Government are applied, the country should see a more solid growth in the years to come.'

Jean Paul Sols: Belgians like the good life

Vastned Retail Belgium has its own stock exchange listing, but we follow the same strategy as Vastned as a whole. However, the country also has another phenomenon that is unique to it: baanwinkels. Below Jean Paul Sols, CEO Vastned Retail Belgium, talks about what else makes Belgium unique.

Jean Paul Sols (50)

WORK LOCATION
Antwerpen

POSITION
CEO Vastned Retail Belgium, since 2000

BACKGROUND
I studied economics and worked previously for property investment company Rogib and Immobiliën Hugo Ceusters.

DIFFERENT 2013
In April our name changed from Intervest Retail to Vastned Retail Belgium. We have our own stock market listing, but this underscores the closer cooperation and synergy within Vastned as a whole.

BEST BRAND
Rituals. This brand came to Belgium in 2005 and has been growing very fast ever since. The personal care products from Rituals appeal to young and old alike. Almost everything is priced between € 5 and € 30 and is therefore affordable. Their retail concept is slow shopping at its best.

FAVOURITE PLACE
Home. My family and I live in the countryside nearby Antwerp. I spend a lot of time in the city during the week, but on the weekends I enjoy my house and the garden, real country living.

MOST BEAUTIFUL BUILDING
Steenstraat 38 in Bruges. The majestic building was built around 1793 and was later used as a bank. In 2013 it underwent a major renovation and was let to Massimo Dutti.

VASTNED

CEO Vastned Retail Belgium Jean Paul Sols: 'It is noticeable. Vastned has changed. It is more dynamic and more focused. We have a clear long-term strategy but are still maneuverable. We take note of the trends, because the retail landscape can change quickly and the prime locations of today may fall out of favour tomorrow. We are constantly in consultation with the other Vastned teams. When we acquire a property, we look at the future added value and the quality of the location: that means that we look beyond the tenant of today. What is the situation with the possibilities of supply and logistics? We already have a number of targets in mind for 2014 and we are on top of those.'

BELGIUM

'Belgium has fantastic cities with historic city centres and good urban amenities. All these cities are within maximum 100 kilometres for most Belgians. That makes it very dynamic. Belgians are passionate about quality of life. They like nice clothing, architecture, design and shops. My wife accuses me of not looking where I'm going when we are walking in a city. She's right, because I like to gaze at everything there is to see in our cities. Belgians also like to go out, so we always have good restaurants and cafés nearby. All of that makes our cities very lively.'

RETAILERS

'In 2012 we acquired shops in Namur. We merged three shops to create one shop for Desigual, which now operates a very successful shop there. We replaced the old bookshop that was in one of those buildings with fashion brand Mayerline. A nice big store that not only makes the street more dynamic, but also yielded us a substantial increase in rent. In the Leysstraat in Antwerp InWear/Matinique made way for Armani Jeans in 2013; a trophy client in a trophy building. The retailers with whom we do business increasingly see us as partners. We are also unique because of our long-term vision and our ability to contribute ideas to their process. This good relationship also results in multiple contracts for us with clients that rent from us in numerous cities and countries, like H&M.'

BAANWINKELS

'Baanwinkels are a typical Belgian phenomenon. They are spread throughout the country along the major roads. Some 25 years ago it was mainly discounters that used these locations. However, the accessibility, free parking and shopping convenience have made the locations popular. This in turn attracted different retailers and now it is impossible to imagine Belgian retail without the baanwinkels. Vastned is always looking for high-quality property. That is why we have chosen to focus on the high streets. However, we are also keeping the best baanwinkels in our portfolio, as they fulfil our quality requirements. They therefore are a good fit for the 25% other property investments we tend to keep.'

Luis Vila Barrón:

Spaniards like to parade in the high streets

Of all the countries where Vastned invests, Spain has been hit the hardest by the crisis. Country Manager Luis Vila Barrón still managed to bring 2013 to a good conclusion. After months of negotiations, Vastned managed to sell its share in seven shopping centres and a retail park. 2014 will be a year dominated by high streets, with a smaller but strong Spanish portfolio.

Luis Vila Barrón (48)

WORK LOCATION

Madrid

POSITION

Country Manager Spain since 2004

BACKGROUND

After studying law, I worked for several retail organisations and dealt with, among other things, property management, as company lawyer. I ran shopping centres for several years and was asset manager Europe at Predera Investments for four years. I joined Vastned in 2004.

DIFFERENT 2013

The severity. Spain is suffering from the crisis. This made managing our assets and implementing the new strategy more difficult.

BEST BRAND

El Ganso. There are many incredibly good brands in the market and many of them Spanish, but I would like to mention El Ganso because it is quite new and has an impressive expansion plan. This Spanish brand offers affordable fashion for men and women. The menswear line in particular is good and that is unusual, because most affordable brands concentrate on women's fashion. They are expanding internationally and now have branches in France, England, Portugal, Chile and, as of recently, Amsterdam.

BEST HIGH STREETS

The Calle Serrano in Madrid and the Passeo de Gracia in Barcelona. Those are the best shopping streets with the most luxurious brands like Prada, Gucci and Louis Vuitton.

CHALLENGE

Country Manager Luis Vila Barrón: 'Spain is having a difficult time because of the crisis, so we are as well. 2013 was therefore a tough year for us. We had to pull out all the stops to manage our assets and keep our occupancy rate on level. In the meantime the negotiations on the sale of our shopping centres also demanded a great deal of attention. We ultimately managed to sell the entire package to one buyer. Now we will move forward in streamlined form with focus on the high streets. The composition of our portfolio has changed drastically. The share of high street shops increased to 84% and 78% of the portfolio is in premium cities.'

SPAIN

'Spaniards like to go out and love to shop. They parade up and down the high streets. With the new strategy Vastned is opting for quality and stability. The crisis has put the retail sector under pressure, but the high streets in the premium cities are not feeling the pinch. The cities are cultural and historical attractions and Spain also has the sun, sea and beaches. Every year, some five million tourists alone visit Madrid. And they prefer to shop in the high streets of course.'

RETAILERS

'Spain is very much a fashion-focused country. Mango and Inditex are conquering the world and are both originally from here. The strategy that Vastned has chosen is being echoed in the retail sector. The more famous brands are also heading for the high streets and leaving the secondary shopping areas and less important shopping centres. Retail has already taken great leaps in relation to e-commerce. However, compared to the rest of Europe the Spanish consumer is lagging behind in this respect. Spaniards – as I already mentioned – love to shop and love the experience that is part of that. While growth is expected in the coming years, only 5% of purchases take place online here, a much lower figure than in the Northern European countries, where the percentage is above 10%.'

PROUD OF THE TEAM

'I am incredibly proud of my team. We have managed to keep the occupancy rate on level despite the difficult market. The disposal of such a large part of our portfolio also has consequences for the personnel unfortunately. I am pleased that the majority of the team will be employed by the buyer. Everyone remained committed and dedicated to the company's results throughout the sales process. That is class! The most difficult times are behind us and we are looking to the future.'

Bora Karli:

Istanbul: a world city in motion

Vastned Turkey is in fact Vastned Istanbul, a world city with all the characteristics of a premium city. It is not just Vastned that believes in this city, many international retailers are located in the high streets as well. Country manager Bora Karli explains why.

Bora Karli (35)

WORK LOCATION

Istanbul

POSITION

Country Manager Turkey (Istanbul) since 2007

BACKGROUND

I completed my MBA in 2002 and since then my work has always had a focus on property. First for developer ECE and subsequently for retailer TESCO. When Vastned came to Turkey in 2007, I switched over. Vastned is a close team. We closely work together and share a lot of information, also between the different country teams.

FAVOURITE BRAND

I love Apple, but Istanbul still does not have an Apple store, so that's why I choose H&M. A success story in Turkey; affordable, accessible and very strong in teen fashion. They recently decided to open on the high street and to rent one of our assets.

FAVOURITE STREET

Istiklal Caddesi is the most beautiful street in the country. Including the many side streets, there are churches, mosques, hotels, nightclubs, museums, cafés and restaurants, and beautiful shops of course. Vastned has five shops on this high street, housing Topshop, Zara, H&M and Turkcell.

FAVOURITE CITY

Istanbul. I was born and raised there. I've always travelled a lot, but for me Istanbul will always be the most beautiful, wonderful place in the world.

ISTANBUL

Country Manager Bora Karli: 'Compared to other European countries, Turkey is doing very well. Although, the lira has been under pressure recently because of the political unrest and the stricter monetary policy of the United States, which means that less capital is flowing towards emerging countries. The Turkish economy grew by 4.4% in 2013. The elections in March 2014 are also expected to improve the political climate. The metropolis of Istanbul is an important driver behind these developments. Its central location, the agreeable climate, the open atmosphere and the azure sea make the city an international hub where Western Europeans, Eastern Europeans and visitors from the Middle East all meet each other. National carrier Turkish Airlines flies to every continent from Istanbul. Even if economic recovery in Turkey falters, the high streets of Istanbul will still perform strong.'

2013

'2013 was a good year for us. Having our properties fully let was an important target for us. We succeeded at that. We expanded our portfolio to include new tenants like H&M and Doğuş Retail Group. That was preceded by tough negotiations. We also completed two major renovations. That work is completed successfully now as well. With 100% occupancy of our assets – all of which are located in the high streets – we were able to close the year nicely. That gives a sense of satisfaction.'

HIGH STREETS

'Istanbul is an historic international city with museums, hotels, a rich cultural life and a beautiful city centre. The city has about ten major shopping streets; we focus exclusively on the five most important of these. We are not the only ones. If a location comes on the market, we face stiff competition. That is why it is important to know in advance whether a retail location will be coming on the market. Our hands-on mentality and proactive approach are essential in that regard. The lines are short and we act quickly. I have also noticed that selling parties like to do business with us because of our professional attitude and stock exchange listing. They often do not get that from a private investor.'

RETAILERS

'The leading international chains are following our example. They often enter the country via a shopping centre and if that works out well, they also opt for a location on the high street. That is what H&M did this year, for example. The advantage of the high street is the huge amount of footfall and the many tourists that visit the city annually. The shops on the high streets can also set their own opening hours also on Sunday. The accessibility of the centre improved strongly this year when a new metro line was opened.'

TOEKOMST

'Now that the renovations are finished and we have built an excellent portfolio, there is more room to invest. I am convinced that by the end of 2014 we will have further reinforced our position in the top 5 of high streets of Istanbul.'

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Members of the Board of Management and other management team members

Mr. Taco T.J. de Groot MRE MRICS
(1963)

Chief Executive Officer

Nationality: Dutch
Position: Managing Director, CEO
Joined: 1 September 2010
Appointed in current position: 1 September 2011
Number of Vastned shares: 39,110

Other activities

Since 2012:	Supervisor, Vereniging Dierenbescherming Nederland, The Hague
Since 2010:	Supervisory Board Member at Cortona Holdings B.V., Amsterdam
Since 2005:	President of the Holland Real Estate Business Club, Amsterdam

Previous positions

2009 - 2013:	Non-executive member of MSeven LLP Real Estate and Fund Management, London
2009 - 2010:	Partner fund manager MSeven Real Estate and Fund Management, London
2004 - 2009:	Founder and Chief Investment Officer of GPT Halverton Ltd., London
1997 - 2004:	Chief Executive Officer of Cortona Holdings B.V., Amsterdam
1990 - 1997:	Various positions at DTZ Zadelhoff, Utrecht

Education

Dutch Law at Utrecht University and Property and Investment at the University of Amsterdam/ Amsterdam School of Real Estate

Mr. drs. Tom M. de Witte RA
(1966)

Chief Financial Officer
Nationality: Dutch
Position: Managing Director, CFO
Joined: 16 June 2003
Number of Vastned shares: 4,130

Other activities
Since 2013: Supervisory Board Member at Staedion, The Hague

Previous positions
2003 - 2011: CFO Vastned Offices / Industrial, Rotterdam
2002 - 2003: Audit Director at Deloitte, Rotterdam
1991 - 2002: Auditor at Arthur Andersen, Rotterdam

Education
Business Economics, Dutch Law and Accountancy (RA), Erasmus University Rotterdam

Mr. Arnaud G.H. du Pont
(1966)

Nationality: Dutch
Position: Managing Director Investments & Operations
Joined: 1 January 2000
Number of Vastned shares: 1,350

Other activities
None

Previous positions
2000 - 2011: Various management positions at Vastned Retail and VastNed Offices/Industrial, Rotterdam
1997 - 1999: Tax Consultant at PwC, Rotterdam
1995 - 1997: Tax Consultant at BDO, Rotterdam

Education
Fiscal Law, Erasmus University Rotterdam

Marc C. Magrijn LL.M.

(1980)

Nationality: Dutch
Position: General Counsel / Tax Manager
Joined: 1 January 2012
Number of Vastned shares: none

Other activities

None

Previous positions

2009 - 2011: Tax Consultant at Ernst & Young, The Hague
2005 - 2009: Tax Consultant at Deloitte, Rotterdam

Education

Fiscal Law, Erasmus University Rotterdam

Drs. Anneke M. Hoijtink

(1980)

Nationality: Dutch
Position: Manager Investor Relations
Joined: 1 November 2012
Number of Vastned shares: none

Other activities

2012 - present: board member at the Dutch Association for Investor Relations (NEVIR)

Previous positions

2009 - 2012: Manager Investor Relations BinckBank, Amsterdam
2008 - 2009: Investor Relations Officer Achmea, Zeist
2006 - 2008: Trainee Analyst Financial Markets ICC, Utrecht

Education

International Economics and Finance, Tilburg University and International Business and Management Studies, HAN University of Applied Science.

Taco, tell us about your daily work.
'I analyse our markets, anticipate and take action in order to further improve Vastned's performance, through intensive direct contact with my colleagues and customers, both in the Netherlands and abroad.'
Different in 2013:
'The economy in Spain did not stabilise and rent prices kept on falling, in spite of our team's huge efforts. But due to strongly increased property values in the US, there was a bit more interest from American investors. We have taken stock of our situation, and decided to dispose of our secondary shopping centres in Spain. As a result, we are now a fully-fledged high street fund.'

Arnaud, tell us about your daily work.
'Every day I see the differences and similarities in the cultures of the countries where we operate. And it's great to see that there is always something we can learn from each other.'
Different in 2013:
'For me, 2013 was a very special year with new responsibilities. It's given me the opportunity to work more closely with the various country teams, and it's wonderful to see how much talent and enthusiasm there is in our company. They are the people who with their unparalleled dedication have made it possible for us to achieve our goals.'

Anneke, tell us about your daily work.
'The long and short of my work is to communicate to the outside world all the developments at Vastned that may be interesting to them.'
Different in 2013:
'Everything: I joined Vastned in 2013, a new company in a sector that's new to me, and my role in this company is much broader than in previous companies. It was a very educational, intensive, but above all a very enjoyable year.'

Tom, tell us about your daily work.
'The work of a CFO is so varied that it's hard to put it in a few words. Of course, a major aspect has been broadening our relations with existing and new banks and our financing basis with other funding sources than banks.'
Different in 2013:
'In the course of 2013 we were faced with the departure of tenants of a number of bigger units in our shopping centres in Spain. In our efforts to combat this vacancy by attracting new tenants, we found that considerable lease incentives and investments were necessary. One good point was the leasing of our shop on Calle Serrano, where we were able to realise a significant rent increase. This has convinced myself and the rest of our team to redouble our efforts to implement our high street strategy further and to continue working towards selling our shopping centres.'

Marc, tell us about your daily work.
'As General Counsel I keep tabs on the entire organisation. Key focus areas for me are optimising Vastned's tax position within the existing laws and regulations, and guarding and improving the corporate governance structure.'
Different in 2013:
'Laws and regulations are in constant flux, so there are always opportunities and challenges that demand rapid, creative and flexible solutions.'

Mark van Nieuwkerk,
CEO Schaap en Citroen:

SLEEPING BEAUTY HAS AWOKEN

After 125 years, the retail brand Schaap en Citroen is shining like never before. With classic craftsmanship, excellent service and versatile collections, the famous jeweller is reinforcing its position at the top of the market. The new flagship store on the P.C. Hooftstraat in Amsterdam (opening mid-April 2014) is an example of this. Below CEO Mark van Nieuwkerk talks about how the old Schaap en Citroen stays so dynamic and modern.

Schaap en Citroen

CEO

Mark van Nieuwkerk, since 2009

CORE BUSINESS

Jewellery, watches and luxury accessories

BRANCHES

Amsterdam (including the 400m2 flagship store at P.C. Hoofstraat 49-51), Den Bosch, The Hague, Eindhoven, Groningen, Haarlem, Rotterdam and Utrecht.

OBJECTIVE

To continue to represent the top segment of the watch and jewellery market, whilst retaining traditional values and embodying a new élan.

BEST BRAND

'Rolex continues to be a best-seller. This global brand's stability is unprecedented and we consider ourselves lucky to be able to offer it to our customers. Other famous brands carried by Schaap en Citroen include: Patek Philippe, Cartier, CHANEL, Hublot, Montblanc, Baume et Mercier, Zenith, Pomellato and Chopard.'

Mark van Nieuwkerk: 'Schaap en Citroen never went away, but it was a sleeping beauty of sorts. Now we have awoken and nothing is like it was five years ago. In 2010 we were acquired by another renowned old family jewellery business, Leon Martens from Maastricht. Since then our organisation has been undergoing major growth and a culture change. These changes took place in all areas – from collections and our workforce to our purchasing structure and marketing communication. We have reaffirmed ourselves as a leading, progressive and elegant jewellery business. Our secret? Passion and devotion, of course. But also: daring to be different.'

'The customer is our priority. That means that we inform our customers as soon and fully as possible, that our shops have a beautiful and inspiring ambiance and that we assist with the purchase or maintenance of watches and jewellery. The high point in 2013 was our 125th anniversary celebration in the Concertgebouw in Amsterdam. We celebrated our heritage with more than 1,000 invited guests and Schaap en Citroen ambassadors. The passion from everyone was palpable that evening – a wonderful sign that our customers appreciate what we do.'

'The next milestone is the opening of our flagship store in Amsterdam in mid-April 2014. This two-storey state-of-the-art jeweller's shop has unique elements including a lounge with library, bar and atmospheric fireplace. This shop will be our second branch in Amsterdam, and on the P.C. Hooftstraat. From a strategic point of view, the Randstad is seen as increasingly dominant for the luxury market. It is logical for us to want to optimise our visibility there. Incidentally, Vastned contributed significantly to this insight and helped make the decision to locate the store on the P.C. Hooftstraat. This is the leading premium shopping street in the Netherlands. You can park right out front, all top global brands are represented, and the street has international allure and visitors. Our current branch, at P.C. Hooftstraat 40, will be transformed to concentrate on the top brands Rolex and Patek Philippe.'

'As one of the key players, we have also strengthened our relationship with the top jewellery brands. Schaap en Citroen is expanding its brand portfolio on the P.C. Hooftstraat to include brands like Cartier Haute Horlogerie, Girard Perregaux, Lebeau Courally, Lange und Söhne, Panerai, Roger Dubuis, Vacheron Constantin. Our mission is to be number 1 in the Netherlands. Partly thanks to our solid foundation, I am fully confident about the future.'

Jan Eising,
head of international
franchise at Rituals:

LOCATION, LOCATION, LOCATION!

Rituals sales points are popping up all over the world. A success story that started in the year 2000 with its first branch in the Kalverstraat in Amsterdam. Now Rituals has more than 300 shops in 14 countries and another 500 shop-in-shops at renowned department stores like Bijenkorf, John Lewis and Barneys. Jan Eising, Head of International Franchise, explains the success.

RITUALS

FOUNDER/CEO
Raymond Cloosterman

HEAD OF INTERNATIONAL FRANCHISE
Jan Eising

CORE BUSINESS
Home & body cosmetics

BRANCHES
At the end of 2013, Rituals had 300 shops, 500 shop-in-shops and five City Spas.

DREAM
Establish Rituals as a global brand with 1,000 of its own shops worldwide in 2020.

BEST PRODUCT
That differs per country, but the shower foams and body creams are absolute best-sellers.

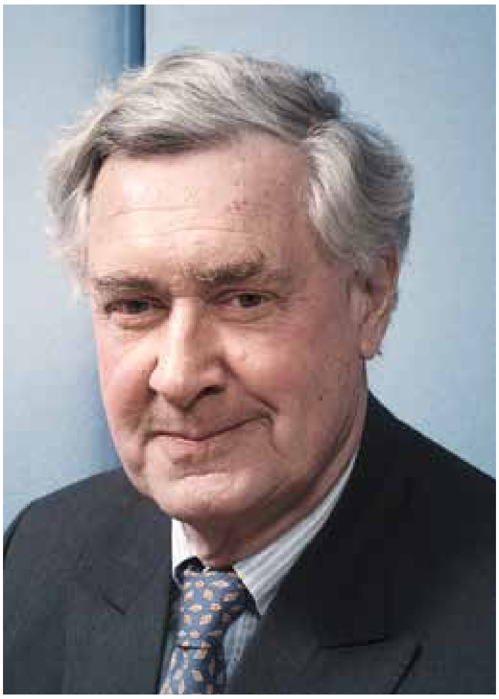
Jan Eising: 'Location, location, location! That is what it is all about in retail. In the Netherlands, Rituals' number of sales points has grown rapidly, so we are now mainly focusing on abroad and optimising our current locations. We are looking for the prime locations both on the high streets and in shopping centres, because we need a lot of footfall. The approach differs per country; while the Netherlands is a "high street country", in Portugal we are mainly in the shopping centres, and Germany is a mix. As a retailer we have the same interest as the landlord/owner of retail buildings. No one benefits from vacancy in a shopping area, so there is much more consultation and cooperation between the parties. We have also been involved more closely in talks with Vastned over the past few years. It is a pleasant and professional club with a clear retail vision. Initially we were mainly looking at their properties in the Netherlands, but we have recently started renting a Vastned building on the Leysstraat in Antwerp as well. Landlords are taking a much closer look at the retail concept than they used to. They like to do business with us because our concept is – and remains – very strong.'

'The success of Rituals started in the year 2000, with its first shop in the Kalverstraat in Amsterdam. The first franchisees came on board in 2004. Everything happened very quickly after that. Our international expansion started in Portugal and spread throughout Europe. Now we are also in Brazil, we have recently opened our first shop in New York and we just signed the master franchise contract for Australia. This means that we will be rolling out and operating our formula in that country via a local entrepreneur.'

'From routine back to rituals, that is the basic thinking behind Rituals. You don't just have a quick shower; you enjoy the moment. Drinking a cup of tea lets you daydream for a bit. Letting people enjoy the little day-to-day things in life again; that is our passion. We have a small marketing budget and we do not advertise. That was a conscious decision. We want to conquer a place in the consumer's heart, not buy a place in their head. This makes our approach path somewhat longer, but it does create a genuine, close and lasting connection with our customer. We have real fans, who fall for our quality, the design, the perfumes and the inspiring stories behind the products.'

'Innovation is another cornerstone of our success. We never stand still and we continue to innovate. We also want to continually surprise our loyal customers. That is why we regularly present something new – in terms of design, product range or merchandising. Customer experience is central for us, not only in our own shops but also in our shop-in-shops, City Spas and online store. That is why we also devote a great deal of attention to the service our employees provide.'

'Our success in the Netherlands did not translate one-to-one to the other countries where we now sell or want to sell Rituals. We do intensive research before entering a new market, therefore. We start cautiously and on a small scale. If our brand takes off in a country – like it has in Belgium, Sweden and Germany – then we step up our roll-out. We also look where we can work together, like with Vastned in Belgium, among other places. On Lafayette Street in Soho, where we opened our New York shop, there are other Dutch chains nearby as well, like Suitsupply and G-Star. We also talk about our experiences with them. We are all pioneers, but that Dutch solidarity makes it just a bit easier.'



Drs. Wouter J. Kolff
(1945)

chairman
Position: retired, former vice-chairman of the Management Board of Rabobank International
Nationality: Dutch

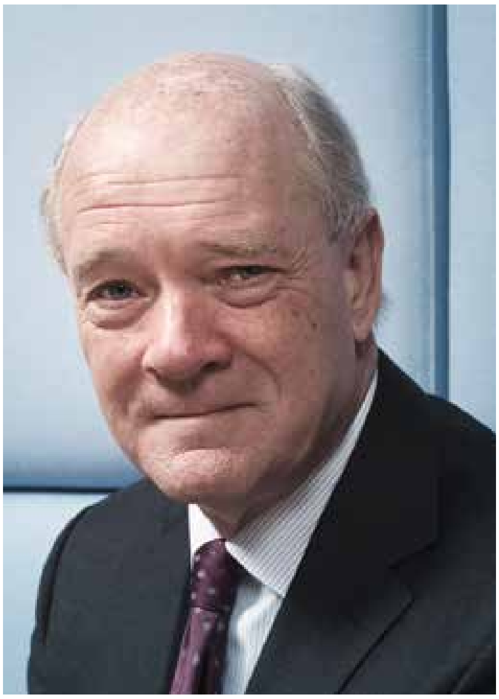
Other supervisory board memberships/positions:
- Strategic Global Advisor YesBank Ltd., India;
- Member of the Management Board of S.A.C. Pei Taiwan Holdings BV.

Dr. Pieter M. Verboom
(1950)

vice-chairman
Position: CFO RFS Holland Holding B.V. and former CFO/Executive Vice-president Schiphol Group
Nationality: Dutch

Other supervisory board memberships/positions:
- Member of the Supervisory Board of Tennet Holding B.V.;
- Chairman of the Board of Governors of the Master's Degree Register Controller, Erasmus University Rotterdam;
- Expert member (deputy) of the Enterprise Division;
- Member of the Supervisory Board of Brisbane Airport Corporation;
- Advisor John F. Kennedy Airport New York; and
- Advisor of "The new CFO program" of the Erasmus University Rotterdam.

PERSONALIA
Members of the Supervisory Board



Jeroen B.J.M. Hunfeld
(1950)

Position: shareholder and partner AHA Company B.V., former Chief Operation Officer Koninklijke Vendex KBB, former chairman BBDO Nederland
Nationality: Dutch

Other supervisory board memberships/positions:
- Member of the Advisory Board of Verenigde Bedrijven Nimco B.V.;
- Member of the Supervisory Board of Vroegop en Ruhe N.V.;
- Non-executive board member van Caringo Inc., Austin Texas, USA.

Mr. Marieke Bax MBA
(1961)

Position: executive adviser KPMG N.V.
Nationality: Dutch

Other supervisory board memberships/positions:
- Member of the Supervisory Board Corbion Nederland B.V.;
- Member Board of Trustees Governance University;
- Member of the Advisory Board Zuidas Institute for financial law and company law
- Member of the Board of Stichting Frans Hals Museum;
- Member of the Board of Stichting De Kleine Komedie and the Fund for the Performing Arts.

For a more elaborate overview of the biographies of the members of the Supervisory Board, please visit Vastned's website.
All positions and other positions have been checked against the criteria specified in the Act on Management and Supervision.

Retailer Roberto Meyer

IT'S ALL ABOUT TEMPTATION

Twelve years ago the luxury footwear retailer Shoebaloo opened an outlet on P.C. Hooftstraat in Amsterdam, the high-end shopping street in the Netherlands where Vastned owns three high street shops. Owner Hartog Streim had the guts to experiment, and asked me to design his shop. As an architect, I felt it was an interesting venture - it was a little outside my normal line of work. How could I tempt the consumer to step inside? I developed a total concept with illuminated plastic elements. I now consider it an 'older work' - but the basic concept is still going strong; I've also used it in the Shoebaloo shops in Utrecht and Maastricht. The outlets are quite different, but they are all total concepts, and what they have in common, is that you can't really see inside. The shop on P.C. Hooftstraat has a façade of dark glass in which you can see, next to your reflection, a number of cleverly illuminated shoes 'floating'. In Maastricht we left the historic façade untouched, and just made some oval holes in the shop window to show you a glimpse of the world behind it. Shop windows like that make the consumer curious. That's deliberate, so as to tempt you to step inside.

As an architect, I am always working with temptation, just like retailers. Over the past ten years, the retail landscape has changed quite a bit. Middle-of-the-road concepts don't work anymore. You have to make a choice: you either sell to the mass market, or you opt for luxury. Myself, I'm tempted by luxury brands. Chanel's shop windows are works of art. I'm also fascinated by Suit Supply. In the Netherlands, it's considered a mid-market brand. But in the rest of the world - New York, South America and Asia - they are very ambitious and belong in the top part of the market. They've done that very cleverly.

A strong brand is so much more than the sum of its products. Atmosphere and identity depend on many different factors, including the shop's design (both interior and exterior) and location. That's why brands like Louis Vuitton deliberately choose locations in high-end shopping streets in popular cities, like Cours de l'Intendance in Bordeaux, where they lease one of Vastned's high street shops. These locations fit the image they are trying to put across and how they want their brand to be perceived. The fit-out of the shop is also instrumental in this. To get it right, they like to work with designers, artists and architects. Shoebaloo chose me. Prada worked closely with architect Rem Koolhaas/ OMA, who developed not only a retail concept for them, but also a vision on the brand and its future. As I said, it's all about temptation.

Jan-Willem Bastijn,
Cushman & Wakefield:

HOW THE REAL ESTATE MARKET REDISCOVERED ITS LIQUIDITY

As a large broker with 250 offices worldwide, Cushman & Wakefield has a clear vision on the developments in retail property. CEO Capital Markets Jan-Willem Bastijn is responsible for the 18 EMEA countries (in Europe, the Middle East and Africa) and deals with Vastned in this position. He outlines the main points from his standpoint.

Cushman & Wakefield

CEO EMEA CAPITAL MARKETS
Jan-Willem Bastijn

CORE BUSINESS
Internationally active real estate adviser in mainly commercial real estate

BRANCHES
Worldwide branches in 60 countries in America, APAC (Far East) and EMEA.

OBJECTIVE
To provide services for commercial real estate in order to assist clients in the transformation from fixed assets to dynamic assets.

BEST STREET
'The Demer in Eindhoven. Eindhoven may not be a premium city, but this is indeed a very successful high street for the Netherlands. Broad, a clearly delineated area and an excellent range of shops. There is never an empty shop there.'

DIFFERENT IN 2013
'The turnaround on the capital market in the autumn, which caused liquidity to increase for the first time in five years.'

Jan-Willem Bastijn: 'Cushman & Wakefield and Vastned regularly encounter each other in a business context, not just in the Netherlands but in other countries as well. In 2013 for instance we were involved in the sale of Val Thoiry, a shopping centre near Geneva that is doing well. Vastned's current strategy is a very wise one. It has chosen the high streets and these are suffering the least from the tough economic times. There are fewer retail assets vacant in the Kalverstraat in Amsterdam than in a shopping area in the Amsterdam-Zuidoost district. The property prices on the high streets are of course somewhat higher and that means the return is perhaps lower. But Vastned does reduce its risk and reinforces stable value appreciation.

'I studied history and ended up in real estate twenty years ago by accident in fact. I started as the youngest employee at Cushman & Wakefield and worked my way up. I saw the market undergo major changes in all those years. First the rapid, unbridled growth and after that the collapse of the market. The current situation is defined by a number of aspects. The available capital is no longer coming mainly from banks, but from private assets. Globalisation is also a factor: investors come from far away. I deal with parties from China, Brazil and Korea, for instance. These force fields are in turn at odds with the underlying economic circumstances caused by problems like cutbacks, unemployment and low consumer confidence.

'In our world people only remember five years back. As Cushman & Wakefield we survived the crisis well, partly because we operate worldwide. Only in 2009 did we have to downsize, but because we adapted our service provision we started growing again thereafter. The crisis of that time has already been almost forgotten, since the most distressed property has been written off. It will probably never be the same as it was, but we did detect a major turnaround on the European capital market in autumn 2013. Liquidity increased and as a result the prices of real estate capital also started to rise again. There will not be any real growth for the time being, but I am moderately optimistic about the future of the European real estate market again.

'The occupational market will not follow these first signs of recovery until later. That is when retailers too will first have a chance to grow some fat on the bone. In the meantime it is a matter of survival and that challenges them to find new paths. Innovation was and is a condition for their survival. The retail sector must have online presence as well as physical locations, and opt for a clear multi-channel approach. This also lends retail a new dynamism. As a property adviser, we see an especially great deal of interest for the larger buildings at the top prime locations, with preferably as broad a front as possible. An example is Apple's flagship store in the Hirschgebouw at the Leidseplein in Amsterdam. An iconic building for an iconic shop. Those are the places that matter – that is where it is happening.'

KEY EVENTS 2013

9/1/2013
Vastned welcomed Armani Jeans and Rituals to the Leysstraat in Antwerp

8/3/2013
Divestment of retail warehouses in France

8/3/2013
Italian cosmetics specialist KIKO becomes new tenant in Bordeaux

25/4/2013
Belgian subsidiary Intervest Retail becomes Vastned Retail Belgium

10/5/2013
Divestment of French shopping centres Val Thoiry and Centre Marine

20/6/2013
Further improvement of the portfolio quality by divestment of 19 French retail buildings

27/6/2013
Vastned strengthens appeal of Walburg shopping centre in Zwijndrecht with new tenants Xenos and Big Bazar and lease renewal with HEMA

8/7/2013
Vastned expands premium city high street position with acquisitions in the P.C. Hooftstraat in Amsterdam

22/7/2013
Vastned expands strong position in Bordeaux's Golden Triangle by acquisition of six premium shopping venues

5/9/2013
Vastned sells interest in the Het Rond shopping centre in Houten to Altera Vastgoed

5/9/2013
Vastned lets P.C. Hooftstraat 49-51 to Schaap en Citroen and realises 42% rent increase

5/9/2013
Vastned's annual report awarded 'Gold Medal Award' from EPRA

30/9/2013
Vastned acquires premium high street shop in Bruges city centre

10/10/2013
Vastned realises further diversification in loan portfolio by taking out a loan with Belgian credit provider Belfius

1/11/2013
Vastned appoints Annelou de Groot as Country Manager Netherlands

4/11/2013
Vastned expands cluster of high street shops in Utrecht city centre with the acquisition of five high street shops

KEY EVENTS AFTER-BALANCE-SHEET DATE

14/01/2014
Update premium city high street strategy

11/02/2014
Vastned divests Spanish shopping centres/galleries and retail park for € 160 million

STRATEGY AND TARGETS

REALISATION OF THE TARGETS

By the end of 2013, Vastned had achieved the most important targets as formulated in 2011. The share of high street shops increased from 48% to 69% and Vastned now has a hands-on and proactive organisation, thanks to new management in the Netherlands and France and the introduction of international account management, whilst maintaining a conservative financing strategy with a loan-to-value between 40%-45%.

	Targets	Status year-end 2012	Status year-end 2013
To increase quality of property portfolio	65% of the total property portfolio consists of high street shops	55%	**69%**
	Disposal of € 90 million in non-strategic property	€ 145 million	**€ 400 million**
	Growth of Istanbul property portfolio to 10% of the total property portfolio	6%	**8%**
Corporate structure and culture	Strengthening the quality of the organisation	Achieved by renewing the management in the Netherlands and France and realising closer cooperate within and between the country teams.	
	International account management		
	More proactive and hands-on management		
Conservative financing policy	Loan-to-value ratio within the bandwidth of 40%-45%	43.9%	**44.6%** *
	At least 25% non-bank financing	14.4%	**16.5%**

* After disposal of Spanish shopping centres/galleries: 39.7%

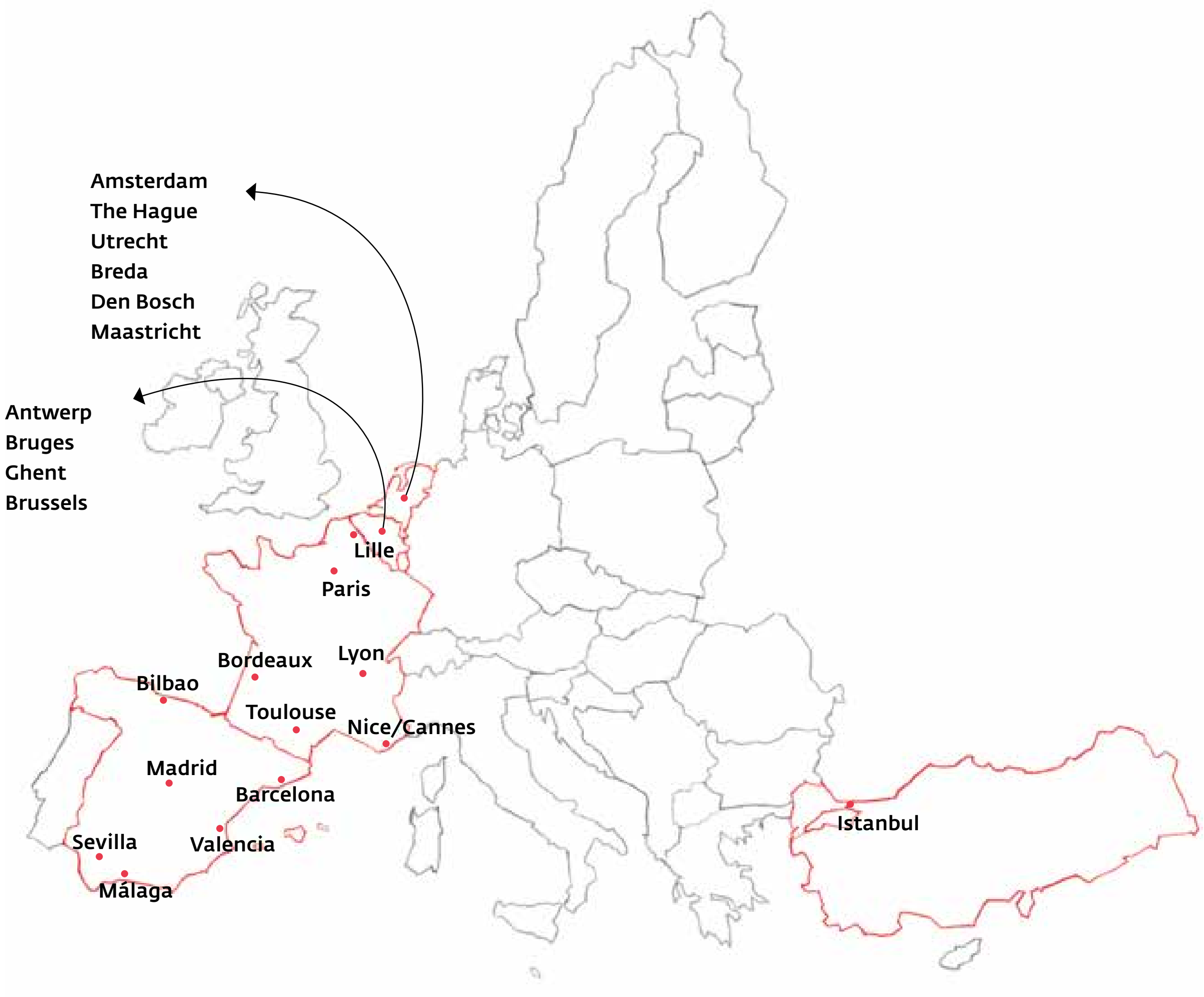
STRATEGY

Vastned has updated its strategy following on its achievement of the key targets. It is important that the existing strategy and update of this strategy announced in January 2014 create value uplift. Value enhancement is a result of quality of the property, quality of cash flows, quality of financing and constant attentiveness to the quality of the organisation.

Vastned's strategy is aimed at increasing the share of high street shops in premium cities from 46% to 75% of the total portfolio. Historical data show that favourable developments take place in the premium cities. The focus on premium cities and the ambition of expanding this category to 75% of the total portfolio offers attractive prospects for Vastned.

Premium cities are the most attractive shopping cities for retailers and consumers with positive demographic development, strong purchasing power, a historic city centre, tourist appeal and the presence of national and international institutions and universities.

The high street shops in the premium cities are increasingly important for leading retail chains/retailers. Retailers choose prime locations where consumers prefer to shop. These prime locations will ultimately show growth in rental value and property value appreciation. Vastned aims to create clusters in these cities so that it can provide retailers with a broad range of properties in these premium cities and create economies of scale. Vastned already has a strong presence in these cities.



Vastned will focus its acquisition strategy on premium cities. Actual acquisitions depend on the opportunities presented by the market. Acquisitions purely to reinforce the profile are not enough. There must be an 'edge' that enables value creation. The growth in the quality of the portfolio is decisive, not simply growth as such. Ultimate value creation depends on timing and market conditions. There is more likely to be value creation if non-strategic assets can be quickly disposed of and reinvestment opportunities also arise quickly in premium cities.

At the end of 2013 54% of Vastned's investment properties were outside the category 'high street shops in premium cities'. The strategic goal leaves latitude of 25% for other investment properties. The most important categories are:

1. high street shops in smaller and medium-sized cities;
2. Belgian baanwinkels; and
3. well-situated supermarkets

High street shops in the best shopping streets of smaller cities are investments with a higher direct return and are therefore attractive to retain. No expansion efforts are directed at these cities/locations however. The Belgian baanwinkels – large-scale retail at peripheral locations – continue to be a very successful phenomenon in Belgium. Supermarkets are investments whose operational and financial performance is less dependent on whether or not they are located in a premium city. They think explicitly in terms of market share. As such the chance of vacancy is generally low. The high quality of this retail property is consistent with Vastned's quality requirements and is reason to retain these assets.

TARGETS

	Targets	Status year-end 2013
Portfolio	Growth in share of high street shops in premium cities to 75% of the total portfolio	46%
	Growth of Turkish portfolio to 10% of the total property portfolio remains a target	8%
Corporate structure and culture	Increasing the quality of the organisation continues to be a constant point for attention	
Conservative financing policy	Loan-to-value ratio of 40%-45% remains a target	44.6% *
	The aim to have at least 25% non-bank financing remains a target	16.5%

* After disposal of Spanish shopping centres/galleries: 39.7%

SHAREHOLDER INFORMATION

ISIN code	**NL0000288918**
Reuters	**VASN.AS**
Bloomberg	**VASTN.NA**

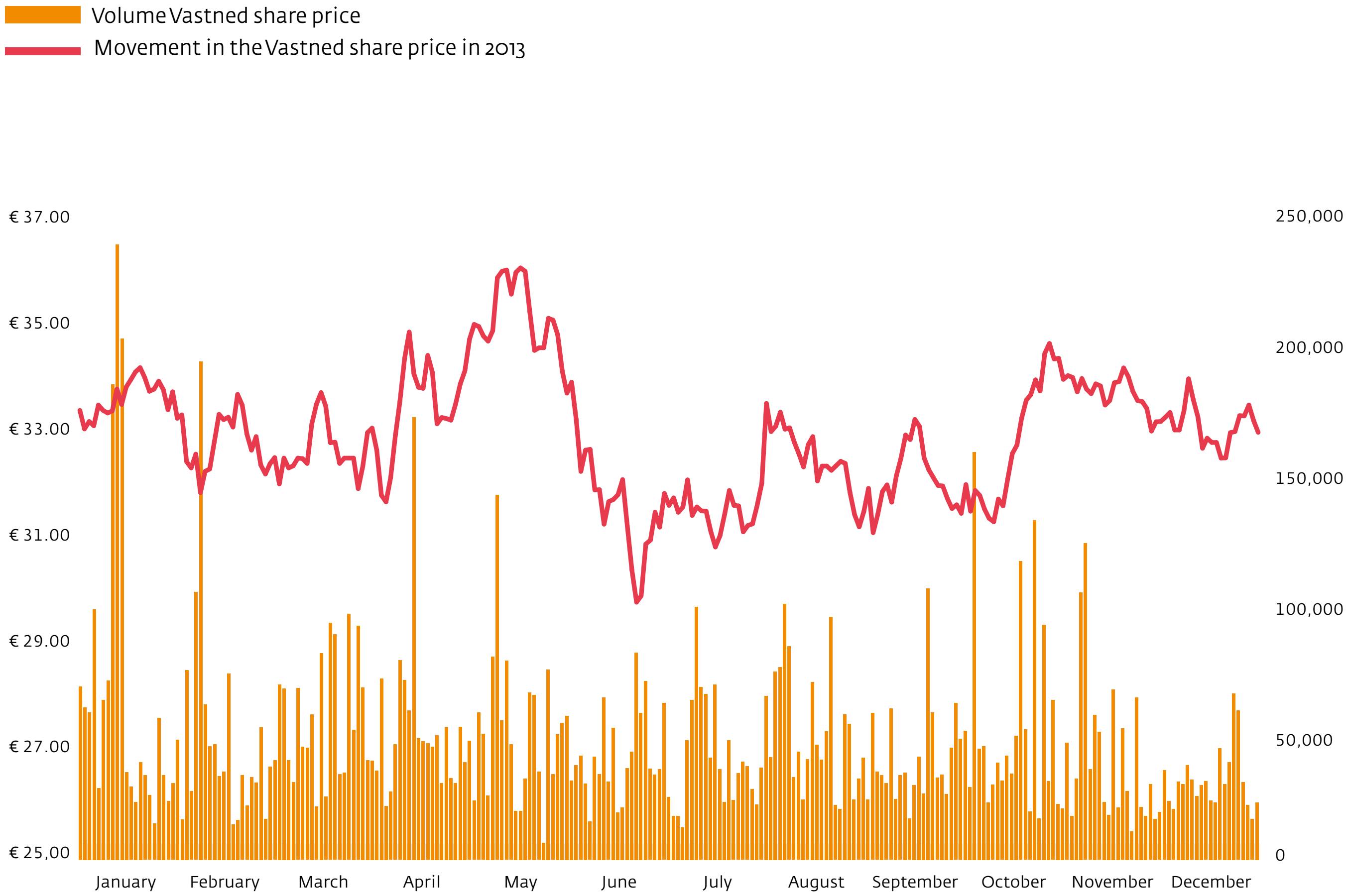
The Vastned Retail N.V. (Vastned) shares have been listed on NYSE Euronext Amsterdam since 9 November 1987 and have been included in the Amsterdam Midkap Index (AMX) since 3 March 2008. Vastned had market capitalisation of € 628 at year-end 2013. The average daily turnover in 2013 amounted to € 1.5 million or 46,318 shares. Vastned uses Kempen & Co as paid liquidity provider to ensure the shares remain continuously liquid.

Vastned is part of a number of indices, including the AMX index, EPRA and GRP. These indices help investors put together their share portfolio.

KEY DATA PER VASTNED SHARE

	2013	2012	2011	2010	2009
Direct investment result per share	**€ 2.85**	€ 3.31	€ 3.61	€ 3.68	€ 4.03
Indirect investment result per share	**(€ 7.53)**	(€ 5.48)	€ 1.56	€ 1.71	(€ 7.64)
Dividend per share	**€ 2.55**	€ 2.55	€ 3.61	€ 3.68	€ 4.03
Net asset value	**€ 41.57**	€ 47.26	€ 53.72	€ 52.75	€ 51.42
Closing share price Vastned at year-end	**€ 32.99**	€ 32.75	€ 34.60	€ 51.98	€ 45.84
Market capitalisation at year-end (€ million)	**628**	623	644	961	837

VASTNED SHARE PRICE



SHAREHOLDER RETURN 2013

The Vastned share price closed year-end 2012 at € 32.75. During the year the price fluctuated between € 29.55 and € 36.30 and ended the year 2013 at € 32.99. Vastned distributed a final dividend of € 1.54 per share for 2012 and an interim dividend of € 0.92 for 2013, bringing the total shareholder return (movement in share price and dividend payment) to 8.2% in 2013. This figure was 11.7% in 2012.

DIVIDEND

After approval from the Annual General Meeting of shareholders, Vastned paid out a final dividend for 2012 of € 1.54 on 22 May 2013. The total dividend for 2012 was € 2.55 per share. An interim dividend of € 0.92 per share was paid on 30 August 2013. This was equal to 60% of the direct investment result for the first six months of 2013 and was therefore in accordance with Vastned's dividend policy. For 2013 as a whole, Vastned is proposing to the Annual General Meeting of shareholders a dividend of € 2.55 per share. This is 89.5% of the direct investment result and in line with the dividend policy, which stipulates that Vastned will distribute at least 75% of the annual direct investment result as dividend.

SHAREHOLDERS

The total number of Vastned shares in issue at year-end 2013 was equal to the number at the end of 2012, i.e. 19,036,646. The nominal value per share is € 5. No shares were issued during the year nor were there any share repurchase programmes.

The Disclosure of Major Holdings Act was tightened on 1 July 2013, with the effect that shareholders with an interest greater than or equal to 3% (previously 5%) must report this to the Netherlands Authority for the Financial Markets (AFM). At year-end 2013, Vastned was aware of the following shareholders with a major holding:

- Commonwealth Bank of Australia: 5.79%
- APG Algemene Pensioen Groep N.V.: 5.15%
- Fidelity Management & Research LLC: 3.03%
- BlackRock, Inc.: 3.02%

Managing directors Mr De Groot (CEO) and Mr De Witte (CFO) owned 39,110 and 4,130 Vastned shares respectively as at year-end 2013. They built up these positions using their private assets or through variable remuneration in shares in order to reinforce their commitment to the company. The members of the Supervisory Board do not hold any Vastned shares and as such comply with the independence criteria specified in best practice provision III.2.1 of the Dutch Corporate Governance Code.

INVESTOR RELATIONS

DISCLOSURE

Vastned attaches a great deal of importance to informing all of its stakeholders simultaneously, on a timely basis, and in a clear and unambiguous way, of the company's developments. Vastned accomplishes this by issuing press releases, semi-annual and annual reports, trading updates, participation in investor road shows and conferences, and by making information available on Vastned's website. Vastned can also be followed on Twitter (@Vastned).

When semi-annual and annual figures are published, the presentations to analysts can be followed simultaneously by all interested parties via an audio webcast broadcast live on www.vastned.com. The presentations are announced and placed on the website. The CEO, CFO and the Manager Investor Relations are actively involved in this. Other Vastned employees are also involved in specific events such as property tours.

Vastned aims to engage in an active and constructive dialogue with actual and potential shareholders. In that regard, it has regular bilateral contacts with institutional investors and major private investors, in which Vastned only provides information that is not considered price-sensitive.

PRICE-SENSITIVE INFORMATION

Vastned always discloses price-sensitive information to the general public via press releases, reports it to the financial authorities (AFM) and places it on www.vastned.com. This applies to regular financial reports and other press releases. Only information that has already been made public is commented upon in contacts with the press, investors, analysts or other interested parties. Vastned does not hold any analysts' meetings and does not have any direct discussions with investors or potential investors in the period immediately preceding the publication of the financial reports.

ANNUAL REPORT

In its annual report, Vastned attempts to portray an image, as clear and transparent as possible, of the activities and developments that have taken place in the past year. The annual report is also an important means of explaining in detail the company's strategy and vision. Vastned received Gold Medal Awards from the European Public Real Estate Association (EPRA) for both its 2011 and 2012 annual reports. This award is presented to organisations that best implemented EPRA's Best Practice Recommendations (BPR). The objective of the BPRs is to increase the transparency and consistency of the financial reporting produced by listed property funds. Quality, stability and predictability are core values for Vastned, which it pursues in all its activities, including its financial reporting.

With effect from 2012, Vastned has decided to publish its annual report exclusively in PDF format on www.vastned.com, in both Dutch and English. The annual report is also available at the offices of Vastned for perusal.

SELL-SIDE ANALYSTS

As a listed property company Vastned is covered by nine analysts. They follow developments at Vastned closely and publish reports on these developments regularly. The reports of these sell-side analysts are neither evaluated nor corrected in advance by Vastned other than for factual inaccuracies. Vastned also does not pay fees to any parties for drawing up analysts' reports.

Banks	Advice	Price target
ABN AMRO	Sell	€ 28.00
Bank DeGroof	Hold	€ 39.00
Berenberg Bank	Buy	€ 39.00
Goldman Sachs	Neutral	€ 34.00
HSBC	Neutral	€ 34.00
ING	Buy	€ 36.10
JP Morgan	Neutral	€ 35.00
Kempen & Co.	Overweight	€ 36.00
Petercam	Add	€ 36.80

As at year-end 2013

CONTACT INFORMATION

For additional information about Vastned and/or the Vastned share, please contact Vastned's Manager Investor Relations:

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M: +31 6 31637374
E: anneke.hoijtink@vastned.com
W: www.vastned.com

FINANCIAL CALENDAR 2014

January

		1	2	3	4	5
6	7	8	9	10	11	12
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31						

2013 Annual results

April

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Annual General Meeting of shareholders

Ex-final dividend

First quarter 2014 trading update

Dividend record date

Payment date final dividend

June

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August

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Publication of 2014 semi-annual results

Ex-interim dividend

Dividend record date

Payment date interim dividend

September

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November

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First nine months 2014 trading update

December

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29	30	31				

REPORT OF THE BOARD OF MANAGEMENT

REVIEW OF THE PROPERTY PORTFOLIO

INTRODUCTION

Rental income is the primary source of revenue for a property company. Vastned primarily lets property to leading international and national retailers. For these parties the physical shop is not only an important means of distribution for the sale of their products, it also plays an increasingly important role in distinguishing and marketing their brands. This development has significantly altered the role of the shop compared to a decade ago. The changed economic climate and growth of e-commerce also makes retailers increasingly critical about the shop (location). As a result, there is a growing divide between popular and less popular retail locations. This trend is confirmed in Vastned's results. This has prompted Vastned to further increase its position in high street shops over the past years and it will continue on its chosen course to further boost the quality of the property portfolio.

SHARPENED STRATEGY

One of the three pillars of the strategy, in addition to a conservative financing policy and hands-on and proactive organisation, is the focus on high street shops in premium cities. These are shops located in the most popular shopping streets of a selected number of European cities with the following five characteristics:

- positive demographic trends;
- strong purchasing power;
- historic city centre;
- tourist attractions; and
- host to national and international institutes and universities.

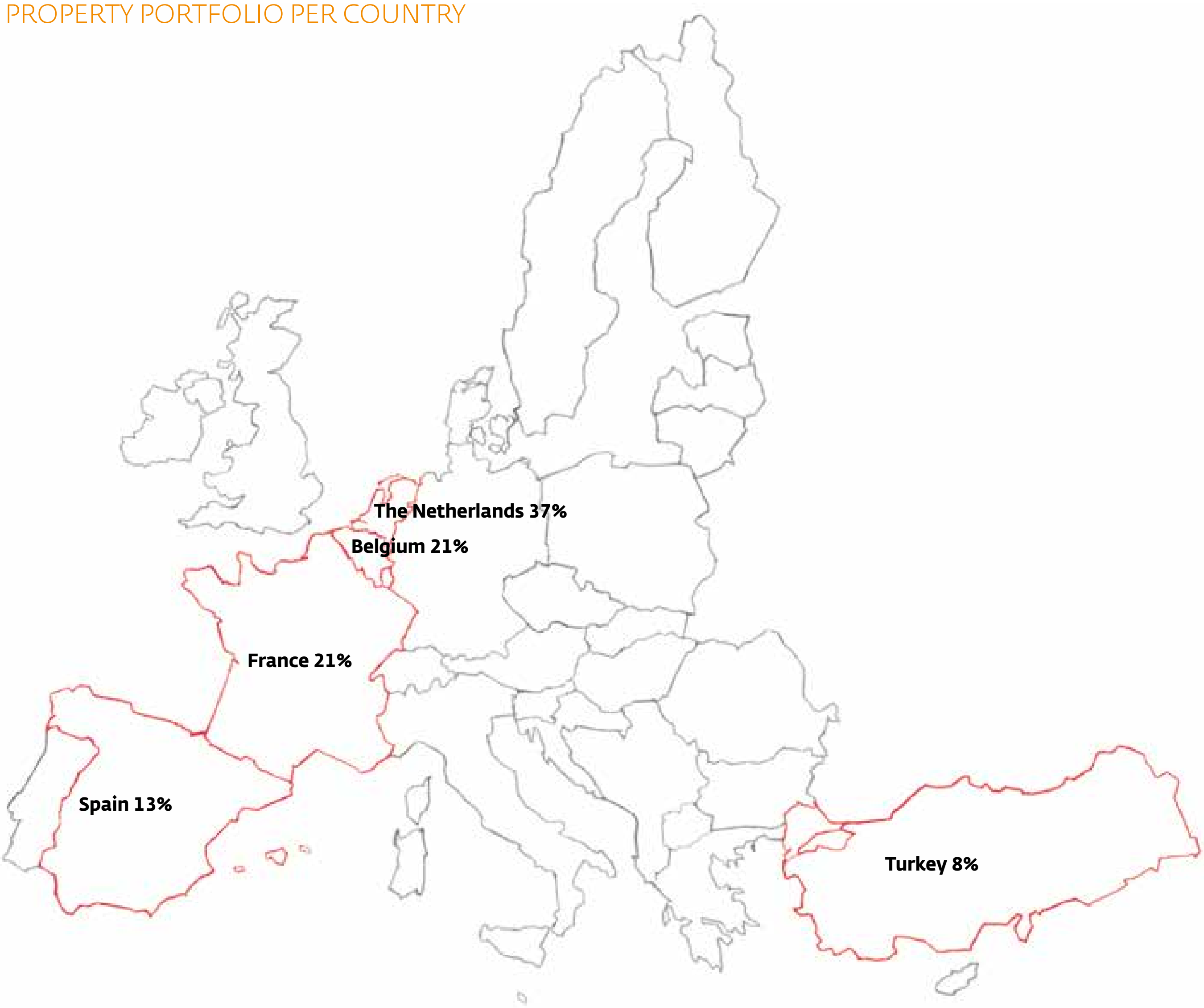
PROPERTIES

In 2013 Vastned increased the share of high street shops in its portfolio from 55% to 69%, whereby it achieved one of its key targets. Vastned is narrowing its focus even further with its renewed target, whereby 75% of the total property portfolio will be invested in high street shops in premium cities. At year-end 2013 the share of high street shops in premium cities was 46% of the total property portfolio. The target of 75% is therefore ambitious but nonetheless realistic.

At year-end 2013, the total property portfolio comprised 466 properties spread across six countries (year-end 2012: 513 properties) and amounted to € 1.7 billion. Compared to the end of 2012 (€ 2.0 billion) the size of the property portfolio decreased in 2013, partly because Vastned was a net seller during the year. The acquisitions and disposals improved the quality of the portfolio significantly, which will enable Vastned to achieve predictable and stable results.

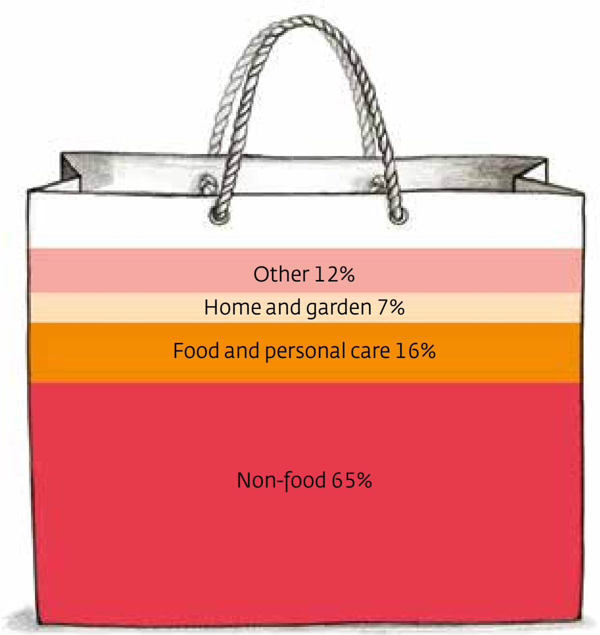
At the beginning of 2014, Vastned reached agreement on the sale of seven shopping centres/galleries and a retail park in Spain. With this disposal, the total property portfolio comprises 458 properties and amounts to € 1.5 billion. This also increases the share of high street shops from 69% to 76% and the share of premium city high street shops from 46% to 51% of the total property portfolio.

PROPERTY PORTFOLIO PER COUNTRY



PROPERTY PORTFOLIO PER TYPE

INDUSTRY SPREAD



OCCUPANCY RATE

The occupancy rate was 94.0% at year-end 2013, which represented just a slight decline despite the challenging retail climate (end of 2012: 95.0%). The average financial occupancy rate was also stable in 2013 and was 94.0% (2012: 95.1%). The occupancy rate of high street shops was markedly higher than that of the other investments. High street shops in premium cities showed the highest occupancy rate at year-end 2013: 99.2%.

OCCUPANCY RATE PER COUNTRY

in %

	Year-end 2013	Year-end 2012	Average 2013	Average 2012
The Netherlands	96.8	97.0	96.5	96.6
France	95.4	94.4	95.2	94.8
Belgium	95.4	97.1	95.7	97.5
Spain/Portugal	86.6	90.4	89.0	90.8
Turkey	100.0	100.0	88.8	100.0
Total	**94.0**	**95.0**	**94.0**	**95.1**

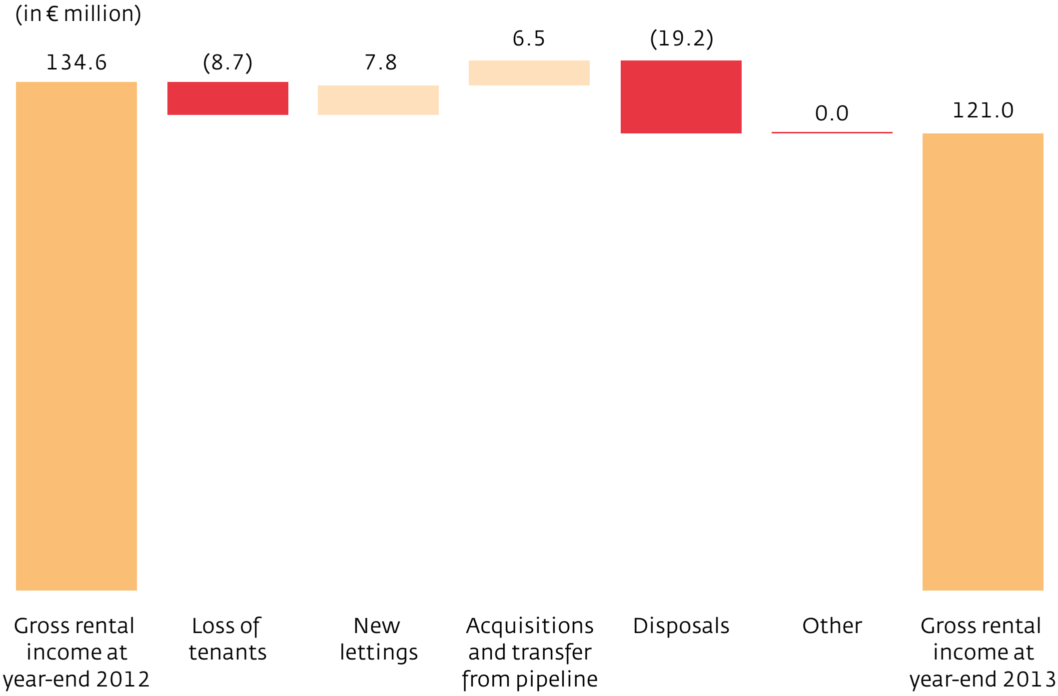
OCCUPANCY RATE PER TYPE YEAR-END 2013

in %

	Premium cities	High street shops other	Other	Total
The 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	n/a	n/a	**100.0**
Total	**99.2**	**94.7**	**89.7**	**94.0**

MOVEMENT RENTAL INCOME

(in € million)



TOP 10 LOCATIONS YEAR-END 2013

	Bookvalue (x € 1 million)	Theoretical gross rental income (x € 1 million)	Occupancy rate (in%)	Number of tenants	GLA (sqm)
Parijs, centre	106.1	5.5	99.1	12	5,625
Istanbul, Istiklal Caddesi	93.8	5.8	100.0	6	8,505
Bordeaux, centre	84.0	4.3	99.0	23	9,567
Utrecht, centre	58.9	3.4	100.0	33	11,111
Amsterdam, centre	55.4	2.7	98.3	19	4,238
Den Haag, centre	54.9	2.9	100.0	25	8,421
Lille, centre	53.9	3.4	96.8	33	7,803
Brussel, centre	46.9	2.7	97.3	10	8,109
Antwerpen, centre	40.7	2.2	100.0	11	3,802
Zwijndrecht, shopping centre Walburg	35.0	2.8	95.4	30	14,174
Total	**629.6**	**35.7**	**98.8**	**202**	**81,355**

INDEXATION

Virtually all leases concluded by Vastned contain indexation clauses. The indexation clauses included in the Vastned leases ensure that there is a strong correlation between inflation and the increase in rental income. The inflation compensation clause provides for an increase, generally based on the consumer price index (CPI), except for the French property portfolio, which is based on a weighted index (ILC), unless agreed otherwise. In addition, in a number of instances fixed indexation is used. The leases in Turkey stipulate different indexation clauses based on individual agreements. All these lease contracts are in euros.

LEASING ACTIVITY

Active asset management is of major importance in achieving an attractive result. After all, aside from indexation, growth in rental income can be realised by letting vacant spaces and renegotiating lease conditions with existing tenants. This translates into new leases and lease renewals, collectively referred to as leasing activity. The total leasing activity in 2013 was € 18.5 million (2012: € 18.3 million). This equalled 14.4% of the theoretical gross rental income (2012: 12.9%). The departure of 127 tenants, representing € 8.7 million (2012: € 7.0 million) in annual rental income was partially compensated by 107 new leases, representing annual rental income of € 7.8 million (2012: € 9.2 million). Especially in Spain it remained a challenge to keep the shopping centres let at the same rent levels.

LEASING ACTIVITY 2013

in %

	Leasing activity		New leases		Lease renewals	
	Movement in gross rental income	Volume	Movement in gross rental income	Volume	Movement in gross rental income	Volume
The Netherlands	(7.0)	13.7	4.9	5.7	(14.0)	8.0
France	(3.7)	9.6	(6.0)	5.3	(0.7)	4.3
Belgium	5.1	10.4	1.5	5.0	8.7	5.4
Spain/Portugal	(24.8)	18.0	(35.3)	3.3	(21.9)	14.6
Turkey	(15.6)	28.4	(18.7)	23.9	5.9	4.5
Total	**(12.7)**	**14.4**	**(10.9)**	**6.1**	**(14.1)**	**8.3**

Vastned signed new leases with appealing retailers such as Armani, Schaap en Citroen, Zadig&Voltaire, Rituals, KIKO and Pull&Bear. Attracting these strong retailers and acquiring properties in premium city locations both contribute to the improved portfolio quality that Vastned envisions.

A total of 158 lease renewals were also concluded, representing € 10.7 million in rental income (2012: € 9.1 million). In 2013 new leases and lease renewals taken together were concluded on average 12.7% below the previous rent level (2012: 2.9% below the previous rent level). This was also mainly due to lower rents in the shopping centres in Spain. These Spanish contracts were concluded at on average 33.2% below the previous rent level. Leases for premium city high street shops of the total portfolio were concluded at rents that were 3.2% higher on average, however.

Taking lease incentives into account, the new leases and lease renewals were concluded at on average 17.3% below the previous rent level (2012: 8.3% below the previous rent level). For premium city high street shops this was 0.3% higher than the previous rent level.

The number of bankruptcies among retailers rose in 2013. In the Netherlands, Free Record Shop, Schoenenreus and Harense Smid all restarted in streamlined from after their bankruptcies. Vastned had not let any retail locations to Harense Smid, but the shops that Vastned had let to Free Record Shop and Schoenenreus all remained open after the restart.

LEASING ACTIVITY 2013 PER TYPE

	Volume		Movement in gross rental income	
	in € million	%	in € million	%
Premium city high street shops	7.3	5.7	0.2	3.2
High street shops other	3.1	2.4	(0.1)	(4.9)
Other	8.1	6.3	(2.8)	(25.4)
Total	**18.5**	**14.4**	**(2.7)**	**(12.7)**

LIKE-FOR-LIKE GROWTH IN RENTAL INCOME

The trend in rental income is largely dependent on the leases that were not renegotiated, but that were, however, indexed. The like-for-like rental growth in comparison to 2012 was 1.4% negative. The high street shops in premium cities showed more attractive gross like-for-like rental growth (4.2% positive) than the other investments (3.6% negative). A more detailed description is presented on page 82 under Review of the 2013 financial results.

LEASE INCENTIVES

Lease incentives such as rent-free periods, lease discounts and other payments or contributions benefiting the tenant represented 4.1% of the gross rental income (2012: 2.9%). In absolute terms, the lease incentives increased to € 4.7 million (2012: € 3.7 million). This rise was primarily due to the lease incentives in the Spanish and Dutch property portfolios.

LEASE INCENTIVES PER COUNTRY

in %

	2013 actual	2012 actual	2013 IFRS	2012 IFRS
The Netherlands	(2.4)	(1.2)	(1.8)	(1.0)
France	(3.1)	(2.2)	(2.8)	(1.9)
Belgium	(2.2)	(1.2)	(1.6)	(1.5)
Spain/Portugal	(7.4)	(6.3)	(7.5)	(6.6)
Turkey	(13.5)	(19.3)	(4.9)	(2.2)
Total	**(4.1)**	**(2.9)**	**(3.4)**	**(2.5)**

TENANTS

The total number of tenants in terms of leases, excluding apartment tenants and lessees of parking spaces, was 1,294 at year-end 2013. There were also 306 residential units, the majority of which are residential apartments above shops. The annualised gross rental income of these apartments totalled € 2.0 million in 2013.

TOP 10 TENANTS HOLDING 2013

Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
H&M	10.9	9.0	14	26,167
Inditex	6.3	5.2	16	13,103
A.S. Watson	2.7	2.2	23	9,061
Blokker	2.2	1.8	22	13,428
Macintosh	1.6	1.4	18	11,718
Media Markt	1.5	1.3	2	9,462
Armand Thiery	1.4	1.1	7	5,028
E. Leclerc	1.4	1.1	1	10,173
GAP	1.3	1.1	1	912
Doğuş Retail Group	1.3	1.1	1	1,975
Total	**30.6**	**25.3**	**105**	**101,027**

MARKET RENT

Vastned commissions appraisals that also establish the market rent, or Estimated Rental Value (ERV), of the various retail units. This provides relevant information that enables Vastned to identify reletting-related opportunities and threats. A comparison of these market rents with the theoretical rental income (i.e. the gross rent in the event of full letting) shows the theoretical income to be 103.6% of the market rents at year-end 2013 (2012: 101.2%). The limited under-rent in France and Turkey is offset mainly by the over-rent in Spain.

(OVER)- UNDER RENT PER COUNTRY YEAR-END 2013

	Theoretical gross rental income (x € 1 million)	Market rent (x € 1 million)	(over) - under rent (in %)
The Netherlands	44.4	43.8	(1.3)
France	21.8	22.2	1.8
Belgium	23.2	22.5	(3.3)
Spain/Portugal	31.3	27.4	(14.0)
Turkey	8.0	8.4	3.8
Total	**128.7**	**124.3**	**(3.6)**

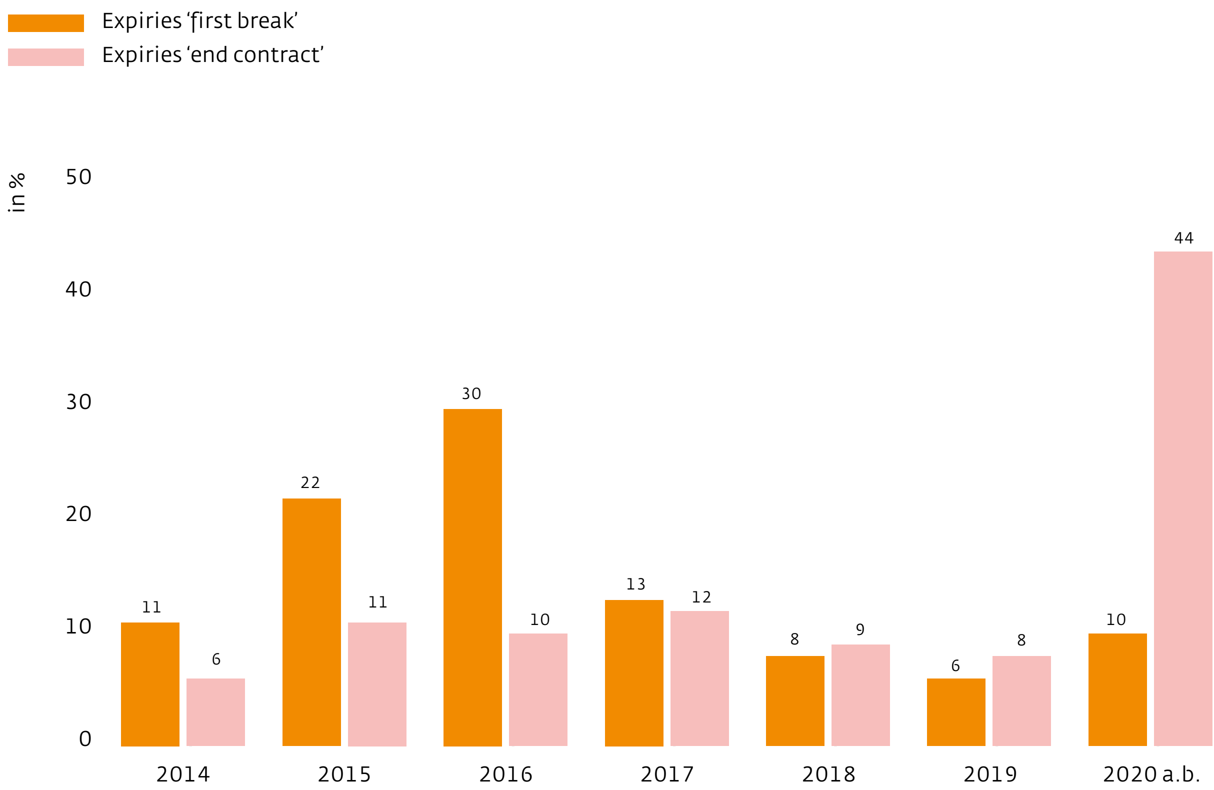
LEASE EXPIRY DATES

The typical terms of leases differ on the basis of the specific agreements and local legislation and customs. Vastned operates in six countries with different lease types in each country.

In terms of expirations, Vastned differentiates between the tenant's next optional termination date and the end of the lease. The graph below shows the expiry dates of the total property portfolio. The average term is 6.7 years (year-end 2012: 6.2 years).

Upon expiry of a lease, there often is a possibility of adjusting the rent. Taking into account the time remaining until the tenant's next possible termination date, an option that is generally not exercised, the average lease term is 3.4 years (year-end 2012: 3.0 years).

LEASE EXPIRIES AT YEAR-END 2013



ACQUISITIONS

During 2013 Vastned acquired € 103.7 million in high street shops. The acquisitions took place in the premium cities of Amsterdam, Bruges, Bordeaux, Maastricht, and Utrecht. These acquisitions enabled Vastned to increase its footprint in these cities and offer retailers a broad range of high street shops in premium cities.

ACQUISITIONS IN 2013

The Netherlands	Belgium	France
Amsterdam	**Bruges**	**Bordeaux**
Leidsestraat 23	Steenstraat 38	Cours de l'Intendance 56-66
P.C. Hooftstraat 49-51		Rue de la Porte Dijeaux 35-37
P.C. Hooftstraat 78		
Maastricht		
Wolfstraat 27-29		
Utrecht		
Bakkerstraat 16 -16a		
Oudegracht 124		
Oudegracht 157-159		
Steenweg 31-33		

DIVESTMENTS

Vastned divested a total of 62 non-strategic properties in 2013 at € 269 million. These included retail locations in smaller cities like Borculo, Sittard, Zoetermeer, Arras and Chaumont. Larger shopping centres in Thoiry, Duinkerken and the 50% interest in the Het Rond shopping centre in Houten were also disposed of in 2013. The target of € 200 million in disposals which Vastned had set for itself at the beginning of 2013 was amply realised therefore. The disposals contributed significantly to strengthening Vastned's high street shop profile. The sales proceeds were used for investments in high street shops and the redemption of loans. The properties were sold at 3.4% below book value on average, so that a sales result of € 9.5 million negative was realised after deduction of sales costs. After third party interests in shopping centre Het Rond, the sales result was € 6.7 million negative.

INVESTMENT PROPERTIES UNDER RENOVATION AND IN PIPELINE

At year-end 2013 Vastned did not have any investment properties under renovation and had one investment property in the pipeline: Achterom 1-5 and Spoorhaag 130-134 in Houten, the Netherlands.

ASSETS HELD FOR SALE

At the beginning of 2014 agreement was reached on the sale of seven shopping centres/galleries and a retail park for € 160 million. At year-end 2013 these assets were valued at the sales price after deduction of sales costs under 'Assets held for sale'.

VALUE MOVEMENTS IN INVESTMENT PROPERTIES

Vastned has its property portfolio appraised twice a year by an external appraiser. The value movements in investment properties were € 121.6 million negative (2012: € 122.2 million negative). This was primarily due to the write-down of the Spanish portfolio to the sales price (net of sales costs), in anticipation of the sale of Spanish shopping centres/galleries at the beginning of 2014.

The values of the Dutch, French and Turkish property portfolios fell by 3.7%, 0.4% and 1.8% respectively. The value declines of the Dutch and French property portfolios were mainly caused by the other asset class and by the acquisition costs in the Dutch and French markets of € 4.9 million. In contrast, the values of the portfolios of premium city high street shops in the Netherlands and France rose by 1.9% and 1.7%.

In Belgium, the value of the property portfolio rose by 7.6% compared to 2013 starting values. This rise was mainly caused by aligning the appraisal methodology for the Belgian property portfolio between Vastned and Vastned Retail Belgium in early 2013, which resulted in a positive revaluation of this portfolio of € 28.0 million (Vastned share: € 18.3 million).

The EPRA 'topped-up' net initial yield (NIY), which is calculated by dividing the annualized rental income based on the actual rent on balance sheet date, adjusted for expiring rent-free periods and/or other expiring lease incentives, minus non-recoverable service charges, by the market value of the investment properties plus the estimated purchase costs, was 5.6% at year-end 2013.

VALUE MOVEMENTS INVESTMENT PROPERTIES 2013

(in %)

	Premium city high street shops	High street shops other	Other	Total
The Netherlands	1.9	(5.7)	(5.3)	(3.7)
France	1.7	(0.8)	(3.1)	(0.4)
Belgium	8.2	9.6	6.2	7.6
Spain/Portugal	0.6	(4.5)	(39.8)	(33.2)
Turkey	(1.8)	–	–	(1.8)
Total	**2.2**	**(2.0)**	**(13.7)**	**(5.8)**

APPRAISAL METHODOLOGY

The larger properties with a value or anticipated value of at least € 2.5 million make up approximately 79% of Vastned's property portfolio and are appraised every six months by appraisers of international standing. The smaller properties (<€ 2.5 million) are appraised once a year by an external appraiser and are evenly spread across the half years for this purpose. Vastned ensures that all relevant information is made available to the external appraisers to enable them to issue well-considered judgements.

The valuation methodology is based on international appraisal guidelines (RICS Appraisal and Valuation Standards). A more detailed description of this appraisal methodology is contained on page 151 of the financial statements.

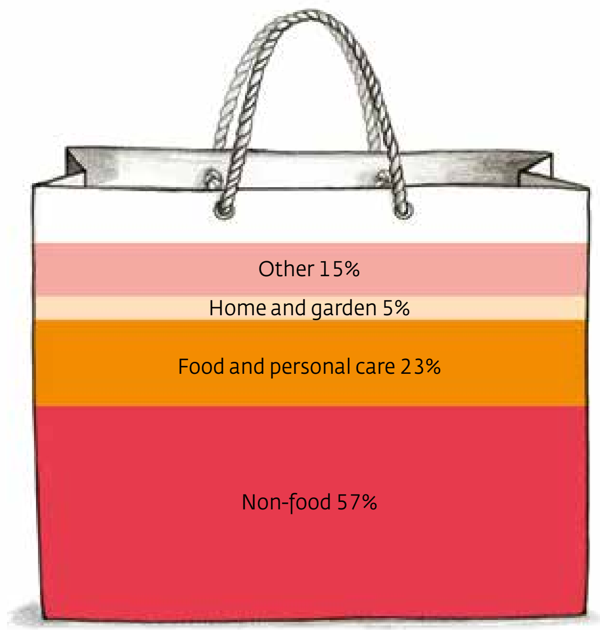
REVIEW OF THE DUTCH PROPERTY PORTFOLIO

PROPERTIES

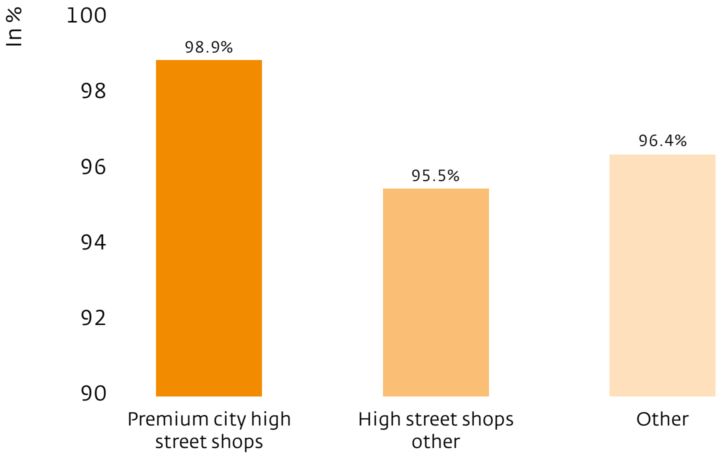
The value of the Dutch property portfolio was € 623.3 million at year-end 2013 and the portfolio contained 257 properties. Last year, Vastned disposed of more properties than it acquired. The property portfolio in the Netherlands therefore decreased in size (2012: € 719.5 million). On the other hand, the quality of the property portfolio was significantly improved as a result of the active acquisition and divestment policy. The share of high street shops rose from 57% to 70% and at 96.8% the occupancy rate remained virtually equal to that at the end of 2012 (97.0%), despite the tough times faced by retailers due to low consumer spending.

PROPERTY PORTFOLIO PER TYPE

INDUSTRY SPREAD



OCCUPANCY RATE IN THE NETHERLANDS YEAR-END 2013



In the Netherlands, Vastned is targeting these six premium cities: Amsterdam, The Hague, Utrecht, Maastricht, Den Bosch and Breda. At year-end 2013, Vastned had € 223.5 million invested in these premium cities and the share of high street shops in premium cities was 36%.

TOP 10 LOCATIONS IN THE NETHERLANDS END 2013

	Bookvalue (x € 1 million)	Theoretical gross rental income (x € 1 million)	Occupancy rate (in%)	Number of tenants	GLA (sqm)
Utrecht, centre	58.9	3.4	100.0	33	11,111
Amsterdam, centre	55.4	2.7	98.3	19	4,238
The Hague, centre	54.9	2.9	100.0	25	8,421
Zwijndrecht, shopping centre Walburg	35.0	2.8	95.4	30	14,174
Utrecht, shopping centre Overvecht	20.7	1.6	100.0	17	5,374
Lelystad, centre	19.3	1.6	91.6	11	9,437
Amsterdam, shopping centre Boven 't IJ	18.7	1.3	92.4	2	9,988
Almere-Buiten, shopping centre Buitenmere	16.7	1.4	97.3	15	4,955
Breda, centre	16.3	1.1	95.9	10	1,973
Maastricht, centre	12.1	0.7	100.0	5	1,489
Total	**308.0**	**19.5**	**97.5**	**167**	**71,160**

LEASING ACTIVITY

Vastned signed many new leases and lease renewals last year. In total the rental volume was € 6.1 million (87 contracts). These contracts were on average 7% below the previous rent level. Lease contracts for premium city high street shops were on average 21.2% above previous rent levels. Attractive new leases included the contracts with jewellery shop Schaap en Citroen for P.C. Hooftstraat 49-51 in Amsterdam, fashion specialist Bon Dia for Kalverstraat 9 in Amsterdam, and Spanish fashion chain Pull&Bear for Oudegracht 161 in Utrecht, achieving rent increases of 42%, 40% and 21%, respectively. The shops that Vastned let to Free Record Shop and Schoenenreus were among the few shops that remained open after the restart of these two retailers.

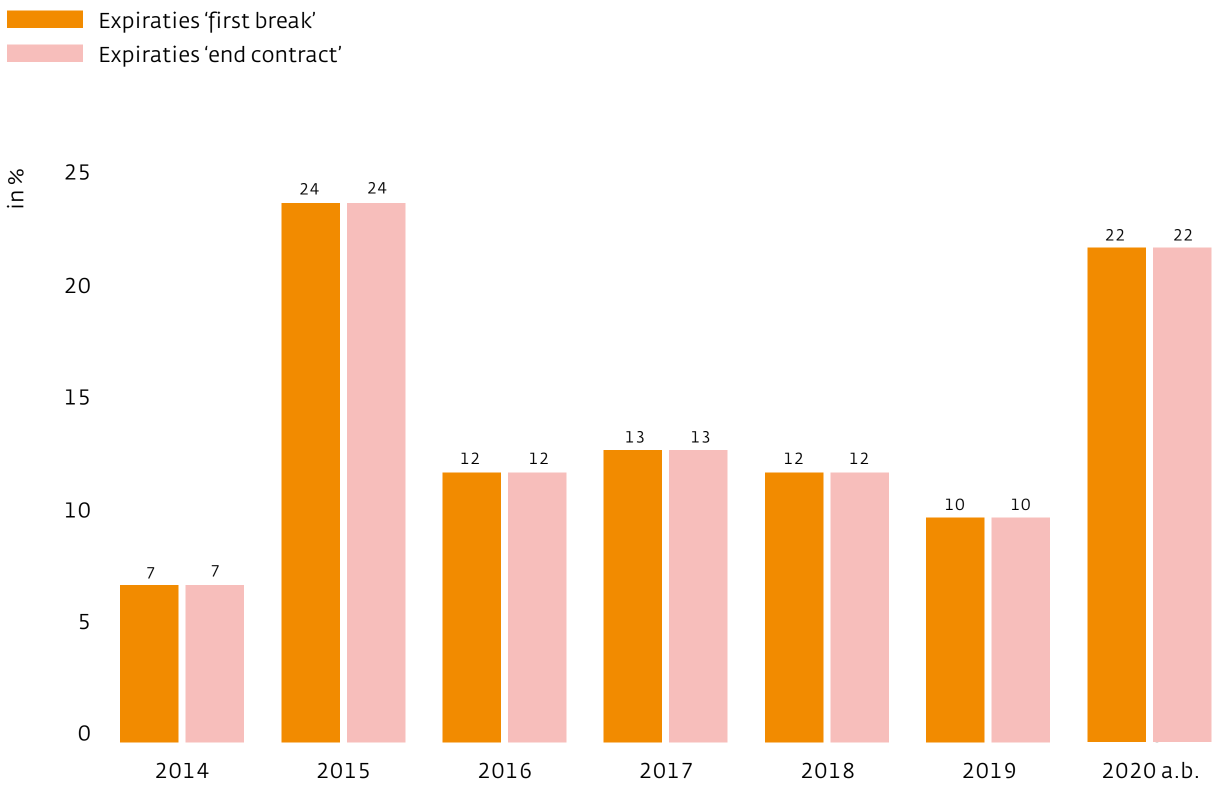
TOP 10 TENANTS IN THE NETHERLANDS YEAR-END 2013

Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
H&M	2.0	4.9	4	6,620
A.S. Watson	1.8	4.1	16	6,562
Blokker	1.7	4.0	16	8,570
Macintosh	1.2	2.9	14	7,921
V&D	1.2	2.9	2	10,097
Inditex	1.2	2.7	3	2,112
Jumbo	1.1	2.5	3	7,110
Ahold	1.1	2.4	5	5,317
Hunkemöller	0.8	1.8	8	1,623
Plus	0.7	1.7	4	5,324
Total	**12.8**	**29.9**	**75**	**61,256**

LEASE INCENTIVES

Lease incentives such as rent-free periods, lease discounts and other payments or contributions benefiting the tenant represented 1.8% of the gross rental income (2012: 1.0%).

LEASE EXPIRIES AS AT YEAR-END 2013



ACQUISITIONS AND DIVESTMENTS

In total, Vastned disposed of non-strategic property in the Netherlands at € 110.5 million. Among other properties, high street shops in small and medium-sized cities like Eerbeek, Almelo, Delft and Zeist were disposed of. Vastned also sold its 50% interest in shopping centre 'Het Rond' in Houten. The sales proceeds were used in part to strengthen the balance sheet and in part to acquire high street shops in premium cities. Vastned strengthened its share of high street shops in premium cities by acquiring a total of € 45.4 million in premium city high street shops. In Amsterdam, Vastned managed to acquire two high street shops in the Netherlands' most luxurious shopping street, P.C. Hooftstraat 49-51 and 78, which are let to Schaap en Citroen and French high-end brand Zadig & Voltaire. The number of locations on the Leidsestraat, another popular shopping street in Amsterdam, was also expanded to four with the acquisition of Leidsestraat 23, let to Hunkemöller. In addition to its position in Amsterdam, Vastned strengthened its position in Utrecht by expanding its cluster of high street shops in the historic city centre to include historic buildings at Oudegracht 124, 157, 159, Steenweg 31-33 and Bakkerstraat 16. In the centre of Maastricht, Vastned acquired Wolfstraat 27-29, which is let to Bart Smit.

VALUE MOVEMENTS

The value movements in 2013 totalled negative € 28.0 million (2012: negative € 26.1 million). This includes the acquisition costs of € 3.0 million. The value movement of premium city high street shops (excluding acquisitions) was 1.9% positive.

REVIEW OF THE FRENCH PROPERTY PORTFOLIO

PROPERTIES

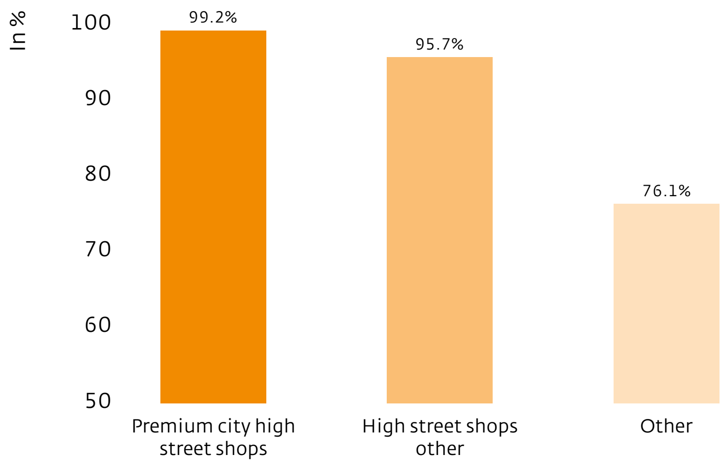
At year-end 2013 the French property portfolio comprised 90 properties and represented a value of € 359.4 million. The profile underwent major changes in the course of 2013. While at the beginning of the year the portfolio comprised 124 properties, 65% of which were high street shops, thanks to the active acquisition and divestment policy the portfolio currently comprises 93% high street shops and far fewer properties. The occupancy rate improved from 94.4% to 95.4% at year-end 2013 thanks to active asset management and lettings, with the occupancy rate of high street shops in premium cities as high as 99.2% at year-end 2013.

PROPERTY PORTFOLIO PER TYPE

INDUSTRY SPREAD

The best results are to be achieved in those markets considered favourites among both consumers and retailers. Vastned is targeting the following six premium cities for its high street strategy: Bordeaux, Lille, Lyon, Nice/Cannes, Paris and Toulouse. € 251 million (70%) of the French portfolio was already invested in these premium cities at year-end 2013.

OCCUPANCY RATE IN FRANCE YEAR-END 2013



TOP 10 LOCATIONS IN FRANCE YEAR-END 2013

	Bookvalue (x € 1 million)	Theoretical gross rental income (x € 1 million)	Occupancy rate (in%)	Number of tenants	GLA (sqm)
Paris, centre	106.1	5.5	99.1	12	5,625
Bordeaux, centre	84.0	4.3	99.0	23	9,567
Lille, centre	53.9	3.4	96.8	33	7,803
Nancy, Rue Saint-Jean 44-45	28.9	1.8	100.0	8	4,794
Angers, centre	18.5	1.1	100.0	7	4,845
Cannes, Rue d'Antibes 40	7.7	0.4	100.0	1	948
Limoges, Centre Commercial Limoges Corgnac	7.5	1.4	71.1	13	5,407
Amiens, Rue des Trois Cailloux 7 - 9	6.0	0.3	100.0	1	560
La Garde, Retail Warehouse Quatre Chemins de la Pauline	5.3	0.4	100.0	5	1,967
Limoges, Centre Commercial Beaubreuil	4.6	0.6	85.0	13	4,452
Total	**322.5**	**19.2**	**96.4**	**116**	**45,968**

LEASING ACTIVITY

New leases with a total rental value of € 2.1 million were signed in Vastned's French portfolio in 2013. These contracts were on average 3.7% below the previous rent level, many of them with leading retailers like Italian cosmetics specialist Kiko (343 square metres at Rue Sainte Catherine 35 in Bordeaux), the exclusive Zadig & Voltaire (418 square metres on Rue des Chats Bossus 13 in Lille) and English sporting goods specialist JD Sports (249 square metres on Rue Saint Ferréol in Marseille).

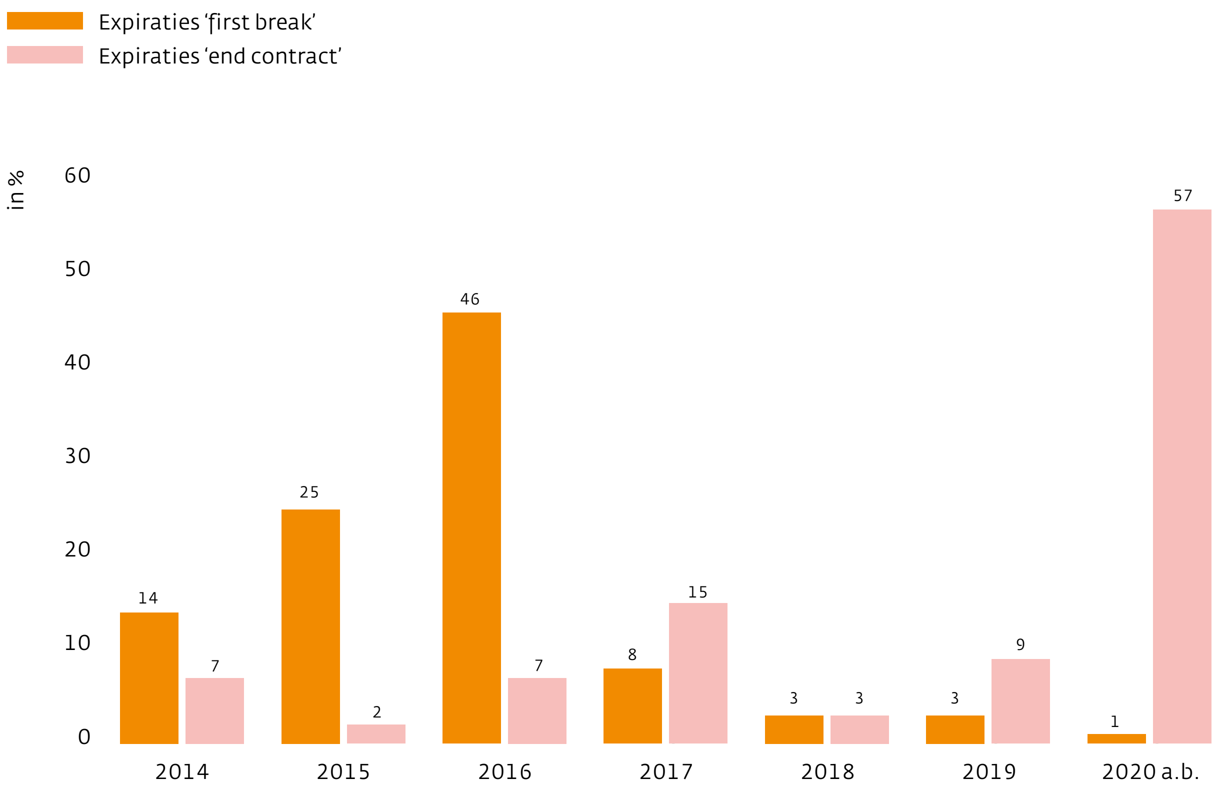
TOP 10 TENANTS IN FRANCE YEAR-END 2013

Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
H&M	3.9	18.7	2	4,465
Armand Thiery	1.4	6.7	7	5,028
GAP	1.3	6.4	1	912
PPR	0.9	4.3	3	4,065
New Look	0.8	3.9	2	1,702
Nespresso	0.6	2.8	1	660
Desigual	0.4	1.9	1	790
Camaieu	0.4	1.9	2	720
Monop'	0.3	1.5	1	598
Jules	0.3	1.5	1	274
Total	**10.3**	**49.6**	**21**	**19,214**

LEASE INCENTIVES

Lease incentives such as rent-free periods, lease discounts and other payments or contributions benefiting the tenant represented 2.5% of the gross rental income (2012: 1.9%).

LEASE EXPIRIES AS AT YEAR-END 2013



ACQUISITIONS AND DIVESTMENTS

Acquisitions in 2013 were focused on strengthening the cluster of high street shops in Bordeaux. The acquisition of six properties represented a major step on Cours de l'Intendance, Bordeaux's most luxurious shopping street. This acquisition involving € 46.6 million added to the portfolio a number of shops which are let to strong brands. These include Nespresso, Louis Vuitton and Rodier. Rue de la Porte Dijeaux 35-37, let to English New Look, was also part of the quality portfolio acquired.

There was much emphasis on divestments in 2013. In total, Vastned disposed of properties for € 151.5 million in France. This included diverse retail properties, including retail warehouses in Seclin, Augny and Frouard, a logistics centre in Roncq, individual shops in provincial towns, residential apartments in Lille and environs and two shopping centres. The shopping centres were the Centre Marine in Duinkerken, a town in a part of Northern France that is lagging behind economically, and Val Thoiry, a shopping centre near Geneva that is performing well. Vastned decided to dispose of the Val Thoiry centre because it appeared that further growth in rental income could only be achieved through substantial investment in the shopping centre.

VALUE MOVEMENTS

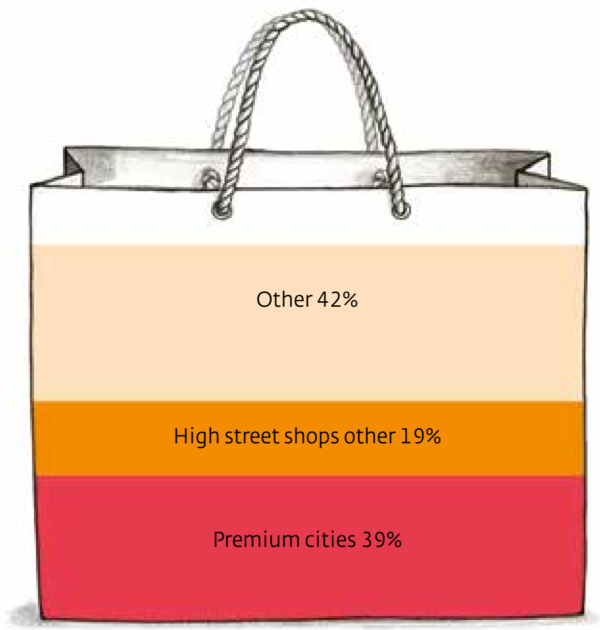
The value movements in 2013 totalled negative € 6.1 million (2012: negative € 12.6 million). This includes the acquisition costs of € 1.9 million for acquisitions in the Golden Triangle of Bordeaux. The value movement of premium city high street shops (excluding acquisitions) clearly outperformed the other assets with 1.7% positive versus 3.1% negative.

REVIEW OF THE BELGIAN PROPERTY PORTFOLIO

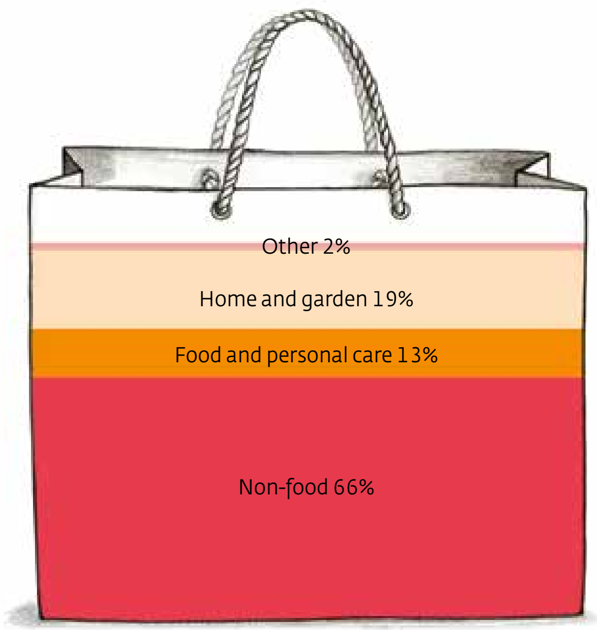
PROPERTIES

The Belgian property portfolio was the second largest portfolio in Vastned's total portfolio and at year-end 2013, it comprised 86 properties and represented a value of € 361.7 million. 58% of the portfolio comprises high street shops. The remaining 42% is comprised virtually entirely of so-called baanwinkels, the Belgian equivalent of retail warehousing. Reinforced by the strict Belgian spatial planning policy, these baanwinkels show good results. The occupancy rate for the Belgian portfolio was somewhat under pressure and deteriorated from 97.1% to 95.4% as the result of increased vacancy in towns such as Turnhout, Genk and Wavre. The occupancy rate of the high street shops in premium cities was 98.6% at year-end 2013.

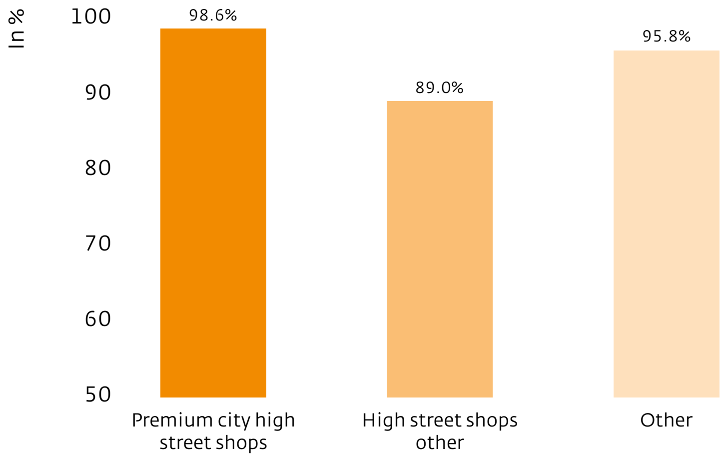
PROPERTY PORTFOLIO PER TYPE



INDUSTRY SPREAD



OCCUPANCY RATE IN BELGIUM YEAR-END 2013



In sharpening the strategy, Vastned explicitly opted for the best high street shops in Antwerp, Bruges, Brussels and Ghent. 39% of the portfolio is already located in these cities. These are also the cities which are being targeted for expansion. The investments in the high street shops in cities like Namur, Liège, Mechelen and Leuven (which account for 13.3% of the portfolio) and in strong baanwinkels will also be maintained.

TOP 10 LOCATIONS IN BELGIUM YEAR-END 2013

	Bookvalue (x € 1 million)	Theoretical gross rental income (x € 1 million)	Occupancy rate (in%)	Number of tenants	GLA (sqm)
Brussels, centre	46.9	2.7	97.3	10	8,109
Antwerp, centre	40.7	2.2	100.0	11	3,802
Tielt-Winge, Retailpark, Gouden Kruispunt	32.7	2.1	100.0	22	18,861
Bruges, centre	30.6	1.4	100.0	3	3,050
Mechelen, centre	15.3	0.9	83.6	3	3,309
Namur, Place de l'Ange 42	14.3	0.9	97.1	13	2,331
Ghent, centre	13.2	0.8	100.0	6	3,245
Leuven, Bondgenotenlaan 69-73	12.2	0.7	100.0	2	1,495
Wilrijk, Boomsesteenweg	11.5	0.7	95.4	6	6,347
Vilvoorde, Mechelsesteenweg 48	9.7	0.8	85.0	11	7,936
Total	**227.1**	**13.2**	**97.0**	**87**	**58,485**

LEASING ACTIVITY

New leases with a total rental value of € 2.4 million were signed in Vastned's Belgian portfolio in 2013. These contracts were signed on average 5.1% above the previous rent level. Leases were signed with strong retailers like perfumery ICI Paris for 160 square metres at Louizalaan 7, one of the most exclusive shopping streets in Brussels, and opticians' chain Pearl for 193 square metres at Leysstraat 28/30 in the heart of Antwerp. Leases were also renewed with the French fashion chain Camaieu for 335 square metres at Elsensesteenweg 41/43 in Brussels and with successful bookshop and stationer's Club for 419 square metres at Place de l'Ange 42 in Namur.

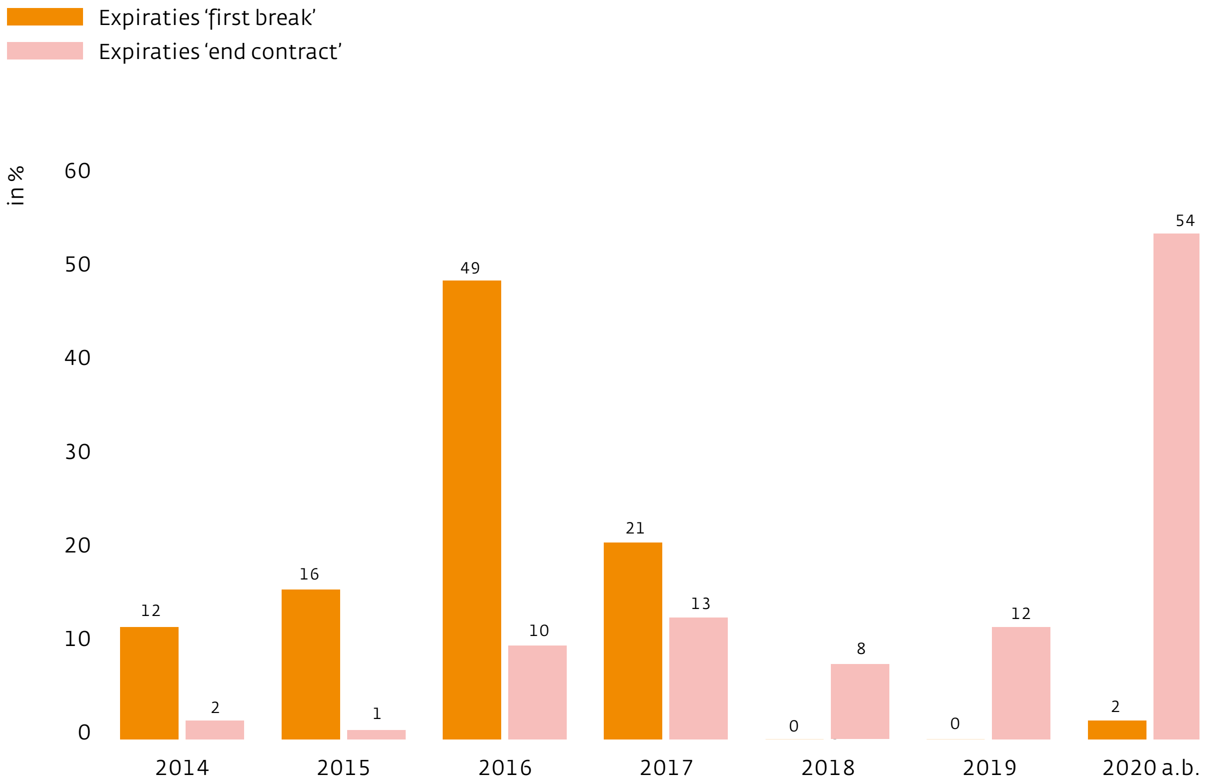
TOP 10 TENANTS IN BELGIUM YEAR-END 2013

Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
H&M	2.7	12.4	6	10,147
Inditex	1.7	7.7	3	3,999
Aldi	1.3	5.7	14	14,654
Apax Partners	1.2	5.5	15	10,901
Euro Shoe Unie	1.0	4.6	9	7,247
A.S. Watson	0.8	3.7	6	2,333
Giorgio Armani Retail	0.5	2.4	1	528
Blokker	0.5	2.3	6	4,858
Brico	0.5	2.0	1	5,000
Gamma	0.5	2.0	3	5,605
Total	**10.7**	**48.3**	**64**	**65,272**

LEASE INCENTIVES

Lease incentives such as rent-free periods, lease discounts and other payments or contributions benefiting the tenant represented 1.6% of the gross rental income (2012: 1.5%).

LEASE EXPIRIES AS AT YEAR-END 2013



ACQUISITIONS AND DIVESTMENTS

In 2013, Vastned acquired the iconic 992-square-metre former bank building let to leading Spanish fashion chain Massimo Dutti. This high street shop is located at Steenstraat 38 in Bruges.

A number of disposals totalling € 6.9 million and concerning retail warehouses in Sint-Job-in-'t-Goor, Scherpenheuvel, Merksem, Schelle and elsewhere took place in 2013.

VALUE MOVEMENTS

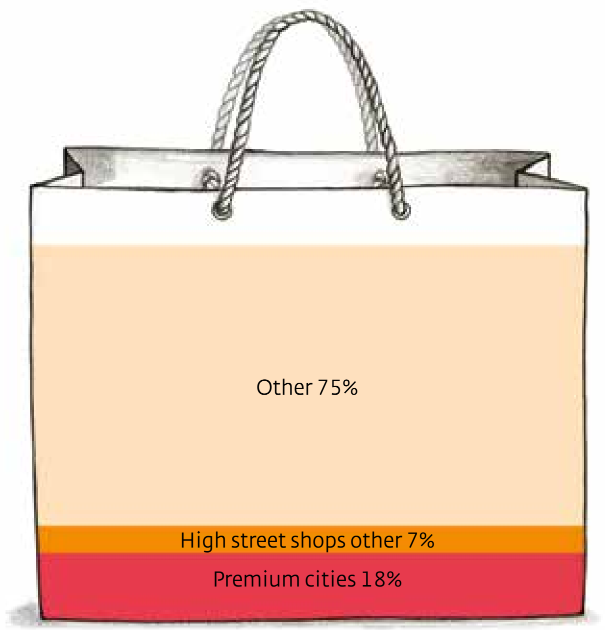
The value movements in 2013 totalled positive € 24.9 million (2012: positive € 6.0 million). The positive value movement was the result of the harmonisation in the valuation method, which is now consistent with the published value of Vastned Retail Belgium. Without this change the movement would have been fractionally negative as a result of the value of Shopping Centre Julianus in Tongeren, which is under pressure.

REVIEW OF THE SPANISH/PORTUGUESE PROPERTY PORTFOLIO

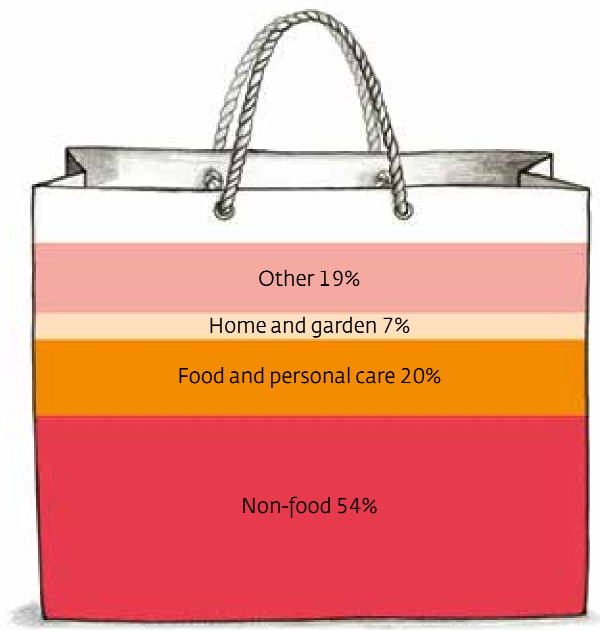
PROPERTIES

The value of the Spanish property portfolio, including the Portuguese portfolio, was € 221.4 million at year-end 2013 (end of 2012: € 331 million). The property portfolio comprised 24 properties at year-end 2013. The Spanish letting market remained a challenge in view of the economic climate, the large supply of shopping centres, and retailers reducing their number of locations. Significant rent decreases were granted to keep the occupancy rate of the shopping centres high. The Spanish and Portuguese high street shops, which accounted for 25% of this portfolio, performed very well in contrast.

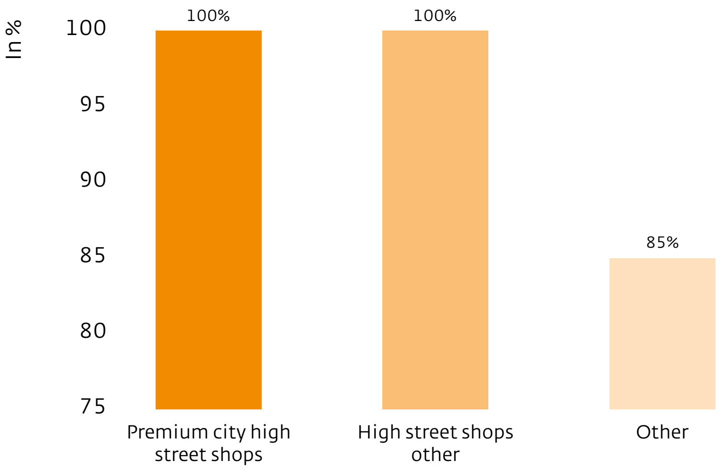
PROPERTY PORTFOLIO PER TYPE



INDUSTRY SPREAD



OCCUPANCY RATE IN SPAIN/PORTUGAL BEFORE DISPOSAL YEAR-END 2013



At the beginning of 2014, Vastned reached agreement on the sale of seven shopping centres/galleries and a retail park in Spain. The Spanish property portfolio (including the Portuguese portfolio) had a value of € 63.4 million after this sale and comprised 16 properties. This increases the share of high street shops to 63% and the occupancy rate to 100%.

In Spain Vastned has selected the following premium cities for expansion of its premium city high street strategy: Barcelona, Bilbao, Madrid, Málaga, Seville and Valencia. The high street shops already in Vastned's portfolio are centrally located in the old city of Madrid, the heart of Málaga and in Léon.

TOP 10 LOCATIONS IN SPAIN/PORTUGAL YEAR-END 2013

	Bookvalue (x € 1 million)	Theoretical gross rental income (x € 1 million)	Occupancy rate (in %)	Number of tenants	GLA (sqm)
Madrid, centre	34.8	1.9	100.0	4	1,420
Castellón de la Plana, Calle Grecia 4	8.1	0.8	100.0	1	5,109
Alicante, Parque Vistahermosa	–*	3.5	67.7	6	34,609
Badalona, Centro Comercial Montigalá	–*	2.8	91.3	53	11,396
Burgos, Centro Comercial El Mirador	–*	2.2	91.8	37	9,832
Madrid, Centro Comercial Getafe III	–*	2.6	78.6	45	20,328
Madrid, Centro Comercial Las Rosas	–*	3.8	90.0	89	8,254
Madrid, Centro Comercial Madrid Sur	–*	4.6	88.4	60	23,405
Málaga, Centro Comercial La Rosaleda	–*	4.9	83.9	66	15,336
Murcia, Centro Comercial Las Atalayas	–*	2.5	86.3	39	10,342
Total	–*	**29.6**	**85.9**	**400**	**140,031**

* These shopping centres are classified as "Assets held for sale". No individual valuations were executed.

LEASING ACTIVITY

Despite the difficult economic climate, Vastned signed no fewer than 128 leases and lease renewals in Spain for € 5.6 million. Vastned consequently managed to keep the occupancy rate in the other assets on level: 86.6%. The high street shops were 100% let. The lease renewal with Salvatore Ferragamo at Calle Serrano 36 in Madrid produced a 74% rent increase. Calle Serrano is the luxury fashion street of Madrid, with luxury brands like Prada, Armani and Gucci alongside Salvatore Ferragamo. In total, the contracts in Spain were signed on average 24.8% below the previous rent level.

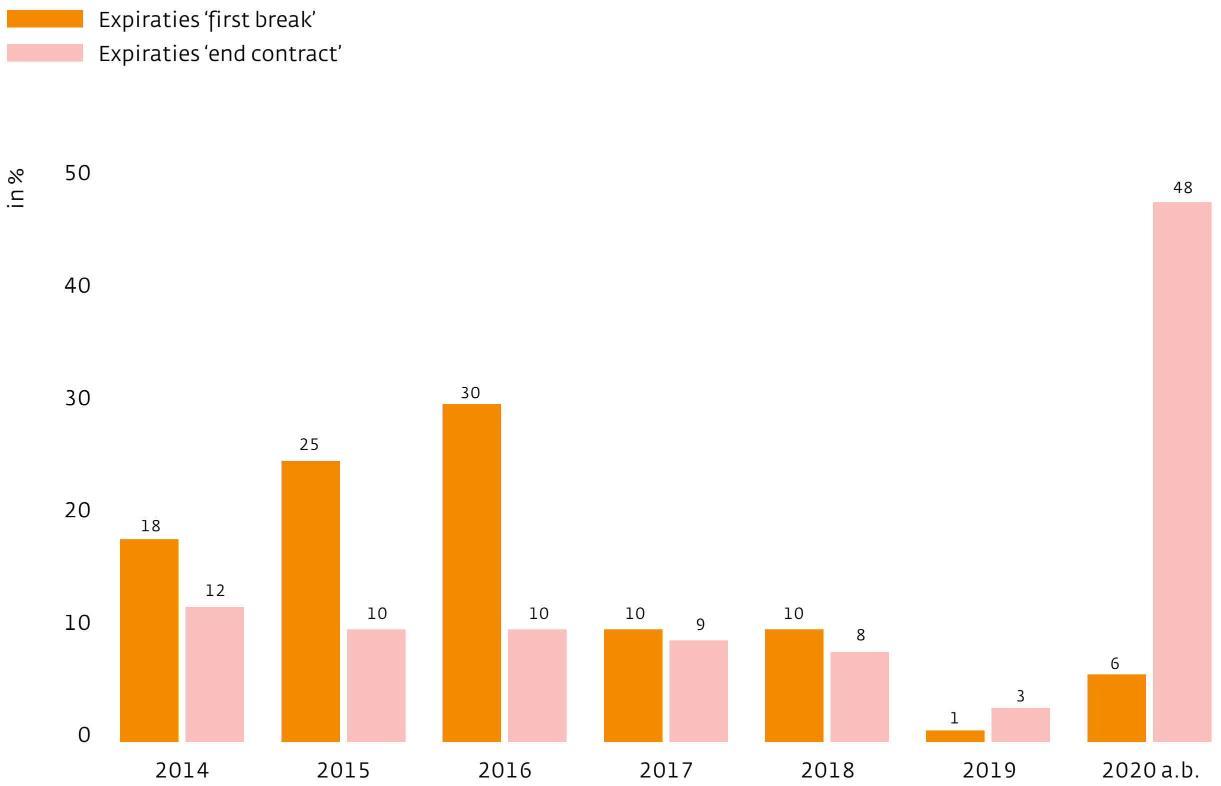
TOP 10 TENANTS IN SPAIN/PORTUGAL YEAR-END 2013

Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
Media Markt	1.5	5.7	2	9,462
E. Leclerc	1.3	4.9	1	10,173
Leroy Merlin	1.3	4.8	2	10,934
Multiopticas (Portugal)	1.1	4.0	9	3,069
Grupo Cortefiel	1.1	3.9	13	3,860
Salvatore Ferragamo	1.0	3.8	1	615
Inditex	0.8	3.1	8	3,098
McDonalds	0.7	2.7	5	2,607
Decimas	0.6	1.9	8	1,754
C&A	0.5	1.7	2	2,542
Totaal	**9.9**	**36.5**	**51**	**48,114**

LEASE INCENTIVES

Lease incentives such as rent-free periods, lease discounts and other payments or contributions benefiting the tenant represented 7.5% of the gross rental income (2012: 6.4%).

LEASE EXPIRIES AS AT YEAR-END 2013



ACQUISITIONS AND DIVESTMENTS

There were no acquisitions or disposals in the Spanish property portfolio in 2013. At the beginning of 2014 Vastned sold seven Spanish shopping centres and the retail park for € 160 million. These shopping centres require major investments in order to be able to attract and retain appealing retailers. The rent levels remain under persistent pressure. Retailers are especially selective in the current economic climate. Given the large choice of competing shopping centres in Spain, it is unlikely that these shopping centres will profit from any recovery in the Spanish economy. The pressure on rent levels and the decrease in value will continue as a result. These properties also do not fit in Vastned's premium city high street strategy.

VALUE MOVEMENTS

The value movements in 2013 totalled € 110.1 million negative (2012: € 91.9 million negative).In the value movement the write-down related to the anticipated sale of the Spanish shopping centres/galleries and the retail park to the sales price of € 160 million is included.

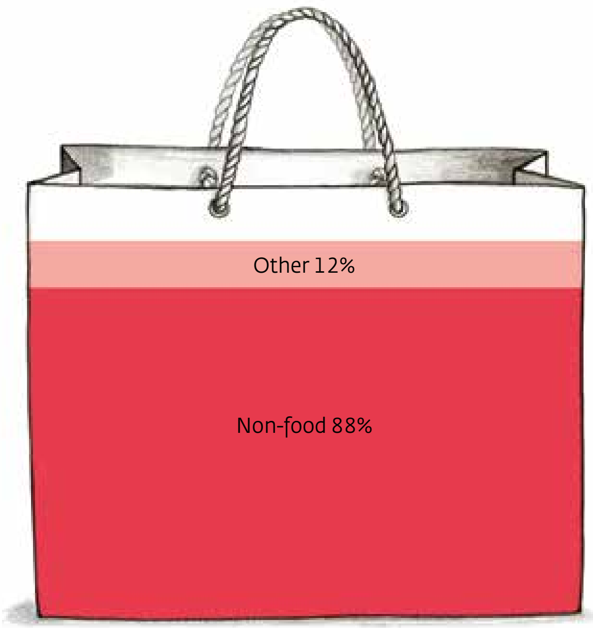
REVIEW OF THE TURKISH PROPERTY PORTFOLIO

PROPERTIES

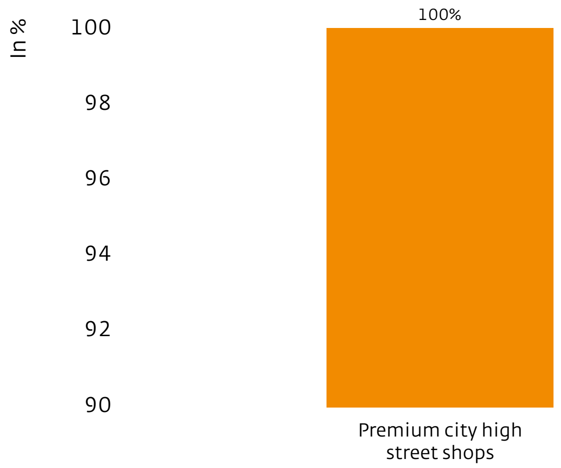
The Turkish property portfolio is comprised entirely of high street shops in Istanbul and is 100% let. The value of the total property portfolio was € 128.6 million at year-end 2013 (end of 2012: € 127.1 million). Vastned has a total of nine venues for premium shopping in Istanbul. In 2013, Vastned opened the first high street flagship stores for both H&M and ZARA on Istanbul's busiest shopping street, Istiklal Caddesi. In Turkey, Vastned will also continue to focus only on high street shops in Istanbul as part of the renewed high street strategy targeted at premium cities.

PROPERTY PORTFOLIO PER TYPE

INDUSTRY SPREAD



OCCUPANCY RATE IN TURKEY YEAR-END 2013



TOP LOCATIONS IN TURKEY YEAR-END 2013

	Bookvalue (x € 1 million)	TGOI (x € 1 million)	Occupancy rate (in%)	Number of tenants	GLA (sqm)
Istanbul, Istiklal Caddesi 161	37.0	2.3	100	1	3,010
Istanbul, Istiklal Caddesi 85	30.8	2.1	100	1	3,300
Istanbul, Abdi Ipekçi Caddesi 41	20.3	1.3	100	1	1,975
Istanbul, Istiklal Caddesi 18	12.7	0.5	100	1	1,170
Istanbul, Istasyon Caddesi 27	8.5	0.5	100	1	2,000
Istanbul, Istiklal Caddesi 119	7.6	0.5	100	2	495
Istanbul, Istiklal Caddesi 98	5.7	0.4	100	1	530
Istanbul, Bahariye Caddesi 58	3.4	0.2	100	1	400
Istanbul, Bahariye Caddesi 66/B	2.6	0.2	100	1	195
Total	**128.6**	**8.0**	**100**	**10**	**13,075**

LEASING ACTIVITY

The rental volume was € 2.3 million in 2013 and involved four leases. These contracts were on average 15.6% below the previous rent level. This was mainly due to the letting of the high street shop at Istasyon Caddesi 27 to popular Turkish fashion retailer Koton at a lower rent than the previous tenant. Vastned signed a lease with a luxury fashion retailer from the Doğuş Retail Group for the high street shop at Abdi Ipekçi Caddesi 41, which underwent major renovation. This flagship store is on Istanbul's most exclusive shopping street in Nişantaşı. Other luxury retailers on Abdi Ipekçi Caddesi include Louis Vuitton, Hermès, Gucci, Prada and Chanel. Four storeys above the high street shop let to Turkcell at Istiklal Caddesi 119 were also let to language centre Oxford House.

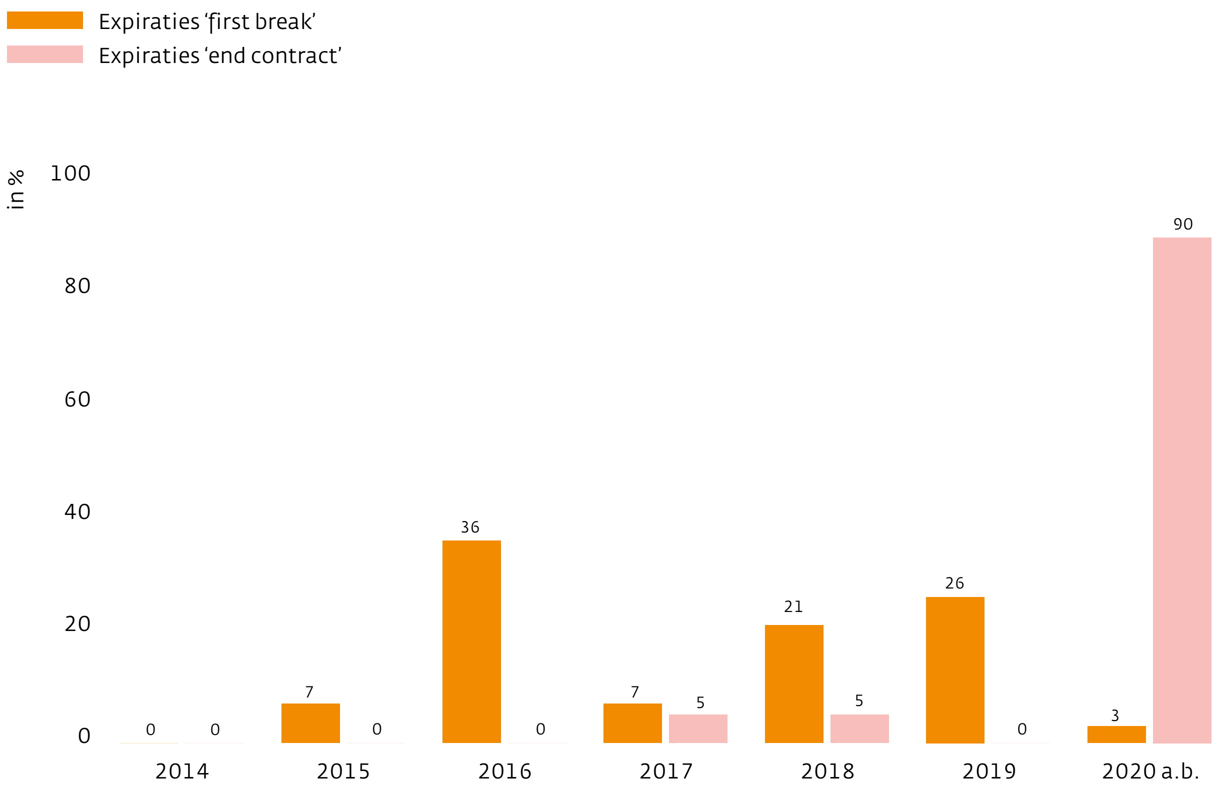
TOP 10 TENANTS IN TURKEY YEAR-END 2013

Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
Inditex	2.3	29.2	1	3,010
H&M	2.1	26.1	1	3,300
Doğuş Retail Group	1.3	16.4	1	1,975
Turkcell	0.8	9.3	2	705
TopShop	0.5	6.8	1	1,170
Koton	0.5	6.7	1	2,000
Tchibo	0.2	2.7	1	400
Penti	0.2	2.0	1	195
Oxford House	0.1	0.8	1	320
Total	**8.0**	**100**	**10**	**13,075**

LEASE INCENTIVES

Lease incentives such as rent-free periods, lease discounts and other payments or contributions benefit-ing the tenant represented 4.9% of the gross rental income (2012: 2.2%).

LEASE EXPIRIES AS AT YEAR-END 2013



ACQUISITIONS AND DISPOSALS

There were no acquisitions or disposals in Turkey in 2013.

VALUE MOVEMENTS

The value movements in 2013 totalled € 2.3 million negative (2012: € 2.4 million positive).

REVIEW OF THE 2013 FINANCIAL RESULTS

2013 INVESTMENT RESULT ATTRIBUTABLE TO VASTNED RETAIL SHAREHOLDERS

The investment result is made up of the direct and indirect investment results. The investment result in 2013 totalled € 89.0 million negative (2012: € 41.0 million negative). The main reason for the decline compared to the previous year was the write-down related to the anticipated disposal of the Spanish shopping centres/galleries, which resulted in a lower indirect investment result. The indirect investment result in 2013 was € 143.2 million negative (2012: € 103.6 million negative). The direct investment result amounted to € 54.2 million in 2013 (2012: € 62.6 million), representing € 2.85 per share and as such at the upper end of the forecast given earlier of € 2.75 - € 2.85 per share.

DIRECT INVESTMENT RESULT

The direct investment result amounted to € 54.2 million in 2013 (2012: € 62.6 million). In line with its strategy targeting high street shops in premium cities, Vastned further strengthened the quality of its portfolio by disposing of non-strategic properties. The sales proceeds were used to both acquire high street shops and further strengthen the balance sheet. Vastned was a net seller this year as a result, which was the main reason for the decline in net rental income by € 8.9 million. The net disposals also resulted in lower interest-bearing debts on average and financial costs decreased on balance by € 1.5 million. There was also a fractional increase in general expenses, primarily due to higher consultancy costs in the amount of € 0.2 million. The current income tax expense over the reporting period increased by € 0.7 million, largely as a result of the amended tax legislation in Spain effective 1 January 2013.

INDIRECT INVESTMENT RESULT

The indirect investment result in 2013 was € 143.2 million negative (2012: € 103.6 million negative). The decline in the indirect investment result compared to the previous year was mainly due to a decrease in the value of the property portfolio in 2013 by 5.8% (€ 121.6 million) compared to the value at the start of 2013, as a result of the write-down on the Spanish property portfolio. A write-down of € 110.1 million in total was recognised in 2013 in anticipation of the sale of the Spanish shopping centres/galleries agreed at the beginning of 2014. The value of the total Dutch, French and Turkish property portfolios fell by 3.7%, 0.4% and 1.8%, respectively. The values of the Dutch and French premium city high street shops rose by 1.9% and 1.7% respectively. The value of the property portfolio in Belgium rose by 7.6% compared to the value at the beginning of 2013. The value movements in Belgium were positively impacted by the harmonisation at the beginning of 2013 of the valuation methods used by Vastned and Vastned Retail Belgium for the Belgian property portfolio. This resulted in a positive revaluation of this portfolio of € 28.0 million (Vastned's share: € 18.3 million).

A number of financial derivatives could no longer be designated as full hedges under IFRS because of redemptions on loans resulting from the net disposals and the sale of the Spanish shopping centres/galleries agreed at the beginning of 2014. The negative value movements of these financial derivatives in the amount of € 13.7 million (€ 10.0 million after tax) were reclassified from equity to profit or loss via the indirect investment result. These movements had no effect on the net asset value.

DEVELOPMENT NET RENTAL INCOME 2013

HIGH STREET SHOPS PREMIUM CITIES (x € 1 million)

	The Netherlands	Belgium	France	Turkey	Spain/ Portugal	Total
Gross rental income 2012	8.8	6.8	10.1	2.1	1.9	29.7
Acquisitions	1.5	0.1	2.3	0.1	–	4.0
Taken into operation	–	–	–	2.2	–	2.2
Disposals	(0.4)	–	(0.7)	–	(0.1)	(1.2)
Like-for-like rental growth	0.4	–	0.4	0.1	0.3	1.2
Gross rental income 2013	10.3	6.9	12.1	4.5	2.1	35.9
Operating expenses	(1.4)	(0.6)	(1.4)	(0.3)	(0.1)	(3.8)
Net rental income 2013	8.9	6.3	10.7	4.2	2.0	32.1
Net rental income 2012	7.2	6.4	9.1	1.9	1.8	26.4
Operation expenses in % of gross rental income:						
- in 2013	13.5	8.5	11.4	6.5	6.8	10.6
- in 2012	17.3	6.3	9.8	8.5	8.5	11.0

HIGH STREET SHOPS OTHER (x € 1 million)

	The Netherlands	Belgium	France	Turkey	Spain/ Portugal	Total
Gross rental income 2012	17.8	4.0	6.4	–	1.3	29.5
Acquisitions	0.1	–	–	–	–	0.1
Taken into operation	–	–	–	–	–	–
Disposals	(1.5)	–	(0.6)	–	–	(2.1)
Like-for-like rental growth	(0.1)	0.1	(0.3)	–	–	(0.3)
Gross rental income 2013	16.3	4.1	5.5	–	1.3	27.2
Operating expenses	(2.1)	(0.4)	(0.4)	–	(0.1)	(3.0)
Net rental income 2013	14.2	3.7	5.1	–	1.2	24.2
Net rental income 2012	15.2	3.2	6.0	–	1.2	25.6
Operating expenses in % of gross rental income:						
- in 2013	13.2	9.3	7.0	–	4.5	10.9
- in 2012	14.7	18.6	7.0	–	4.6	13.1

OTHER INVESTMENT PROPERTIES (x € 1 million)

	The Netherlands	Belgium	France	Turkey	Spain/ Portugal	Total
Gross rental income 2012	26.1	11.5	11.4	–	25.3	74.3
Acquisitions	0.9	–	–	–	–	0.9
Taken into operation	–	–	–	–	–	–
Disposals	(6.4)	(0.9)	(5.6)	–	–	(12.9)
Like-for-like rental growth	(0.8)	0.2	0.1	–	(1.7)	(2.2)
Gross rental income 2013	19.8	10.8	5.9	–	23.6	60.1
Operating expenses	(2.4)	(0.9)	(1.3)	–	(5.1)	(9.7)
Net rental income 2013	17.4	9.9	4.6	–	18.5	50.4
Net rental income 2012	22.9	10.3	10.5	–	20.0	63.7
Operating expenses in % of gross rental income:						
- in 2013	11.9	8.8	21.8	–	21.7	16.2
- in 2012	12.0	10.4	8.4	–	21.1	14.3

TOTAL (x € 1 million)

	The Netherlands	Belgium	France	Turkey	Spain/ Portugal	Total
Gross rental income 2012	52.7	22.3	27.9	2.1	28.5	133.5
Acquisitions	2.5	0.1	2.3	0.1	–	5.0
Taken into operation	–	–	–	2.2	–	2.2
Disposals	(8.3)	(0.9)	(6.9)	–	(0.1)	(16.2)
Like-for-like rental growth	(0.5)	0.3	(0.2)	0.1	(1.4)	(1.3)
Gross rental income 2013	46.4	21.8	23.5	4.5	27.0	123.2
Operating expenses	(5.9)	(1.9)	(3.1)	(0.3)	(5.3)	(16.5)
Net rental income 2013	40.5	19.9	20.4	4.2	21.7	106.7
Net rental income 2012	45.3	19.9	25.6	1.9	23.0	115.7
Operating expenses in % of gross rental income:						
- in 2013	13.0	8.8	12.3	6.5	19.7	13.4
- in 2012	13.8	10.6	8.5	8.5	19.5	13.3

NET INCOME FROM INVESTMENT PROPERTIES

GROSS RENTAL INCOME

The gross rental income in 2013 was € 123.2 million. Particularly as a result of the execution of the strategy, which prompted more non-strategic properties to be sold in the past year than premium city high street shops were acquired, the property portfolio decreased in size, causing the gross rental income to decline by 7.7% compared to 2012.

- Acquisitions and investment properties taken into operation (€ 7.2 million increase)
Vastned acquired premium city high street shops for a total of approximately € 225 million in 2012 and 2013. These acquisitions, mainly in the Netherlands and France, and the taking into operation of properties in Turkey, contributed positively to the gross rental income of € 7.2 million.

€ 2.5 million of this € 7.2 million increase is related to the additional rental income derived from the acquisitions made in the Netherlands in 2012 and 2013. Approximately € 0.7 million of this is additional rental income for high street shops in the premium cities of Amsterdam, Utrecht and Maastricht which Vastned acquired in 2013. High street shops in Amsterdam, The Hague, Den Bosch, Zwolle and the shopping centre in Almere acquired by Vastned in 2012 also contributed € 1.8 million to the increase in the gross rental income in the Netherlands.

In France, the acquisition of high street shops in the premium cities of Bordeaux and Paris in 2012 and 2013 contributed € 2.3 million to the growth of the gross rental income in 2013. The acquisition of 14 high street shops with tenants including Luis Vuitton and Nespresso in the historic city centre of Bordeaux in 2012 and 2013 accounted for € 1.1 million of this. The remaining increase of € 1.2 million was realised by the acquisition in November 2012 of the high street shop on the Rue de Rivoli in Paris, which is let to GAP.

In Belgium the acquisition of the premium city high street shop let to Massimo Dutti at Steenstraat 38 in Bruges resulted in a € 0.1 million increase in the gross rental income.

In Istanbul (Turkey), gross rental income rose by € 2.3 million as a result of the acquisition of a high street shop on the Istasyon Caddesi in November 2012, the taking into operation at the end of 2012 of the high street shop at Istiklal Caddesi 161 let to Zara, and the delivery in the fourth quarter of 2013 of the property at Istiklal Caddesi 85 let to H&M.

- Disposals (€ 16.2 million decrease)
In line with its high street strategy, Vastned disposed of a total of € 415 million in non-strategic properties in 2012 and 2013, causing gross rental income to decline by € 16.2 million compared to 2012. € 8.3 million of this decline related to disposals from the Dutch property portfolio. € 5.1 million of this was the result of the disposal of Retail Park Roermond in December 2012 and the disposal of the Het Rond shopping centre in Houten (based on 100%) as of the end of September 2013. The remaining decrease of € 3.2 million was due to the disposal of many individual shops which no longer fit in with the Dutch high street property portfolio.

In France the gross rental income decreased by € 6.9 million. € 4.4 million of this decrease related to the shopping centres in Thoiry and Duinkerken, which were disposed of in 2013. The disposal of the property on the Boulevard Saint-Germain in Paris in 2012 also resulted in a decline of € 0.5 million and the remaining decline of € 2.1 million was due to the disposal of many smaller individual properties that no longer fit in with the high street property portfolio in France during 2013.

– Like-for-like gross rental growth (€ 1.3 million decrease)
The total like-for-like gross rental growth in the gross rental income was € 1.3 million negative. This was due to the € 1.4 million lower gross rental income in Spain (incl. Portugal) due to the difficult economic conditions and the related granting of lease incentives as a means of keeping the occupancy rate at a high level.In spite of the adverse economic climate, the average occupancy rate of the Spanish property portfolio (excluding Portugal) was 88.6% in 2013 (2012: 90.5%).

The like-for-like gross rental growth in the Dutch portfolio was € 0.5 million negative because of lower gross rental income due to a slight increase in vacancy and rent discounts granted.

In Belgium, France and Turkey the like-for-like gross rental growth in gross rental income was positive. In Belgium the gross rental income increased by € 0.3 million because of indexation and rent improvements. In France and Turkey the gross rental income increased by € 0.2 million and € 0.1 million respectively as a result of indexation. The like-for-like gross rental growth of the high street shops in the premium cities of 4.2% (€ 1.2 million positive) stood out positively from the like-for-like gross rental growth in the rest of the portfolio.

OPERATING EXPENSES (INCLUDING GROUND RENTS PAID AND NON-RECOVERABLE SERVICE COSTS)

The operating expenses were 13.4% of the gross rental income (2012: 13.3%). The operating expenses decreased from € 17.8 million in 2012 to € 16.5 million in 2013. The decrease was mainly due to lower maintenance costs and other operating expenses as a result of disposals in the Netherlands, and particularly the disposal of Retail Park Roermond at the end of 2012, which had relatively high operating expenses. The operating expenses in Belgium also declined, due to lower maintenance costs. Operating expenses in Spain also decreased, mainly because of the release of the provision for doubtful debtors. One receivable for which a provision had been created was nonetheless able to be collected. Operating expenses in France increased because of higher non-recoverable service costs, an extra allocation to the provision for doubtful debtors and higher maintenance costs.

VALUE MOVEMENTS IN INVESTMENT PROPERTIES

The value movements in 2013 totalled € 121.6 million negative (2012: € 122.2 million negative). This represents a decrease of approximately 5.8% in comparison to the initial value in 2013. The decline primarily occurred in the Spanish property portfolio and to a lesser extent in the Dutch, French and Turkish property portfolios.

In Spain there was a major decrease in value of € 110.1 million. In anticipation of the sale of the Spanish shopping centres/galleries to a consortium of The Baupost Group, GreenOak and Grupo Lar, which was finalised in early 2014, these centres were written down by € 108.6 million in 2013.This loss in value reflects the poor outlook for these shopping centres because of the substantial capital requirements and further pressure on rent levels.

NET RESULT ON DISPOSALS OF INVESTMENT PROPERTIES

In 2013 non-strategic investment properties were sold for € 268.9 million. Approximately € 110.5 million of these disposals were related to the Dutch property portfolio, and aside from the Het Rond shopping centre in Houten, mainly involved smaller individual non-strategic properties. In France, € 151.5 million in non-strategic investment properties were disposed of, including the Val Thoiry shopping centre in Thoiry (near Geneva) and the Centre Marine shopping centre in Duinkerken. In Belgium, € 6.9 million in non-strategic investment properties were disposed of.

The net result of the disposals realised in 2013, after the deduction of sales costs, amounted to € 9.5 million negative. € 6.5 million negative of this was realised on the disposals in the Netherlands, mainly on the sale of the interest in the Het Rond shopping centre (€ 5.6 million negative, Vastned's share of which was € 2.8 million negative). In France, the net result of the disposals was € 3.2 million negative, whilst a positive net result of € 0.3 million was realised on the disposals in Belgium.

EXPENSES

NET FINANCING COSTS

The net financing costs, including the value movements of financial derivatives, increased from € 37.3 million in 2012 to € 46.7 million in 2013. The table below details the development of the net financing costs.

DEVELOPMENT OF NET FINANCING COSTS

(x € 1 million)

Net financing costs 2012	37.3
Decrease as result of net disposals	(2.6)
Less capitalised interest on investment properties in the pipeline	1.0
Net decrease as a result of increase in the average interest rate, changes in fixed/variable and working capital	0.1
Value movements interest rate derivatives	(2.8)
Reclassification of unrealised results of financial derivatives from equity	13.7
Net financing costs 2013	**46.7**

The average interest rate over the interest-bearing loan capital as a whole increased from 4.1% to 4.3%. The increase was because compared to 2012, a relatively larger share of the loan portfolio was financed on the basis of a fixed interest rate since the proceeds from net disposals were used to mainly pay off loans with a floating interest rate.

The value movements in the other interest rate derivatives not designated as full hedges under IFRS amounted to € 1.4 million positive (2012: € 1.4 million negative). A number of derivatives can no longer be designated as full hedges under IFRS because of redemptions on loans as a result of the net disposals and the sale of the Spanish shopping centres at the beginning of 2014. The negative value of these financial derivatives, in the amount of € 13.7 million, was reclassified from equity to profit and loss and consequently has no impact on the net asset value.

GENERAL EXPENSES

The general expenses rose fractionally from € 8.8 million in 2012 to € 9.0 million in 2013. There was on the one hand an increase in general expenses due to additional consultancy costs and lower attribution to the operating expenses, while on the other there was a decrease in general expenses due to lower appraisal costs and lower personnel costs.

CURRENT INCOME TAX EXPENSE

The current income tax expenses were € 2.4 million (2012: € 1.7 million). Vastned satisfied the 'old' Spanish SOCIMI tax regime in 2012. As of 1 January 2013 the Spanish tax regime for property businesses (SOCIMI) underwent drastic changes. The basic position was to create a more attractive and flexible regime for investors. The amended regulations contain new requirements for satisfying the regime. Since no clarity could yet be obtained from the Spanish tax authorities as to whether a Dutch 'N.V.' can fully satisfy the requirements that apply to it, Vastned decided to apply the regular Spanish tax regime for the sake of caution. This caused the tax expense on the operating result in Spain to increase by approximately € 0.6 million. The tax expense in Turkey increased by approximately € 0.1 million because of an increase in the (taxable) investment result.

MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES

The movements in deferred tax assets and liabilities in 2013 was € 6.1 million positive (2012: € 17.7 million positive). The decline in value of the Spanish property portfolio on balance resulted in a release of the deferred tax liabilities. This was offset by an increase in the deferred tax liabilities in Turkey. This item also includes the reclassification of taxes on unrealised results of financial derivatives from equity in the amount of € 3.8 million positive. A number of financial derivatives no longer qualified as effective hedges. This movement had no effect on the net asset value however.

INVESTMENT RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

The investment result of € 12.7 million (2012: € 5.5 million) attributable to non-controlling interests comprises the direct and indirect investment result attributable to non-controlling interests of € 6.8 million positive (2012: € 6.7 million positive) and € 5.9 million positive (2012: € 1.2 million negative), respectively.

The direct investment result attributable to non-controlling interests increased by € 0.1 million, which consisted on the one hand of the direct investment result of Vastned Retail Belgium, in which Vastned Retail has a 65.5% interest, and on the other hand of the direct investment result of the limited partnership Winkelcentrum Het Rond in Houten, in which Vastned Retail had a 50% interest until the end of September 2013. The increase was due to the increased interest of the non-controlling interests in Vastned Retail Belgium, as a result of the sale of 350,000 shares in Vastned Retail Belgium in November 2012. The increase was also limited by the sale of the 50% interest in the limited partnership Winkelcentrum Het Rond.

The indirect investment result attributable to non-controlling interests increased by € 7.1 million. € 7.6 million of this increase was due to the increased value of the Belgian property portfolio mentioned earlier and to the sale of the Vastned Retail Belgium shares in the fourth quarter of 2012, which increased the non-controlling interest. The remaining € 0.5 million decrease was related to the negative indirect investment result attributable to non-controlling interests in relation to the Het Rond shopping centre which has since been sold.

INVESTMENT RESULT PER SHARE

At approximately 19.0 million, the average number of Vastned shares in issue was somewhat higher than it was in 2012 (2012: average of 18.9 million) due to the payment of the stock dividend in 2012. No stock dividend was paid in 2013. The investment result per share was € 4.68 negative (2012: € 2.17 negative). This result comprises the direct investment result per share of € 2.85 (2012: € 3.31) and the indirect investment result per share of € 7.53 negative (2012: € 5.48 negative).

The direct investment result per share developed as follows (x € 1):

Direct investment result 2012	3.31
Like-for-like growth in net rental income	(0.04)
Increase as a result of acquisitions after deduction of interest expenses	0.11
Decrease as a result of disposals after deduction of interest income	(0.49)
Increase as a result of taking investment properties in the pipeline into operation	0.11
Capitalised interest on investment properties in the pipeline	(0.05)
Increase in general expenses	(0.01)
Increase in current income tax expenses	(0.03)
Decrease due to increase in number of shares in issue due to stock dividend	(0.03)
Decrease as a result of increased non-controlling interests after deduction of interest income	(0.03)
Direct investment result 2013	**2.85**

FINANCING STRUCTURE

Financing is a key pillar in Vastned's strategy. Vastned aims for a conservative financing structure that includes a loan-to-value ratio of between 40 and 45% and a diversification of financing sources, for example by contracting long-term bond loans with investors in the United States (private placement bonds). The duration of the long-term loan portfolio was furthermore extended via these private placements. Vastned also attempts to spread the financing across multiple financiers.

The existing interest rate policy of fixing the interest rate of approximately two thirds of the loans portfolio will be continued.

In September 2013 a new long-term loan in the amount of € 40.0 million with a five-year term was acquired. With this new loan, provided by Belfius, Vastned managed to further spread its financing across multiple lenders.

As at 31 December 2013, Vastned's balance sheet showed a sound financing structure with a loan-to-value ratio of 44.6% (year-end 2012: 43.9%) and a solvency ratio – calculated as group equity plus deferred tax liabilities divided by the balance sheet total – of 51.5% (year-end 2012: 51.5%).
After receipt of the proceeds from the disposal of the Spanish shopping centres, the loan-to-value ratio will be 39.7% and the solvency ratio 56.7%. This will create latitude for new acquisitions of high street shops in premium cities.

As at 31 December 2013, the loan structure was as follows:

- the total outstanding interest-bearing loan amount was € 755.7 million (year-end 2012: € 869.2 million);
- a good spread of the expiry dates of the long-term loans, of which an amount of € 198.4 million will expire or be redeemed in connection with the disposal of investment properties in 2014 (recognised under short-term liabilities). The short-term amount includes € 129.3 million in mortgage loans for the Spanish shopping centres, with expiry dates ranging from 2016 to 2018. These loans will be redeemed in connection with the agreed sale of the Spanish shopping centres at the beginning of 2014. The expiry dates of these loans have been adjusted accordingly to the beginning of 2014;
- 71.0% of the outstanding loans were long-term with a weighted average duration based on contract expiry dates of 2.8 years (taking into account the redemption of the mortgage loans for the Spanish shopping centres at the beginning of 2014);
- 83.4% of the outstanding loans had a fixed interest rate, mainly through the use of interest rate swaps and the private placement bonds placed in 2010 and 2012;
- a good spread of interest-rate revision dates with a weighted average duration of 2.9 years;
- the average fixed interest rate, taking into account the agreed interest-rate swaps and the private placement bonds negotiated in 2010 and 2012, was 4.7%;
- 16.6% of the outstanding loans had a floating interest rate;
- due to the changes in the yield curve and the shorter remaining term of the loans, the negative value of the interest rate swaps (excluding deferred tax assets and liabilities) decreased from € 50.4 million to on balance € 30.3 million in 2013, and;
- the unused credit facilities amounted to € 165.5 million.

With a solvency ratio of 51.5% and an interest coverage ratio of 2.8, Vastned meets the requirements of all financing agreements with banks. A solvency ratio of 45% applies to all financing agreements and an interest coverage ratio of 2.0 is generally required. A negative pledge applies to most of the financing agreements, with a limited threshold for providing securities.

LOAN PORTFOLIO

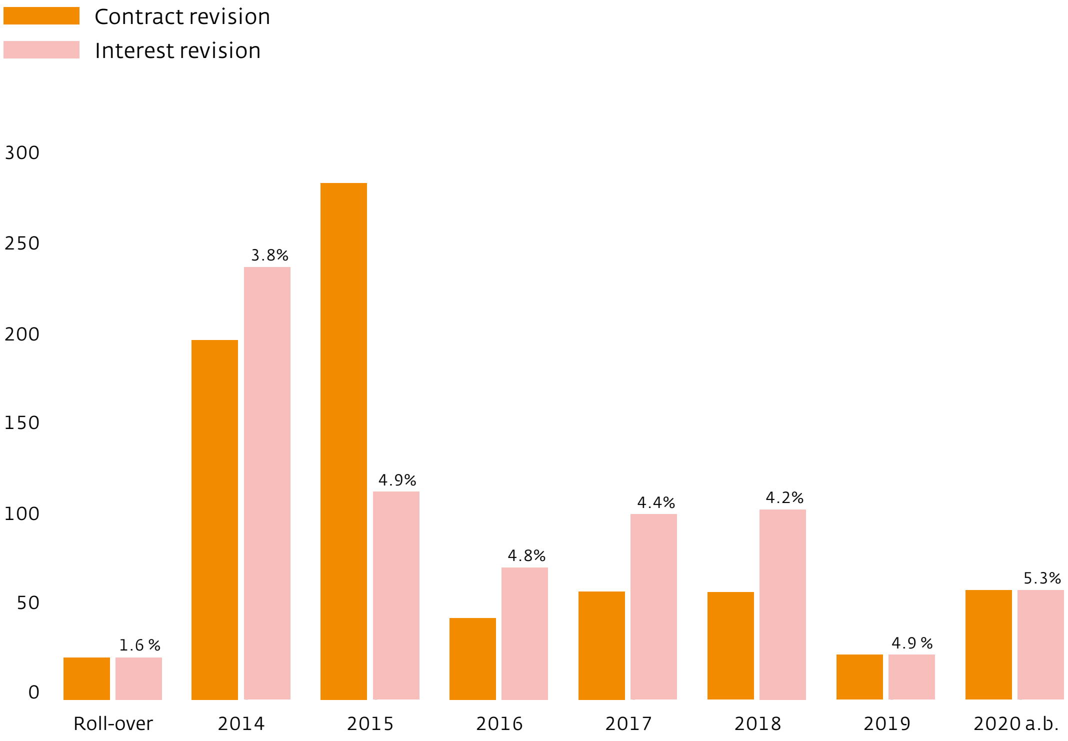
At year-end 2013 (x € 1 million)

	Fixed interest rate [1]	Floating interest rate	Total	% of total
Long-term debt	453.8	82.7	536.5	71.0
Short-term debt	176.6	42.6	219.2	29.0
	630.4	125.3	755.7	100.0
% of total	83.4	16.6	100.0	

[1] *Taking interest rate derivatives into account.*

EXPIRY DATES AND INTEREST REVISION DATES FOR LOAN PORTFOLIO YEAR-END 2013

Inc. average interest rates
(x € 1 million)



DIVIDEND POLICY AND PROPOSAL

The Annual General Meeting of shareholders of 19 April 2013 approved the current dividend policy which calls for a pay-out ratio of at least 75% of the direct investment result per share as dividend. In principle, no stock dividend is paid. However, this will depend on the possible dilution of the investment result and the net asset value per share, the capital strength and needs of the company, and the financing market. The new dividend policy prevents the dilution of the share resulting from the payment of a stock dividend. The payment of an interim dividend in the amount of 60% of the direct investment result per share over the first six months of the year will be maintained.

PAYMENT OF 2012 DIVIDEND AND PROPOSAL FOR 2013

At the Annual General Meeting of shareholders of 19 April 2013, the dividend for the 2012 financial year chargeable to the freely distributable reserves was set at € 2.55 per share. An interim dividend of € 1.01 per share had already been distributed in August 2012. The final dividend consequently amounted to € 1.54 per share.

On 30 August 2013, in accordance with the dividend policy, 60% of the direct investment result over the first half of 2013 was distributed as interim dividend at € 0.92 per share. At the Annual General Meeting of shareholders on 15 May 2014, Vastned will propose that a dividend of € 2.55 per share be paid out for the 2013 financial year. Taking into account the interim dividend of € 0.92 paid in August 2013, the final dividend will be set at € 1.63 per share. The final dividend will be made payable on 29 May 2013.

OUTLOOK

Important steps were taken in executing the strategy in 2013. The disposal of non-strategic properties for € 269 million in total and the acquisition of high street shops in premium cities increased the share of high street shops to 69% at the end of 2013. This marked the achievement of one of the key strategic targets, which was to increase the share of high street shops in the portfolio to 65%. With the achievement of this target and based on the results over the past period, but also certainly based on the close contacts with retailers and the changes observed in consumer behaviour, Vastned sharpened its strategy at the beginning of 2014. Vastned aims to increase the share of high street shops in premium cities to 75% of the total portfolio because Vastned is convinced that these are the locations that will further contribute to solid and sustainable value development and in predictable and stable results. In order to realise this target, Vastned will continue to dispose of non-strategic investment properties and acquire high street shops in premium cities. Step by step and using its characteristic pragmatic approach, in which potential value creation is an essential condition for acquisitions. All of this will take place within the prudent financial frameworks already in place, maintaining a loan-to-value ratio of 40-45%.

The announced sale of the shopping centres/galleries in Spain at the beginning of 2014 represents another important step, which increases the share of high street shops in premium cities to 51%.

In the context of the financing targets, further diversification of the loan portfolio will be continued in 2014, focusing on a balanced spread across a number of banks and increasing the share of non-bank loans.

The net divestments in 2013 and the announced sale of the Spanish shopping centres/galleries will obviously result in lower gross rental income and therefore in a lower direct investment result compared to 2013. Due to these sales, the quality of the portfolio has been significantly improved, so that rental income has become more stable and predictable. Vastned believes the current property portfolio provides sufficient ground to pronounce an expected range for the direct investment result 2014. Naturally barring unforeseen circumstances, Vastned anticipates that the direct investment result 2014 will be between € 2.10 and € 2.30 per share.

PERSONNEL AND ORGANISATION

ORGANISATION: A CRUCIAL CORNERSTONE OF THE STRATEGY

Vastned's high street strategy requires an organisation characterised by 'ownership'. Essential to this are proactive efforts and a hands-on mentality. These qualities provide direction for how our employees perform their work day to day and largely determine the result achieved with the property portfolio. Based on these core values and ambition, Vastned creates a challenging working environment where its staff can develop and grow further. Sharing and utilising each other's knowledge and experience play an important role in Vastned's transparent and informal corporate culture.

COUNTRY ORGANISATIONS WITH LOCAL KNOWLEDGE AND EXPERIENCE

Vastned is active in the Netherlands, France, Belgium, Spain and Turkey. Every country has its own country organisation which is responsible for managing the portfolio in its country, with the limited portfolio in Portugal falling under the responsibility of the Spanish country organisation.

The country teams, each headed by a country manager, have a great deal of individual responsibility but also adhere to a clear 'Vastned vision'. This is regularly the subject of consultation among the various country teams. Regular reports are provided to the central management team and its staff functions in Rotterdam.

IMPROVED RETAILER RELATIONS

In 2013, Vastned further improved its relations with retailers, also as part of the strategy started in 2011. The knowledge of trends in the retail market was also expanded further through more emphasis on account management. The various country teams hold talks with many retailers more often than in the past. The approach is aimed on the one hand at gaining more knowledge about the strategy of these retailers, especially in relation to their expansion plans, the introduction of new brands, their Internet strategy and specific requirements concerning the fit-out / size of the physical shops. On the other hand, Vastned wants to investigate how it can anticipate the specific needs of these retailers. Vastned will continue in future to improve its relations with retailers and increase its knowledge of the retail market. Within the organisation this is a continuous process, which is crucial for proper implementation of the strategy.

SHARING KNOWLEDGE AND EXPERIENCE STRENGTHENS THE ORGANISATION

The country teams constantly share the knowledge they have amassed with each other. This takes place to some extent informally, as well as during formal meetings. These formal meetings are held quarterly. In addition to the members of the management team in Rotterdam, the countries are also represented at these meetings by the country managers and one or more asset managers. Developments on the retail market as well as other subjects are discussed in these meetings, for example developments in sustainability, changes to accounting principles, developments relating to property appraisals, and the letting and investment markets. This exchange of knowledge and experience is the basis on which Vastned makes its group targets and procedures more concrete.

A FEW TOPICS FROM 2013

In 2013, an integrity workshop was organised with the guidance of an external expert in order to make the corporate standards and values at Vastned, like those set down in the Code of Conduct, more concrete. This workshop discussed a number of dilemmas that may arise in practice. In 2013, Vastned also invited a retail expert to share his vision on developments in the retail sector. The discussion focussed on trends in online shopping and its impact on the multi-channel strategies and operations of retailers.

Using the knowledge and experience gained within the organisation, Vastned aims to be able to even better anticipate the trends in the retail market and the specific needs of retailers in its investment policy. Account management must bring the tenant and the landlord closer together whilst at the same time succeed at attracting new tenants for Vastned's current and future retail investments.

Performance evaluation interviews are held with every employee annually. During that interview, challenging objectives are formulated in mutual consultation. These objectives are matched to those of Vastned and to the employee's own competencies. This ensures that the employees' personal development is aligned with Vastned's interests.

Variable remuneration is granted based on the degree to which these objectives are achieved. Country managers, asset managers and senior staff are encouraged to convert (part of) this variable remuneration into Vastned shares.

CHANGES IN THE PERSONNEL IN 2013

Supported by the head office to varying degrees as needed depending on team size, the country teams carry out the following tasks: management, asset management, property management, (technical) project management and finance & control. There are also various staff functions in the area of IT, and for secretarial, tax and legal services. The majority of these staff functions are centralised at the Rotterdam head office.

The Belgian team in Antwerp, which operates via the listed Vastned Retail Belgium N.V., also has a relatively large staff department. The name of this entity was changed in 2013 (it was previously called Intervest Retail N.V.). This was aimed at making it even clearer that the team and portfolio promote the same 'Vastned vision'.

TOTAL NUMBER OF EMPLOYEES DURING THE YEAR (IN FTES)

	2013	2012
Rotterdam, The Netherlands		
- Board of Management / staff	14	14
- Country team	15	16
Antwerp, Belgium	9	9
Madrid, Spain	13	13
Paris, France	17	20
Istanbul, Turkey	4	4
Average number FTE's 2013	72	76
Number hired	5	6
Number departed	15	8
Male / female at end of 2013	33/35	37/41
Total at end of 2013	68	78

The main changes in 2013 took place in France and the Netherlands. After Thierry Fourez was appointed new country manager in France in 2012, a number of changes were made to the French country team in 2013, on the one hand because of the relatively large acquisitions and disposals in the French portfolio and on the other to ensure that the team was better aligned with the sharpened strategy.

In the Netherlands, the country manager and one asset manager left the company in 2013. A new country manager was subsequently found for the Netherlands at the end of 2013: Annelou de Groot, who joined Vastned on 1 January 2014. Her appointment is also consistent with the aim of improving the hands-on and proactive culture within the Dutch asset management team.

Related to the disposal of the Spanish shopping centres, which is expected to be completed in the first quarter of 2014, the majority of the Spanish team will be employed by the buyer after the takeover. The current Spanish country manager will remain employed by Vastned and will continue to be responsible for the management of the Spanish high street portfolio (including Portugal).

The Board of Management is very grateful to all employees for their efforts during the past year. A special thanks goes to the Spanish team for their unabated efforts over the past years to pilot our portfolio through the difficult economic times and bring the sale to a successful conclusion.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

OBJECTIVES AND PRECONDITIONS

Vastned wants to organise and carry out its activities in a socially responsible way in order to mitigate the negative impact of its activities on the environment. A socially responsible working method is being introduced in an economically responsible way in phases, based on the starting point of the tenant's satisfaction.

The objectives Vastned has set for itself in relation to corporate social responsibility are:
- having sustainable competitive buildings in the letting market;
- limiting the impact of Vastned's activities on the environment.

The precondition that applies in this regard is the satisfaction of the tenant and shareholder with regard to every socially responsible initiative undertaken. This is why Vastned has decided to adopt a more pragmatic approach in which the combination of a positive return and socially responsible enterprise plays a central role.

DEVELOPMENTS IN 2013

In 2013 Vastned also took specific actions in various areas in order to reduce its impact on society:

- Vastned tried to comply with the requirements of BREEAM (Building Research Establishment Environmental Assessment Method) in the renovation of three properties in Istanbul. BREEAM sets the standard for best practices in sustainable design, construction and operation and has grown into one of the most extensive and recognisable measures of the environmental performance of a building. BREEAM encourages designers and principals to design and construct a building in such a way that the impact on the environment is kept to a minimum. In the three renovations in Istanbul, being Istiklal Caddesi 85 and 161 and Abdi Ipekçi Caddesi 41, extra attention was devoted to earthquake resistance and the use of sustainable materials. Vastned is in anticipation of receiving the BREEAM certificates.

- Vastned offsets the CO^2 emissions it produces as a result of air travel, commuting traffic and office heating. The Climate Neutral Group manages the Vastned offsets. Vastned extended the contract with this group in 2012 for a period of three years;

- Vastned further reduced its paper consumption by introducing digital invoicing in the Netherlands in 2012. Inbound invoicing was digitised in 2013. Suppliers are encouraged to invoice Vastned digitally. In addition, since 2012 the annual report is no longer available in a printed version and instead is exclusively available from Vastned's website in PDF format. Since 2013 meetings take place digitally using an iPad application. This has also had a positive impact on paper consumption;

- Employees are encouraged to opt for an energy-efficient car with an A or B label when they choose a new car, and;

- In the area of IT, existing servers were replaced with energy-efficient servers in 2012 and 2013, which has reduced energy use.

In Vastned's view, corporate social responsibility also means that activities are undertaken in support of the community. Vastned attaches a great deal of importance to having a well-educated society. In part for this reason, Vastned provides one or more trainee positions and offers business administration students the opportunity to conduct a practical study project with Vastned. Vastned also believes employee health is very important. Vastned provides a balanced lunch daily and in 2014 it will be looking into different possibilities for encouraging its employees to participate in sports.

CORPORATE GOVERNANCE

This section contains an overview of the governance structure at Vastned Retail N.V. ('Vastned' or the 'Company') and the information required pursuant to the Dutch Corporate Governance Code.

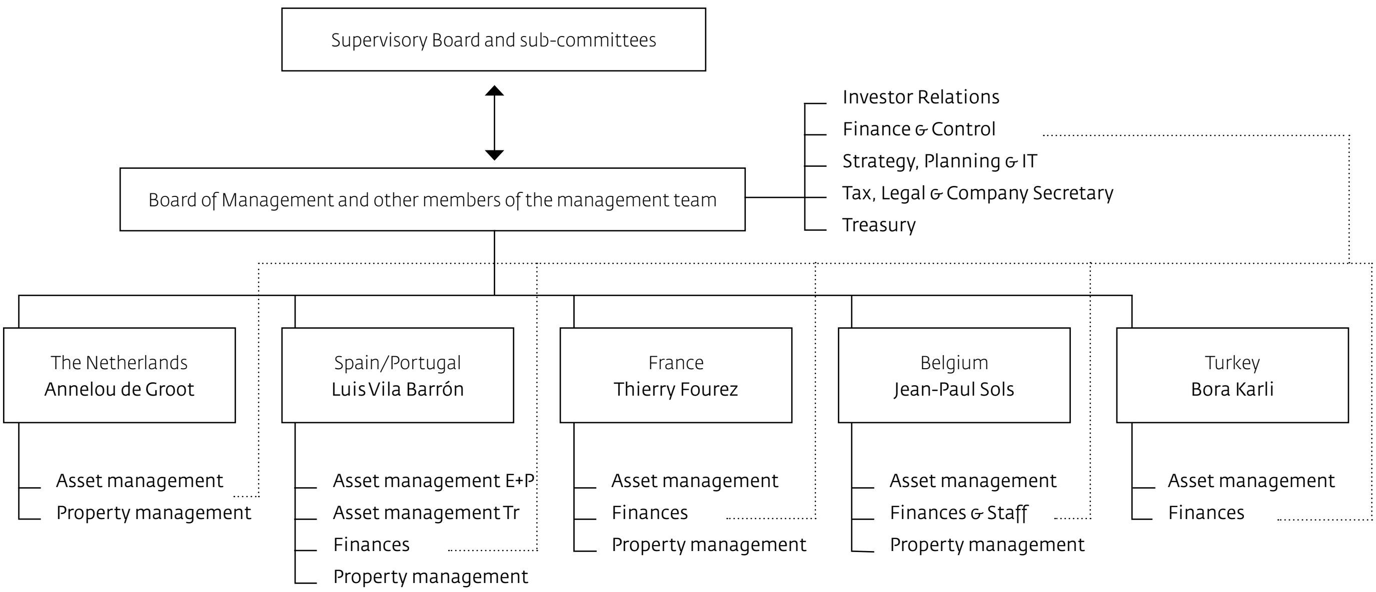
GOVERNANCE STRUCTUUR

Vastned is a public limited company founded under Dutch law with a two-tiered management model, meaning that there is a separate Board of Management and Supervisory Board. Vastned shares are listed and are traded on NYSE Euronext Amsterdam.

Vastned has the status of an investment company with variable capital pursuant to Book 2, Article 76(a) of the Netherlands Civil Code. An investment company with variable capital is a public limited company founded under Dutch law:

- whose only aim is to invest its capital in such a way that the risks are spread, in order to let its shareholders share in the profits;
- whose Board of Management has the authority under the articles of association to issue, acquire and dispose of shares in its capital (share issues and share repurchase programmes);
- for which a manager has been granted a licence as referred to in the Dutch Act on Financial Supervision for the placement of its shares;
- whose articles of association stipulate that the company is an investment company with variable capital.

Vastned's organisational structure is presented below:



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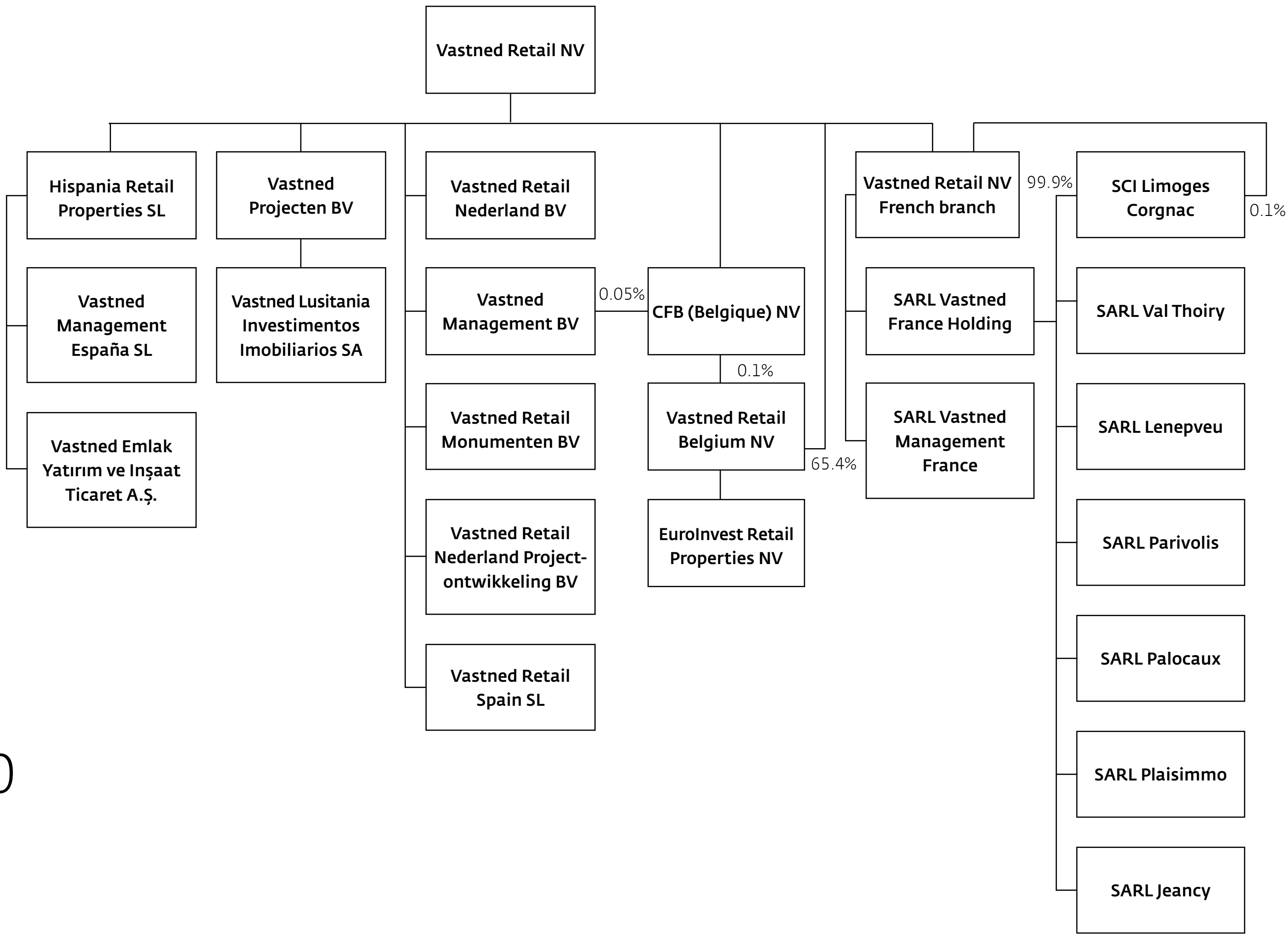

A list of subsidiaries is included in the notes to the consolidated financial statements on page 187.

MANAGEMENT OF THE COMPANY

THE BOARD OF MANAGEMENT AND OTHER MEMBERS OF THE MANAGEMENT TEAM

The Board of Management, together with the other members of the management team, is in charge of day-to-day management. Its responsibilities include the realisation of the targets, the strategy and associated risk profile, developments in the results and aspects of corporate social responsibility relevant to the Company. The Board of Management carries out its tasks within a framework set together with the Supervisory Board and submits the operational and financial targets, the strategy and the preconditions to be observed to the Supervisory Board for approval. The Board of Management supplies the Supervisory Board with all of the information required for the Supervisory Board to perform its tasks.

Vastned's articles of association stipulate that the number of members of the Board of Management is set by the Supervisory Board. The Board of Management together with the Managing Director Operations & Investments, General Counsel and the Manager Investor Relations make up the management team. The management team generally meets every fortnight.

APPOINTMENTS, SUSPENSIONS AND DISMISSALS

The Board of Management is appointed by the Annual General Meeting of shareholders pursuant to a binding nomination. The Annual General Meeting of shareholders may remove the binding nature of a binding nomination if a resolution to that effect is passed by an absolute majority of the votes cast representing at least one third of the issued capital. If not at least one third of the issued capital was represented at the meeting, but there was a vote with an absolute majority voting in favour of the resolution to remove the binding nature of the nomination, a new meeting is called in which the resolution may be adopted irrespective of the proportion of capital represented at this meeting.

The members of the Board of Management may be suspended or dismissed at any time by a resolution adopted by an absolute majority of the votes in the Annual General Meeting of shareholders, provided that the proposal for suspension or dismissal was submitted by the Supervisory Board. If such a proposal is lacking, the Annual General Meeting of shareholders may only adopt such a resolution with an absolute majority of the votes cast representing at least one third of the issued capital. A member of the Board of Management may also be suspended at any time by a resolution of the Supervisory Board.

COMPOSITION OF THE BOARD OF MANAGEMENT

- Taco T.J. de Groot, CEO
- Tom M. de Witte, CFO

OTHER MANAGEMENT TEAM MEMBERS

- Arnaud G.H. du Pont, Managing Director Investments & Operations
- Marc C. Magrijn, General Counsel / Tax Manager
- Anneke M. Hoijtink, Manager Investor Relations

The curricula vitae of the members of the Board of Management and other management team members are presented on page 26.

REMUNERATION OF THE BOARD OF MANAGEMENT

See the separate remuneration report for 2013 on page 201 in this annual report.

SHARE OWNERSHIP OF THE MEMBERS OF THE BOARD OF MANAGEMENT

See the chapter 'Shareholders' Information' on page 47 in this annual report.

SCHEDULE FOR THE POTENTIAL REAPPOINTMENT OF THE MEMBERS OF THE BOARD OF MANAGEMENT

	year of first appointment	year of possible reappointment
Taco T.J. de Groot	2011	2015
Tom M. de Witte	2003	2015

COUNTRY TEAMS

The Netherlands

In addition to the Board of Management, which is in charge of the central management and coordination of the various country portfolios from its base in the Netherlands, there is a Dutch team of fifteen property specialists headed by Ms Annelou de Groot. Its activities are carried out from the Rotterdam head office.

Spain and Portugal

The Spanish organisation, Vastned Management España, with its registered office in Madrid, is headed by Mr Luis Vila Barrón. Vastned Management España has thirteen employees in total and carries out activities in the areas of asset and property management, and administration. The operations in Turkey and Portugal are also run from this location. A local office has not been set up in Portugal in view of the nature and size of the Portuguese operations.

Related to the disposal of the Spanish shopping centres/gallieries and the retail park the majority of the employees will be offered a job at the buyer. The current country manager will stay at Vastned and will remain in charge of the Spanish high street portfolio including Portugal.

France

The French organisation, Vastned Management France, which is located in Paris, is headed by Mr Thierry Fourez. Vastned Management France has seventeen employees in total. They are responsible for the asset and property management of the property portfolio, and for the administration. Only a limited part of the property management is outsourced to third parties.

Belgium

The Belgian activities are accommodated at Vastned Retail Belgium, with its registered office in Antwerp. Intervest Retail's name was changed to Vastned Retail Belgium N.V. during the Extraordinary Meeting of Shareholders of Intervest Retail N.V. on 24 April 2013.

The day-to-day management of Vastned Retail Belgium is in the hands of the Executive Committee, consisting of Mr Jean-Paul Sols (CEO), Ms Inge Tas (CFO) and Mr Rudi Taelemans (COO). The Belgian team in total comprises nine employees. Taco de Groot and Tom de Witte represent Vastned on the Board of Management of Vastned Retail Belgium. On 31 December 2013, this board consisted of Mr Taco de Groot and Mr Tom de Witte, representing Vastned, Mr Hubert Roovers, and a number of independent members, namely: Mr Jean-Pierre Blumberg (chairman), Mr Nick van Ommen and Mr Chris Peeters.

Turkey

Asset management in Turkey is carried out by Mr Bora Karli with the assistance of three employees at the local office in Istanbul. The Spanish country manager, Mr Luis Vila Barrón, is closely involved in the Turkish operations. Mr Barrón and the members of the Board of Management of Vastned make up the Board of Management of the Turkish legal entity together with Mr Bora Karli.

SUPERVISORY BOARD

Vastned has a Supervisory Board in addition to its Board of Management. The members of the Supervisory Board are appointed by the Annual General Meeting of shareholders. If one or more members of the Supervisory Board are to be appointed, the Supervisory Board will make a binding nomination. The Annual General Meeting of shareholders may remove the binding nature of a binding nomination if a resolution to that effect is passed by an absolute majority of the votes cast representing at least one third of the issued capital. If not at least one third of the issued capital was represented at the meeting, but there was a vote with an absolute majority voting in favour of the resolution to remove the binding nature of the nomination, a new meeting is called in which the resolution may be adopted irrespective of the proportion of capital represented at this meeting.

A Supervisory Board member steps down after the Annual General Meeting of shareholders held in the fourth financial year following the financial year in which he was appointed. A Supervisory Board member who is stepping down can be reappointed forthwith, on the understanding that members may only serve on the Supervisory Board for a maximum of three four-year terms.

A Supervisory Board member may be suspended or dismissed at any time by a resolution adopted by the Annual General Meeting of shareholders by an absolute majority of the votes, provided that the proposal for suspension or dismissal was made by the Supervisory Board. If such a proposal is lacking, the Annual General Meeting of shareholders may only adopt such a resolution with an absolute majority of the votes cast representing at least one third of the issued capital.

COMPOSITION OF THE SUPERVISORY BOARD

- Wouter. J. Kolff, chairman;
- Pieter M. Verboom, vice chairman; chairman Audit Committee
- Marieke Bax; chairman Remuneration Committee
- Jeroen B.J.M. Hunfeld

The curricula vitae of the Supervisory Board members and the retirement schedule are presented in the Report of the Supervisory Board on page 126.

TASKS OF THE SUPERVISORY BOARD

The Supervisory Board supervises the day-to-day policy pursued by the Board of Management and assists the Board of Management with advice. In carrying out its tasks, the Supervisory Board considers the interests of Vastned and its associated companies, weighing up the relevant interests of all stakeholders (including the shareholders). The Supervisory Board is itself responsible for the quality of its performance. Vastned provides the Supervisory Board with the necessary resources for the performance of its tasks. The tasks and areas of focus of the Supervisory Board include:

- achievement of the Company's targets;
- the strategy and the risks associated with the business operations;
- the set-up and functioning of the internal risk management and control systems;
- the financial reporting process and compliance with legislation and regulations;
- disclosure of, compliance with and enforcement of the Company's corporate governance structure;
- the relationship with shareholders; and
- aspects of corporate social responsibility, where relevant for the Company.

Each year after the close of the financial year, the Supervisory Board will draw up and publish a report on the performance and activities of the Supervisory Board and its committees during the financial year in question. For a full list of the Supervisory Board's tasks, please see the regulations drawn up by the Supervisory Board, which can be found on the website.

Chairman of the Supervisory Board

The chairman of the Supervisory Board has a coordinating task. The chairman ensures compliance with the requirements of the best practice provisions detailed in III.4.1 of the Code. He is assisted in this by the General Counsel (Company Secretary).

COMMISSIES VAN DE RAAD VAN COMMISSARISSEN

In 2013, the Supervisory Board was supported by three committees that prepared the subjects delegated to them for decision-making in the plenary Supervisory Board: the Audit Committee, the Remuneration Committee and the Nomination Committee. The tasks of these committees, their composition and an overview of their key activities in the reporting year are included in the chapter 'Report of the Supervisory Board' starting on page 124.

Remuneration of the Supervisory Board

The Supervisory Board's remuneration report is included on page 208 in this annual report and placed on the Company's website.

Statement of share ownership (principle)

Members of the Supervisory Board shall only hold shares in Vastned as a long-term investment and shall purchase these shares at their own cost. When purchasing and selling shares, they act in accordance with the regulations adopted by the Company as referred to in Article 5:65 of the Act on Financial Supervision. Transactions are also reported in accordance with the relevant rules prepared by the Netherlands Authority for the Financial Markets (www.afm.nl). As at 31 December 2013, none of the members of the Supervisory Board held any shares in Vastned.

COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE

Vastned acknowledges the importance of proper corporate governance as the basis of trust between the Company and its shareholders. With a view to the transparency that is an essential part of corporate governance, Vastned is continuing its practice of reporting extensively in this annual report on how its corporate governance operates and the extent to which the company complies with the Dutch Corporate Governance Code (the 'Code').

Vastned subscribes to the Code and its principles and as at 31 December 2013 complied with virtually all the best practice provisions of the Code. As at that date, Vastned has deviated from the principles and best practice provisions as formulated in the Code in one respect.

II.2.8 The compensation in the event of dismissal amounts to a maximum of one time the annual salary (the 'fixed' portion of the remuneration). If the maximum of one year's salary would be manifestly unreasonable for a Management Board member who is dismissed during his first term of office, such board member shall be eligible for severance pay not exceeding twice the annual salary.

Mr De Witte joined Vastned in 2003 and the term of Mr De Witte's employment contract is indeterminate. In the event of involuntary dismissal by the General Meeting of Shareholders of Vastned Management, Mr De Witte is entitled to compensation of at least twelve months of the income in effect at the time of the dismissal and it has been agreed that the seniority of twelve weighted service years accrued during his immediately prior employment is used as the basis for this employment, in particular in the event that compensation is determined in accordance with the system of the Dutch sub-district court formula. If the employment contract is terminated as a result of a merger or takeover on the initiative of Vastned, compensation of at least fifteen months' salary is paid. The contracts of new appointees for membership on the Board of Management will in principle provide for a maximum of up to one year of the fixed portion of the remuneration.

Should a situation arise which qualifies for a severance payment to be made to (one of) the members of the Board of Management, the Remuneration Committee will make recommendations concerning the applicable conditions. The Supervisory Board will subsequently decide on this, taking into account current practice in this type of situation as well as the applicable laws and requirements of good governance.

In early 2014, agreement was reached with Mr De Witte about severance payment totalling 1.5 times his present fixed annual salary. This payment, which is higher than indicated by the Dutch Corporate Governance Code, partially compensates Tom de Witte for the rights under his pre-Code agreed employment contract for an indefinite period of time.

The contracts of new appointees for membership on the Board of Management will contain a provision for severance pay in accordance with the Code.

General Meeting of Shareholders and corporate governance

Corporate governance was discussed at the Annual General Meeting of shareholders of 19 April 2013. This subject did not elicit any questions or comments on the part of shareholders. All amendments to the corporate governance structure and compliance with the Code will be discussed each time in the General Meeting of Shareholders.

Availability of corporate governance documents

The Company has made the corporate governance documents, such as the articles of association, the regulations of the Supervisory Board and the registration document as required by the Act on Financial Supervision, available on its website www.vastned.com.

Independence

None of the members of the Supervisory Board has been a member of the Board of Management or an employee of Vastned or of any company associated with it. Neither have any of the said members received any remuneration other than for membership of the Supervisory Board, nor have they had significant business relations with Vastned or any associated company during the year prior to their appointment. None of the members of the Board of Management is a shareholder, member of the Board of Management or Supervisory Board member of any company that holds 10% or more of the shares in Vastned. This is also the case for the immediate family of the members in question.

Specific corporate governance requirements for members of the Board of Management

Transactions with members of the Board of Management

Vastned has not entered into any transactions with any of the members of the Board of Management other than those arising from their employment contracts.

Conflicts of interest involving members of the Board of Management

None of the members of the Board of Management is in competition with Vastned in any way. No payments have been made by Vastned to the members of the Board of Management or members of their families, and no member of the Board of Management has granted any third parties an unjustified advantage or arranged for himself or his family to gain from commercial opportunities provided by Vastned. In the context of the corporate governance pursued by Vastned, the members of the Board of Management declare that they will comply with the Code and with the applicable legislation in all of the above-mentioned cases. In the event of a conflict of interest, the member of the Board of Management involved will report that conflict of interest to the chairman of the Supervisory Board. The member in question will not participate in any discussions or decision-making where he has a conflict of interest. In addition, the usual industry conditions will apply to transactions where there is a conflict of interest.

Loans to members of the Board of Management

Vastned has not made loans to any members of its Board of Management, nor have any members of the Board of Management made loans to Vastned.

Specific corporate governance requirements for the Supervisory Board

Principle

None of the members of the Supervisory Board of Vastned is also a member of a company associated with Vastned or with which Vastned maintains an important business relationship. This system means that the members of the Supervisory Board have a considerable degree of independence.

Conflicts of interest involving members of the Supervisory Board

Members of the Supervisory Board report any material conflicts of interest to the chairman of the Supervisory Board. In the context of the corporate governance pursued by Vastned, the members of the Supervisory Board declare that they will comply with the Code and the applicable legislation in such cases. Any member of the Supervisory Board with a conflict of interest will refrain from participating in discussions and decision-making regarding that matter. In addition, the usual industry conditions will apply to transactions where there is a conflict of interest. Decisions to enter into transactions with controlling shareholders, defined here as shareholders holding more than 10% of the share capital in issue, must be approved by the Supervisory Board and are subject to the usual industry conditions. Vastned currently has no delegated supervisory director. The Supervisory Board will act in accordance with the best practice provisions III.6.6 and III.6.7 where applicable.

Loans to members of the Supervisory Board

Vastned has not made loans to any member of the Supervisory Board, nor has any member of the Supervisory Board made loans to Vastned.

2. THE ANNUAL GENERAL MEETING OF SHAREHOLDERS AND VOTING RIGHTS

The regular Annual General Meeting of shareholders must be held within six months of the close of the financial year. The Annual General Meeting of shareholders is convened in the manner laid down in the legislation and regulations applicable to Vastned. One or more shareholders that together represent at least 10% of the share capital in issue can ask the Board of Management to call a General Meeting of shareholders. One or more shareholders that together represent at least 1% of the share capital in issue can ask for items to be placed on the agenda of the General Meeting of shareholders, provided they do so at least 60 days before the meeting. Vastned reserves the right to avail itself of the response time as defined in best practice provision II.1.9. of the Code. Vastned announces the meeting in line with the stipulations in the applicable legislation and regulations. The agenda and shareholders' circular can be obtained at the offices of Vastned in Rotterdam, and will be placed on www.vastned.com. These publications include the registration date for exercising voting rights attached to shares. The minutes of the General Meeting of Shareholders will be made available after the meeting in accordance with best practice provision IV.3.10. The Board of Management and the Supervisory Board supply the Annual General Meeting of shareholders with all information required unless there is a substantial interest in not doing so.

Subjects for discussion

Important matters that require the approval of the Annual General Meeting of shareholders include:

- adoption of the financial statements for the last financial year;
- adoption of the (final) dividend for the last financial year;
- important changes to the strategy;
- discharge of the members of the Board of Management for the management provided during the last financial year;
- discharge of the members of the Supervisory Board for the supervision exercised over the management provided by the Board of Management during the last financial year;
- appointment/reappointment of a member of the Supervisory Board or the Board of Management, and;
- amendments of the articles of association.

Generally, the following subjects are discussed at the Annual General Meeting of shareholders (without being subjected to a vote): the minutes of the most recent Annual Meeting of shareholders or General Meeting of shareholders, the annual report by the Board of Management on the most recent financial year with an explanation of the strategy and the state of affairs, the dividend policy and the policy on reserves, corporate governance and the remuneration report.

For further details concerning the proposals that the Board of Management or the Supervisory Board can submit to the Annual General Meeting of shareholders and the applicable procedure, please refer to the Company's articles of association.

(Special) controlling rights

There are no shares with special controlling rights. Every share gives the right to one vote in the Annual General Meeting of shareholders. No vote can be cast for shares held by Vastned itself or by or on behalf of a subsidiary unless those shares are encumbered by usufruct or pledge.

In order to be adopted by the Annual General Meeting of shareholders, most resolutions require an absolute majority (half of the votes cast plus one). Pursuant to the articles of association, the following resolutions may only be adopted with a qualified majority:

- a resolution to reduce the capital may only be adopted with a majority of at least two thirds of the votes cast if less than half of the issued capital is represented at the meeting, and;
- a resolution to remove the binding nature of a nomination to appoint a member to the Board of Management or to the Supervisory Board may only be adopted by an absolute majority of the votes cast representing at least one third of the issued capital. If not at least one third of the issued capital was represented at the meeting, but there was a vote with an absolute majority voting in favour of the resolution to remove the binding nature of the nomination, a new meeting is called in which the resolution may be adopted irrespective of the proportion of capital represented at this meeting.

A resolution to suspend or dismiss a member of the Board of Management or of the Supervisory Board, not proposed by the Supervisory Board, may only be adopted by an absolute majority of the votes cast representing at least one third of the issued capital. If not at least one third of the issued capital was represented at the meeting, but there was a vote with an absolute majority voting in favour of the resolution to suspend or dismiss a member, a new meeting is called in which the resolution may be adopted by an absolute majority of the votes cast irrespective of the proportion of capital represented at this meeting.

Resolutions which have not been proposed by the Board of Management with the approval of the Supervisory Board to (i) amend the provisions of the articles of association, (ii) dissolve the Company, (iii) liquidate the Company's business, or (iv) file a petition for bankruptcy or suspension of payments may only be adopted by a majority of more than two thirds of the votes cast in a meeting in which more than three quarters of the issued capital is present or represented.

Financial reporting and the external auditor

Financial reports are drawn up in accordance with internal procedures. The Board of Management together with the Supervisory Board is responsible for ensuring that the financial reports are accurate, complete and produced on time. The external auditor is also involved in the content and publication of the semi-annual figures, the financial statements and the associated press releases. The external auditor attends the Annual General Meeting of shareholders and may be asked to comment on his opinion concerning the accuracy of the financial statements. The external auditor attends at the very least the meetings of the Supervisory Board and/or the Audit Committee in which the financial statements are discussed.

Code of Conduct and Whistleblower's Code

Vastned has drawn up a code of conduct that applies to all employees, including the Board of Management. A whistleblower's code also applies and that allows employees and members of the Board of Management to report abuses within the Company without endangering their own employment. The texts of these codes have been published on www.vastned.com.

Dutch Act on Management and Supervision ('Wet Bestuur en Toezicht')

The Act contains, among other things, a guideline for balanced gender diversity in the Board of Management and Supervisory Board. At least 30% of these positions are to be held by women and at least 30% by men. At present, the composition of both the Board of Management and Supervisory Board does not yet reflect the balance set out above. Partly depending on the profile of the members of the Board of Management and/or Supervisory Board who will step down in the future, an assessment will be carried out to determine the required profile of the new members. Naturally the diversity targets, including a balanced distribution between men and women, will be a factor in such considerations.

ARTICLE 10 OF THE EU TAKEOVER DIRECTIVE

Pursuant to Article 10 of the EU Takeover Directive, companies whose securities are admitted to trading on a regulated market must, among other things, include information in their annual report concerning the capital structure of the company and the existence of any shareholders with special rights. In this context, Vastned is disclosing the following information:

a. For the Company's capital structure, the composition of the issued capital and the dividend policy, please see the chapter 'Shareholders' Information' on page 47 in this annual report. For the rights associated with these shares, please see to the Company's articles of association, which can be viewed on the Company's website. Briefly, these rights with regard to ordinary shares consist of the right to attend the Annual General Meeting of shareholders, to speak and vote at this meeting, and the right to payment of the Company's profit remaining after the transfer to the reserves. As at 31 December 2013, the issued capital consisted entirely of ordinary (bearer) shares.

b. The Company has not placed any restrictions on the transfer of ordinary shares.

c. For participations in the Company for which a disclosure obligation exists (under Articles 5:34, 5:35 and 5:43 of the Act on Financial Supervision), please see the chapter 'Shareholders' Information' on page 49 in this annual report. The shareholders with an interest of 3% or more that are known to the Company on the date indicated are listed there under the heading 'Share Ownership'.

d. There are no shares in the Company with special controlling rights.

e. The Company does not have an arrangement granting employees the right to subscribe for or acquire shares in the capital of the Company or any of its subsidiaries.

f. The voting rights associated with the shares in the Company are not restricted, nor are the periods for exercising the voting rights restricted.

g. There are no agreements with shareholders that could result in restricting the transfer of shares or in restricting the voting right.

h. The provisions for appointing and dismissing members of the Board of Management and members of the Supervisory Board as well as for amending the articles of association are contained in the Company's articles of association.

i. The general authorities of the Board of Management are contained in the articles of association. The authorities of the Board of Management in relation to the issue of Company shares are described in Article 8 of the Company's articles of association. Vastned Retail is a public limited liability company with the status of an investment company with variable capital pursuant to Article 2:76a of the Netherlands Civil Code. The decision to issue shares is taken by the Board of Management, taking into account the limits and conditions set by the Supervisory Board. The Board of Management may also acquire shares in its own capital at times and under conditions to be determined by the Board of Management, taking into account the limits and conditions set by the Supervisory Board, provided that the Company's capital minus the shares it holds itself amounts to at least 10% of the authorised capital.

j. The various loan agreements between the Company and external financiers contain change of control clauses.

k. The Company has made no agreements with members of the Board of Management or employees that provide for remuneration upon termination of employment resulting from a public bid within the meaning of Article 5:70 of the Act on Financial Supervision.

CORPORATE GOVERNANCE STATEMENT

This is a statement pursuant to Article 2a of the Decree on additional requirements for annual reports (Vaststellingsbesluit nadere voorschriften inhoud jaarverslag) dated 10 December 2009 (hereinafter the 'Decree'). For the disclosures in this statement as defined in Articles 3, 3a and 3b of the Decree, please see the relevant parts of the 2013 annual report. The following disclosures are deemed to be included and repeated here: the disclosure concerning compliance with the principles and best practices of the Dutch Corporate Governance Code (hereinafter the 'Code'), including the motivated statement of deviations in the compliance with the Code, which can be found in the chapter 'Corporate Governance' on page 104 in the annual report;

- the disclosure concerning the main features of the risk management and control system relating to the financial reporting process of the Company and the Group, as described in the section 'Risk Management' on page 110 in the annual report;
- the disclosure regarding the functioning of the Annual General Meeting of shareholders and its key authorities and the rights of the shareholders, and how these can be exercised as described in the chapter 'Corporate Governance' on page 106 in the annual report;
- the disclosure regarding the composition and functioning of the Board of Management, as contained in the 'Report of the Board of Management' on page 101 in the annual report;
- the disclosure regarding the composition and functioning of the Supervisory Board and its committees, as contained in the 'Report of the Supervisory Board' on page 119 in the annual report, respectively;
- the disclosure pursuant to Article 10 of the EU Takeover Directive is included in the chapter 'Corporate Governance' on page 108 in the annual report.

RISK MANAGEMENT

The environment in which Vastned operates is constantly changing, prompting Vastned to constantly adjust to the new conditions. There are a number of trends that are important because they can impact the risk profile. That is why the way in which Vastned deals with these trends, and in particular with the risks associated with them, is a significant part of the risk management.

IMPORTANT TRENDS

- The projections for the European economies assume moderate growth for the coming years. Despite the first signs of a cautious recovery, governments will most likely continue to make cutbacks and the tax burden will remain high. Partly as a result of this unemployment will remain relatively high in coming years. Consumer spending will only grow to a limited extent in this climate.
- Most mature European economies are characterised by an increasingly ageing population and declining population growth. An increase in the population is only observable in the larger cities, which is also due to growing migration from the countryside and smaller cities.
- The emergence of the Internet and social media has caused an increase in online sales (e-commerce). Leading retailers respond to this trend with a multi-channel strategy, in which the physical shop continues to play an extremely important role. Retailers are becoming more critical about the location of these physical shops.
  Because of the rise in e-commerce, shopping is increasingly seen as a leisure activity. Not only the location of the physical shop is important, the assortment on offer in these shops will also have to be tailored to respond to this trend.
- Increase in the regulations designed to reduce volatility on the financial markets and strengthen the banking sector (Basel III, Solvency II, AIFM Directive). These regulations impact the availability of financing for businesses and consumers and affect the readiness of financial parties to invest in or finance property. The AIFM Directive, which took effect for so-called Alternative Investment Funds in mid-2013, increases the administrative burden. Existing funds can make use of a transitional year, which means they must be compliant with the AIFM by 22 July 2014 at the latest. It is not yet clear at the moment whether Vastned is subject to these regulations. If Vastned should be deemed to be an Alternative Investment Fund, it would come under the scope of the EMIR regulation (EU regulation nr. 648/2012 concerning OTC derivatives, central counterparties and transaction registers). This would increase the company's financing needs and financial expenses.

SHARPENING OF STRATEGIC TARGETS

Vastned sharpened its strategic targets in 2014 to respond to these developments and trends:

- to further improve the quality of the property portfolio. In addition to a focus on the best high streets in the larger cities, Vastned has set itself the goal of increasing the share of high street shops in premium cities to 75% of the total property portfolio. These premium cities are selected cities that are characterised by positive demographic trends, strong purchasing power, a historic city centre, tourist attractions and the presence of national and international institutions and universities;
- to put a greater focus on our customers, our tenants, and to further increase our knowledge of the retail market; and
- to further optimise the financing strategy by diversifying the financing, maintaining a conservative loan-to-value ratio of 40-45%.

As stated earlier in this annual report, important steps were taken in 2013 in the context of this strategy in order to respond to or even profit from the above trends. Based on the sharpened strategy, further steps will be taken in 2014 to mitigate the risks associated with the above trends.

DESCRIPTION OF RISKS RELATED TO THE STRATEGY AND THE INTERNAL RISK MANAGEMENT AND CONTROL SYSTEM

In line with the Corporate Governance Code, the following is a description of the key risks to which Vastned is exposed in relation to the implementation of its strategy. In addition to these strategic risks, the financial risks, financial reporting risks, operating risks and compliance risks are also described.

The risk management and control system at Vastned aims to guarantee with a reasonable degree of certainty that the risks to which the Company is exposed have been adequately identified and are being managed within the framework of a limited risk profile. The overview below describes the key risk categories for Vastned. It is stated for each category what potential impact the particular risk category could have and how Vastned endeavours to manage the risk.

STRATEGIC RISKS:

Impact of external factors as a consequence of investment and financial policy choices.

Potential impact:
- the choice of investment country, investment type, relative size and timing of investments can have a major impact on the extent to which the expected rental developments and the demand for retail locations are dependent on inflation, currency fluctuations, consumer spending, rent legislation and permit policies and as such determine the value development of the investments.
- the degree of leverage and the interest rate risk policy affect the (volatility of the) financing costs and the refinancing risk to a significant degree

Control measures:

A strategic choice has been made to:
- focus on retail investments on the most popular high streets in selected premium cities which, in terms of authenticity and attraction, ensure good footfall and are consequently attractive to retailers. At the end of 2013 high street shops represented 69% of the total property portfolio and high street shops in the premium cities represented 46% of the total property portfolio;
- primarily invest in euro zone countries, where the political and economic climate is relatively stable, namely the Netherlands, France, Belgium and Spain. For further details about the rent regime in these countries, see page 226;
- aim for a considerable spread across a range of different properties / locations and tenants (see the key figures for the property portfolio). The gross rental income from the largest property and the largest tenant at year-end 2013 was 2.9% and 9.0% of the total gross rental income, respectively;
- achieve a critical mass for each country / region to guarantee sufficient local expertise and by extension proper research. Properly equipped teams are present in all countries. The Istanbul team will be reinforced if the size of the property portfolio there increases;
- limit the size of the property portfolio in Turkey to a maximum of 10% of the total property portfolio, with a focus on retail investments on the best high streets in Istanbul; and
- maintain a conservative financing policy (for more details see Financial Risks below).

A decision to amend the strategy may only be made after prior approval from the Supervisory Board.

FINANCIAL RISKS:

Control measures:

Financing and refinancing
The risk that insufficient equity and (long-term) loan capital can be raised, or only on unfavourable terms, or that agreed bank covenants are not met.

Potential impact:
- insufficient financing facilities for investments;
- forced sale of investment properties;
- higher financing costs;
- lower direct and indirect investment results; and
- reputation damage.

- regular contact with existing and potential shareholders and with financiers through road shows;
- transparent financial reporting and analysts' meetings;
- limiting loan capital financing to a maximum of 50% of the market value of the property investments. Aiming for a loan-to-value ratio of 40-45%. At year-end 2013, this percentage was 44.6%; after disposal of the Spanish shopping centres/galleries the percentage will be 39.7%
- limiting the proportion of short-term loans to a maximum of 25% of the loan portfolio. At year-end 2013, this percentage was 29.0%;
- the aim is to spread the financing over different banks and other sources of financing, such as private placement bonds. The aim is to increase the share of non-bank financing to 25%. At year-end 2013, this percentage was 16.5%;
- efforts are made to achieve an even spread in the refinancing dates (see table on page 91);
- the basic position is that the long-term loan portfolio should have a weighted average duration of at least three years. At year-end 2013, this duration was 2.8 years;
- internal monitoring based on periodic internal financial reports detailing sensitivity analyses, financing ratios, changes in bank covenants and financing facilities, and internal processes, such as those stated in the Treasury Statute, and;
- regular board meetings on the subject and discussion of these reports with the Audit Committee and the Supervisory Board.

Liquidity risk:
The risk that insufficient resources are available for meeting day-to-day payment obligations.

Potential impact:
- reputation damage;
- additional financing costs; and
- lower direct investment result

- procedures aimed at reducing operational risks that may result in loss of cash flow (see Operational Risks);
- attracting sufficient credit facilities aimed at ensuring sufficient borrowing capacity. At year-end 2013 the unused credit facilities amounted to € 165.5 million;
- drawing up daily cash flow forecasts, and;
- internal monitoring of the borrowing capacity and conditions based on periodic internal financial reports.

Interest rate risk:
Risks resulting from interest rate fluctuations.

Potential impact:
- rising financing costs; and
- lower direct investment result

- limiting the share of the loan portfolio with variable interest rates to no more than one third;
- rate fixing by taking out interest rate derivatives contracts with national and international banks;
- the aim is to achieve an even spread of interest rate review dates;
- the aim is to achieve a typical interest rate duration of at least 3.0 years for the long-term loan portfolio. At year-end 2013, this duration was 2.9 years;
- internal monitoring of interest rate risks based on regular internal financial reports and internal processes as stated in the Treasury statute; and
- regular board meetings on the subject and discussion of these reports with the Audit Committee and the Supervisory Board.

Currency risk:
Risks resulting from exchange rate fluctuations.

Potential impact:
- falling income; and
- lower direct and indirect investment result

- investing primarily in the euro zone;
- no more than 10% of the total invested capital is invested in Turkey. At year-end 2013, this share was 8%, and;
- concluding leases in euros or sometimes in US dollars and financing part or all of the investment properties in the same currency. At year-end 2013 all leases and financing agreements were in euros.

FINANCIAL REPORTING RISKS:

The impact of incorrect, incomplete or late provision of information on internal or external decision-making (by shareholders, banks and regulators, for instance).

Potential impact:

- incorrect estimate of risk-return profile in investment decisions; and
- reputation damage and claims due to having made misleading statements to stakeholders.

Control measures:

A sound system of internal control measures and administrative and organisational measures has been implemented and laid down in various places such as the Administrative Organisation manual, the Code of Conduct, the Whistleblower's Code and the Management Regulations. They provide important checks and balances with regard to financial reports, such as:

- involvement of different disciplines in the preparation of reports and proposals for investments and disposals;
- budgeting, quarterly updated forecasts and quantitative analyses;
- valuation procedures (independent external appraisers who are regularly replaced, internal IRR analyses and internationally accepted valuation guidelines);
- regular business report meetings in which reports are used as the basis for discussing operational activities in detail with the country managers;
- group instructions on accounting principles and reporting data, as well as internal training in IFRS matters, etc.; and
- regular meetings of the Board of Management and discussion of the results of external audits with the Audit Committee and the Supervisory Board.

OPERATIONAL RISKS:

Risks arising from daily transactions and (external) events.

Investment and disposal risks:
Investment or disposal analysis performed incorrectly.

Potential impact:

- incorrect estimation of the risk-return profile;
- investment or disposal made too late;
- negative effect on (future) net rental income;
- unanticipated negative value movements; and
- lower (than expected) direct and indirect investment result

Control measures:

Meticulous acquisition and selling procedures, consisting of:

- performance of a due diligence assessment to assess financial, legal, building and fiscal aspects;
- involvement of different disciplines in acquisitions and disposals;
- standard format for investment and disposal proposals; and
- internal authorisation procedures (investments and disposals exceeding € 25 million and renovations exceeding € 10 million require approval by the Supervisory Board).

OPERATIONAL RISKS:

Control measures:

Letting and debtor risks:
The risk that a property cannot be let at the anticipated rent due to the property's nature and location (resulting in a vacant property) and/or the risk that the rent cannot be collected due to the quality of the tenant.

Potential impact:
- drop in rental income and rise in service costs that cannot be passed on because of vacant properties;
- decline in the value of the investment properties because of vacancy;
- write-off of overdue receivables; and
- lower (than expected) direct and indirect investment result

Internal procedures aimed at:
- evaluation at least once per year of local factors and the investment property itself by portfolio and technical managers, plus (contracted) research;
- extensive annual forward-looking yield analysis, including ten-year forecast;
- the aim is an even spread of expiry dates of lease contracts, in accordance with current rental legislation and regulations;
- the aim is an optimum tenant mix and a set maximum for exposure to any individual tenant (at year-end 2013 the overall gross rental income from Vastned's largest tenant was 9.0% of the total gross rental income);
- regular reports on the occupancy rate and rent arrears in the property portfolio, listing the resulting actions;
- screening tenants when concluding leases;
- interim evaluations of the financial positions and payment behaviour of tenants by holding regular meetings with them and by consulting external sources on this subject; and
- securing bank guarantees and/or payment of security deposits from tenants.

Cost control risks:
The risk of unexpected increases in operating expenses and general expenses, or of having to make unanticipated further investments.

Potential impact:
- incorrect estimation of the risk-return profile; and
- lower direct and indirect investment result

- budgeting procedures and maintenance forecasts;
- authorisation procedures for entering into maintenance and investment commitments;
- regular reporting (realisation vs. budget analyses); and
- benchmarking costs against those of other funds/peers.

Pipeline risks:
Risks associated with acquired investment properties in pipeline.

Potential impact:
- delays in delivery;
- deviations from agreed (technical) specifications or lease conditions;
- inability to let out fully or only at lower than previously estimated rent levels; and
- lower direct and indirect investment result

- generally, a large part of the pipeline risk is transferred to reputable and reliable contracted project developers and building contractors. Early involvement in the design of the property and the composition of the tenant mix limit letting risks;
- regular progress reporting (realisation vs. budget analyses); and
- continuous involvement of in-house commercial and technical experts to monitor progress.

At year-end 2013 the investment properties in the pipeline amounted to just € 1.9 million.

Legal and tax risks:
Risks associated with amendments to tax law and corporate law, or risks arising from the incorrect assessment of contractual provisions or tax exposure.

Potential impact:
- legal and tax claims resulting in fines, loss of income or additional costs;
- loss of tax status;
- reputation damage; and
- lower direct and indirect investment result

internal procedures, comprising:
- evaluation of contractual commitments by internal and where necessary external lawyers and tax experts;
- ensuring that staff receive professional training;
- continuous monitoring of the conditions imposed on the application of the tax regime (including financing ratios, mandatory dividend payments and the composition of the shareholder base) by internal and external tax experts; and
- meticulous analysis of the tax risks involved in acquisitions and disposals (value added tax, transfer tax, deferred tax liabilities and similar).

OPERATIONAL RISKS:

IT-related risks:
Risks associated with malfunctions or security issues related to the internal IT infrastructure.

Potential impact:
- inability to issue internal or external reports correctly or on time;
- loss of relevant information;
- unauthorised access to information by third parties; and
- reputation damage.

Control measures:

Internal procedures aimed at:
- access security;
- back-up and recovery procedures. daily pick-up of back-ups by an external company;
- regular checks by external experts;
- digitisation of key documents; and
- hiring in external know-how and experience to keep up to date on IT developments.

The IT network between the different countries is centralised in Rotterdam, with the individual countries connected to the company Wide Area Network over fixed lines leased from professional network providers.

COMPLIANCE RISKS:

Risks associated with non-compliance or inadequate compliance with legislation and regulations, or risks associated with unethical conduct.

Potential impact:
- reputation damage;
- claims and legal procedures; and
- lower direct investment result

Control measures:
- internal procedures and training aimed at keeping knowledge of legislation and regulations up to date;
- internal Code of Conduct and whistleblower's code;
- compliance with the Code of Conduct is discussed with employees at least once a year;
- procedures aimed at hiring staff who will act with integrity (including references, etc.); and
- having the country managers sign an internal Letter of Representation at least once a year.

Only a relatively small number of people work at Vastned and they are spread across the various country organisations. Activities in the areas of financing, cash management, tax, legal affairs, IT, research, budgeting and budgetary control are carried out at group level in Rotterdam, which also benefits the local country organisations. Vastned does not have a separate internal audit department. In view of the limited complexity of the day-to-day transactions and the short internal communication lines, the absence of a separate internal audit department is deemed to be acceptable from the perspective of risk management. However, the functioning of the internal procedures in the various countries is tested periodically by means of random checks by the head office. The company intends to contract out these activities to an external party as of 2014.

RESULTS OF THE EVALUATION OF THE INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

In 2013, regular attention was devoted to risk management by the Supervisory Board and the Board of Management, as well as by the organisations in each of the countries in which Vastned operates. Key points of attention in the area of risk management were the impact of the debt crisis on the development in rents and in the value of the property portfolio and the continued availability of financing. In June 2013, the Valuers and Accountants Platform published its report 'Well valued real estate; 28 recommendations for valuing and valuation reports'. These recommendations have been incorporated in the appraisals and the appraisers who appraised the majority of Vastned's portfolio state that their appraisals were largely in agreement with the 28 recommendations. The reporting on the monitoring of the financing facilities and the regularity of these reports was also increased to some extent.

Measures taken over the past years by the ECB and European governments ensured relative calm concerning the discussion on the continued existence of the euro and confidence in this currency improved. The financial statements consequently have been prepared based on the continued existence of the euro. Various disposals were realised in the context of further improving the quality of the property portfolio. The proceeds were used in part for the acquisition of high street shops in premium cities and in part to strengthen the balance sheet.

During the regular account management meetings, an external retail expert directed extra attention to the effects of e-commerce, in addition to the attention to the developments at retailers in the various countries. An integrity workshop in which attention was devoted to the internal Code of Conduct was also held during one of these meetings. During this workshop a number of theoretical but realistic cases were used to discuss how the Vastned organisation should handle such integrity issues.

In addition to the sharpened strategy, a number of important risks were addressed by the Board of Management as well as in meetings of the Audit Committee and the Supervisory Board in accordance with the annually adopted work plan. These meetings also addressed the design and operation of the associated risk management measures in relation to, among other things, strategic risks, emergency risks (insurances, solvency of the insurer), financial reporting risks, compliance risks (rules of the AFM and NYSE Euronext, as well as those associated with licences and safety regulations), financing and refinancing risks, interest rate risks, IT risks, and tax (particularly in relation to the amendment of the tax law in Spain) and legal risks. In terms of the financial reporting risks, additional attention was devoted to the valuation of the property portfolio in the context of the above-mentioned external trends. Furthermore, as reported above, the appraisal instructions were reviewed. The manner in which appraisers report was expanded following this.

No significant changes were deemed necessary with respect to the internal risk management and control systems in relation to the identified risks.

The management letter issued by the auditor in October 2013 did not reveal any noteworthy findings. The recommendations in the 2012 management letter, to the extent applicable, have been followed in 2013.

With due consideration for the above, the Board of Management is of the opinion that the risk management and control systems in place provide a reasonable degree of assurance about the financial reporting risks. These risk management and control systems functioned throughout the reporting year such that there is a reasonable degree of assurance that the financial reporting is free of material misstatements.

SENSITIVITY ANALYSIS

The table below includes an overview of the sensitivity of the direct and indirect investment result or the loan-to-value ratio to a number of external conditions and variables, based on the situation existing at the end of 2013 (ceteris paribus).

Change in:	Effect:
• increase of 100 basis points in interest rate	• direct investment result of € 0.06 per share negative
• increase of 10 basis points in net initial yield used in appraisals	• indirect investment result of € 1.32 per share negative, loan-to-value ratio 69 bps negative
• decrease of 100 basis points in occupancy rate	• direct investment result of € 0.06 per share negative

RESPONSIBILITY STATEMENT OF THE BOARD OF MANAGEMENT CONCERNING ARTICLE 5.25C OF THE ACT ON FINANCIAL SUPERVISION

In line with best practice II.1.5 of the Dutch Corporate Governance Code and Article 5.25c of the Act on Financial Supervision, the Board of Management declares to the best of its knowledge that insofar as it can be expected to be known:

- the 2013 consolidated financial statements give a true and fair view of the assets and liabilities, the financial position and the result of Vastned and its consolidated subsidiaries;

- the additional management information set out in this annual report gives a true and fair view of the state of affairs as at the balance sheet date and the course of events during the financial year of Vastned and its consolidated subsidiaries; and

- the material risks to which Vastned is exposed are set out in the annual report.

Rotterdam, 19 March 2014

Board of Management Vastned Retail N.V.

Taco T.J. de Groot, CEO
Tom M. de Witte, CFO

REPORT OF THE SUPERVISORY BOARD

MESSAGE FROM THE SUPERVISORY BOARD

2013 was the year in which Vastned visibly realised a number of important milestones it had set for itself at the end of 2011 when the strategy was altered and in which it sharpened its high street shop strategy for the future.

Targeted acquisitions and disposals starting in 2011 pushed the share of high street shops in the property portfolio up from 48% to 69% at the end of 2013, marking the achievement of a key strategic target. € 269 million in non-strategic investment properties were disposed of in that context during 2013, far in excess of the figure of € 200 million set earlier. Just under € 104 million in premium city high street shops were also acquired.

At the beginning of 2014 an important step was taken in the further acceleration of the high street shop strategy: a large portion of the Spanish property portfolio, consisting of seven shopping centres and a retail park, was disposed of. This transaction received special attention from the Supervisory Board during 2013.

The financing pallet was diversified further with the contracting of a new five-year loan of € 40 million from Belfius. Despite the write-down on the portfolio, primarily in Spain, the loan-to-value ratio is solid at 44.6%, after the disposal of the Spanish shopping centres/galleries the loan-to-value improved to 39.7%, and remains within the target bandwidth of 40% - 45%.

Significant progress was also made in terms of the corporate structure and corporate culture; a new country manager was appointed for the Dutch property portfolio at the beginning of 2014 and there were changes in some other positions. The Dutch organisation is now at full strength and ready for the future. International account management, whereby local knowledge and experience at Vastned in relation to retailers and property is shared in acquisition and disposal processes and contacts with tenants, was given a structural basis and is producing positive results.

In the context of its role as an employer, the supervisory board has evaluated the board of management and resolved in view of the long service of the present CFO and the current phase the fund has reached that it is time for change, and to hire a new CFO to lead Vastned in the next phase of its development, in conjunction with the present CEO. Current CFO Tom de Witte has expertly assisted Vastned for eleven years, which were punctuated by major events like the unbundling of Vastned Retail and Vastned Offices, and the implementation of the current strategy, including the sale of the Spanish shopping centres. The supervisory board is very grateful to Mr De Witte for his dedication and long service, and for the value of his work for the fund during its various transition phases.

Following on its achievement of the key targets, Vastned has now updated its strategy and set new and ambitious but realistic targets in which value creation is the priority. The coming years are expected to remain challenging. In view of the dedication with which the strategy is being implemented by the Board of Management and staff, step by step and in a pragmatic way, we are convinced that Vastned will also be able to realise these strategic goals in the future.

A detailed substantive account on the policy pursued and targets realised by the business can be found in the Report of the Board of Management on page 53. In this report of the Supervisory Board, we render account on how we have discharged our tasks and responsibilities.

At this point the Supervisory Board would like to thank the shareholders for their confidence in the business. The Supervisory Board would also like to express its appreciation for the efforts of the Board of Management and the employees of the business and would like to compliment them on the result achieved in 2013. A special thanks is owed to the Spanish employees for their work in the context of the disposal of the Spanish property portfolio.

Rotterdam, 19 March 2014

Supervisory Board Vastned Retail N.V.

Wouter J. Kolff, chairman;
Pieter M. Verboom, vice-chairman; chairman Audit Committee
Marieke Bax; chairman Remuneration Committee
Jeroen B.J.M. Hunfeld

REPORT ON THE SUPERVISORY RESPONSIBILITIES OF THE SUPERVISORY BOARD IN 2013

GENERAL APPROACH

The Supervisory Board met a total of nine times in 2013. Six of these meetings were held in accordance with a meeting schedule set in advance. Three meetings were held outside the regular meeting schedule and these were primarily focussed on discussing the options for improving the Company's financing structure, renewing the strategy and several proposals for investments and disposals. The Board of Management, Managing Director Operations & Investments and General Counsel were present at all meetings. The attendance rate of the members of the Supervisory Board at these meetings was 91%.

In the context of making sound decisions, the Board of Management always kept the Supervisory Board supplied with sufficient information in time. The Supervisory Board was informed about the relevant aspects related to the business and the Company during all meetings. In these meetings, the Supervisory Board assessed regularly recurring items, such as the financial and operating results of the business, as well as the reporting of these results in press releases. In addition, a number of other important non-recurring items were discussed during these meetings as described below.

Almost all topics were discussed on the basis of memoranda and/or presentations provided by the Board of Management. In preparation for the meetings of the plenary Supervisory Board, various relevant documents were discussed separately in the various committees of the Supervisory Board. The chairmen of these committees reported on these discussions in the meetings of the plenary Supervisory Board.

Between meetings there was ad hoc contact between individual members of the Supervisory Board and members of the Board of Management. The chairman of the Supervisory Board acts as the initial point of contact within the Supervisory Board. The CEO and the chairman of the Supervisory Board discussed the Company's current affairs and its general state of affairs at various times. The chairman of the Audit Committee was also in contact with the CFO on several occasions.

The General Counsel functions as the company secretary for both the Board of Management and the Supervisory Board. The company secretary takes care of the usual organisational tasks of the Supervisory Board. The secretary is also responsible for providing individual support to the members of the Supervisory Board and specifically the chairman of the Supervisory Board. Important items in this respect are the process of organising the Supervisory Board and its committees, the information exchange between the Board of Management and the Supervisory Board (including the scheduling and agenda of meetings and the progress monitoring related to action points), the Annual General Meeting of shareholders, monitoring of the corporate governance requirements and the communication with all other relevant parties.

TOPICS OF DISCUSSION

KEY TOPICS IN 2013

All regular topics were discussed during the meetings of the Supervisory Board. The progress of the sharpened strategy initiated in 2011 and the new organisational structure related to this received special attention in the various meetings of the Supervisory Board throughout the year. In this context, the Supervisory Board closely monitored the progress achieved in turning over the property portfolio and discussed various acquisitions and disposals. There was also special attention to the financing of the property portfolio, the performance of the Spanish property portfolio and the disposal of this portfolio. At the end of 2013, the Board of Management and Supervisory Board took the 'financial sector oath' as described in Article 4:9 of the Act on Financial Supervision.

The meeting of January 2013 was devoted to discussing various options for safeguarding Vastned's capital position. Scenario analyses were discussed and possible alternative sources of financing were examined. A scenario analysis of the Spanish property portfolio was also discussed in this meeting, whereby various scenarios relating to rent levels, vacancy and write-downs were calculated and the impact on, among other things, the investment result and existing financing agreements with banks was analysed.

Strategy update

At the end of November 2013, the Supervisory Board discussed the strategy with the Board of Management in two meetings. Central to the discussion was the question of to what extent the current strategy needed to be further sharpened and what new targets needed to be formulated. These targets have since been communicated in detail in the press release dated 14 January 2014. The 2014 - 2016 business plan was discussed and approved in connection with this.

REGULAR TOPICS

In each of the regular meetings in 2013 the financial and operating results of the company over the past quarter were discussed at length and subsequently approved. In this respect the key developments in the property portfolio in each country were reviewed in detail in terms of property valuations and lettings. The Board of Management's outlook for these results was also assessed in each meeting. Other regular items on the agenda included topics such as the acquisition and disposal of property and developments related to the financing and refinancing of the loan portfolio.

Corporate social responsibility

The topic of corporate social responsibility was discussed on a quarterly basis in the context of the reporting by the Board of Management about the property portfolio's state of affairs to the Supervisory Board.

Risk management

Regular attention was devoted to the key risks associated with the company's business operations, including risks associated with the valuation process, interest-rate and financing risks, keeping rent levels up to par, the occupancy rate, and accounts receivable risks. The set-up and functioning of the internal risk management and control systems linked to this were periodically evaluated and discussed with the Supervisory Board.

2012 annual figures

The meeting in February 2013 was primarily devoted to discussing the results for the 2012 financial year, the financial statements and the management letter from the external auditor. The 2012 annual figures were discussed in the presence of Deloitte. No subjects that are of such importance that they require mention in this report were addressed in the management letter. The financial targets for the Board of Management and staff for 2013 were discussed and adopted. A new financial calendar and meeting agenda were also adopted. A number of developments relating to corporate governance were discussed and a decision to amend the articles of association was taken. The proposal for disposal of the Val Thoiry shopping centre in France was discussed and then approved outside of meeting. Finally, the Board of Management reported on the activities relating to account management within the organisation.

2013 first quarter figures

The figures for the first quarter of 2013 were discussed and approved at the beginning of May 2013. The Supervisory Board regulations were also discussed and amended in line with the most recent legislation and regulation. The proposal for disposal of Het Rond shopping centre in Houten was discussed and approved in advance of the Annual General Meeting of shareholders.

2013 half-year figures

The meeting in August 2013 mainly addressed the half-year figures. Extensive reporting also took place on shareholder contacts during the first six months of the year and the policy related to Investor Relations. The introduction, training and education programme was also discussed and a few suggestions for improvements were made. Finally, in this meeting an external expert presented the Supervisory Board with detailed information on the topics of retail, property and the impact of e-commerce.

Figures for the 2013 first nine months

The meeting at the beginning of November 2013 was primarily focused on the figures for the first nine months of the year. The proposal for the disposal of a cluster of non-strategic French investment properties was approved outside of meeting. Finally, the proposal for the disposal of a large part of the Spanish property portfolio was discussed at length and subsequently approved.

Investor relations activities

The Supervisory Board was well informed about Investor Relations throughout the year. Updates were provided during the various meetings and the reports produced about Vastned by the various analysts were always sent to the Supervisory Board on time.

In terms of the contacts with shareholders, the Supervisory Board is of the opinion that these should primarily take place in the shareholders' meetings. A high degree of shareholder participation in these meetings is considered to be of the utmost importance. In addition, the Supervisory Board believes that contacts between the Company and shareholders outside the shareholders' meetings can be in the interest of the Company as well as the shareholders. The Supervisory Board will see to it that the Company complies with shareholders' requests for meetings in instances where this is deemed important. The Company itself can also take the initiative to hold a meeting with a shareholder.

Evaluation of the Supervisory Board

Each year the Supervisory Board evaluates its own performance. At the end of November 2013, the Supervisory Board evaluated its own performance and that of the individual members in a private meeting. For this purpose, all members of the Supervisory Board completed an extensive questionnaire that on the one hand focussed on institutional and procedural aspects, such as the composition and profile of the Supervisory Board, the decision-making process, the quality of the supervisory process, and the provision of information to and communication with the Supervisory Board. On the other hand, the questionnaire focussed on the relational aspects, including the performance as a team and individually, the relationship with the Board of Management and the performance of the chairman of the Supervisory Board. The Board of Management and the General Counsel were also asked for feedback. The individual responses to these questionnaires were sent anonymously to the General Counsel, who summarised all of these responses in a general report. This report constituted the basis for the Supervisory Board's discussion of its own performance.

It was apparent from the evaluation that various areas for improvement from the previous evaluation had been followed up on. In terms of the 2013 evaluation, the conclusion is that the Supervisory Board performed well. It was decided that a number of minor suggestions, not worthy of note here, for improving the internal performance of the Supervisory Board and its committees would be adopted. It was also decided to update the introduction programme in 2014 for new future members of the Supervisory Board and to actualise a permanent education programme in 2014.

Permanent education

The members of the Supervisory Board can take courses related to any topic that is important to the exercise of supervision. In the context of permanent education, various members of the Supervisory Board took part in modules dealing with various subjects, for example in the area of corporate governance. The Supervisory Board is also informed by the Company on a daily basis about national and international property developments and on a frequent basis about developments relating to corporate governance.

REPORT OF THE COMMITTEES OF THE SUPERVISORY BOARD

In 2013, the Supervisory Board was supported by three committees that prepared the subjects delegated to them for decision-making in the plenary Supervisory Board: the Audit Committee, the Remuneration Committee and the Nomination Committee. The members of the committees are part of the Supervisory Board. Each committee reports its findings via its chairman to the full Supervisory Board. The committees also report in writing on the meetings held by them.

REPORT OF THE AUDIT COMMITTEE

Tasks

The Audit Committee is charged with supervising the Board of Management primarily on financial issues and advising the Supervisory Board in this respect. Among other things, the committee supervises the financial reporting process, the statutory audit of the consolidated financial statements, the Company's risk management system, compliance with legislation and regulations, and the functioning of codes of conduct. After each meeting, the Audit Committee draws up a report of its deliberations and findings. The committee reports on the developments in the relationship with the external auditor at least once a year. A thorough assessment is carried out of the external auditor's performance once every four years.

Composition

The Audit Committee consists of two members, Messrs Verboom (chairman) and Hunfeld. The composition of the Audit Committee remained unchanged during the reporting year. Mr Verboom qualifies as a financial expert under the Code.

Summary of activities

The Audit Committee met four times in 2013, whereby one member was absent for one meeting. The chairman of the Supervisory Board was also in attendance at two meetings. The Board of Management was always present during these meetings. Minutes were prepared for all meetings and were shared with the full Supervisory Board. The external auditor, Deloitte, was on hand for part of the meetings. The Audit Committee also met once during the reporting year with the external auditor without the Company's Board of Management present.

During the meetings the following regular topics were discussed in detail: the 2012 financial statements, the (interim) financial reports for the 2013 financial year, various IFRS developments, letting risks, risk and cost control, the financing and liquidity of the business, insurance matters, disasters and liability risks, the Company's fiscal and legal position, the internal control and administrative organisation, publicity risks, shareholders' complaints, integrity, compliance, IT risks, the Board of Management's expenses and compliance with other relevant legislation and regulations.

Several subjects were discussed more extensively during the 2013 reporting year. For instance in the meeting held at the beginning of May 2013, the 2013 audit plan was discussed with Deloitte, the auditor. The external auditor's performance was also evaluated and the committee concluded that this was satisfactory.

In the meeting held in August 2013, the Audit Committee discussed in detail the IT risks and the update of the organisation's hardware and software. The procedure for investments and disposals was discussed at length in 2013 and details of this procedure were amended. The Audit Committee also discussed the management letter in the presence of Deloitte, the external auditor. This did not involve an extensive review of the figures but mainly a check of the procedures used. No subjects that are of such importance that they require mention in this report were addressed in the management letter.

The figures from the first nine months of the year were discussed at the beginning of November 2013. The follow-up to the report issued by the external auditor in the context of the audit of the 2012 financial statements was discussed. Deloitte concluded that all the areas identified for follow-up in the previous year had been act upon. During the discussion of these reports with the external auditor no subjects were discussed that are worthy of mention in this report. The letting risks and accounts receivable risks were also discussed, the AIFM Directive was reported on in detail and the internal audit function was evaluated. It was decided during this meeting that the functioning of internal procedures will be tested periodically by means of random checks by a third party.

REPORT OF THE REMUNERATION COMMITTEE

Tasks

The fixed tasks of the Remuneration Committee include the assessment of the Board of Management's realisation of the performance targets and the preparation of targets for the short-term and long-term variable remuneration. The Remuneration Committee, in part with the assistance of external consultants, monitors the trends and developments related to the remuneration policy and regularly checks whether the current remuneration policy still matches the current market picture and the current corporate governance provisions. In addition, the Remuneration Committee draws up the remuneration report as advice for the Supervisory Board. The Supervisory Board's remuneration report is contained on page 201 in the annual report and is separately available as part of the meeting documents for the Annual General Meeting of shareholders.

Composition

The Remuneration Committee consists of Ms Bax (chairman) and Mr Verboom. The composition of the Remuneration Committee remained unchanged during the reporting year.

Summary of activities

The Remuneration Committee met three times in 2013 during which all of its members were present each time. Minutes were prepared for the meetings and were shared with the full Supervisory Board. The Remuneration Committee also regularly held discussions outside its meetings. During the reporting year the Remuneration Committee informed itself on, among other things, the most recent developments relating to corporate governance. At the end of 2013 the Supervisory Board asked the Hay Group to prepare a memo outlining trends and developments relating to top remuneration. This memo served as the basis for internal discussion and the determination of the remuneration for 2014.Performance criteria were also formulated for the short-term bonus awarded to the Board of Management, and scenario analyses were conducted.

REPORT OF THE NOMINATION COMMITTEE

Tasks

The tasks of the Nomination Committee include drawing up selection and appointment criteria, regularly assessing the members of the Supervisory Board and the Board of Management, supervising the Board of Management in the matter of senior management appointments, and taking concrete decisions with regard to selection and appointments. The activities of the Nomination Committee consist of making preparations in support of the decision-making process concerning the recruitment, selection, appointment and evaluation of members of the Supervisory Board and members of the Board of Management. In addition, the committee regularly assesses the size and composition of the Supervisory Board and the Board of Management.

Composition

The Nomination Committee comprises all members of the Supervisory Board and Mr Kolff is its chairman.

Summary of activities

The selection and appointment committee met twice in 2013; none of the members were absent. The board of management was not present at these meetings. In the context of its role as an employer, at the end of 2013 the Supervisory Board evaluated the Board of Management and resolved in view of the long service of the present CFO and the phase the fund has entered into, that it is time for change, and that a new CFO will be appointed in 2014 to lead Vastned in the next phase of its development, in conjunction with the present CEO. Finally, the retirement roster was discussed during the meetings.

Summary of the Remuneration Report

The remuneration report concerning the Board of Management and the Supervisory Board is contained on the Company's website and on page 201 in this annual report.

INTERNAL ORGANISATION

COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board consists of the following four members:

Mr Wouter J. Kolff (1945), Chairman
Mr Pieter M. Verboom (1950), Vice chairman
Mr Jeroen B.J.M. Hunfeld (1950)
Mrs Marieke Bax MBA (1961)

A more elaborated overview of the biographies of the individual members can be found on page 34 and page 35 of this annual report.

The retirement schedule for the coming years is as follows:

	Year of first appointment	End of four-year term(s)	Year of reappointment(s)	Latest possible retirement year
Wouter J. Kolff	2006	2010, 2014	2010	2018
Pieter M. Verboom	2004	2008, 2012	2008, 2012	2016
Jeroen B.J.M. Hunfeld	2007	2011	2011	2019
Marieke Bax	2012	2016		2024

The articles of association stipulate that a period in office is limited to three terms of four years.

PROFILE OF THE SUPERVISORY BOARD

At year-end 2013, the Supervisory Board comprised four members. Of these four members, one is female (25%). All members are of Dutch nationality. The average age is 61.5 years in a range from 52 to 68 years. All members have a university degree or equivalent. The members' expertise is always composed such that the members provide a proper and varied mix of knowledge, experience and insight pertaining to the markets in which Vastned operates. The Supervisory Board profile guarantees that the Supervisory Board has the proper composition and can be inspected on the Company's website.

The Supervisory Board is of the opinion that a mixed composition in terms of factors such as nationality, gender, age, expertise, experience and background constitutes a key prerequisite for the effective performance of an independent Supervisory Board. The Supervisory Board concludes that the Supervisory Board in its current composition has the required diversity based on age, expertise, experience and background. Vastned aims to have at least 30% of the positions on the Supervisory Board held by women. At present, 25% of the Supervisory Board consists of women. Partly depending on the profile of the members to step down in the future, an assessment will be carried out to determine the required profile of the new members. Naturally the diversity targets, including a balanced distribution between men and women, will be a factor in such considerations.

CHANGES IN THE COMPOSITION OF THE SUPERVISORY BOARD

There were no changes to the composition of the Supervisory Board or its committees in the course of 2013.

FINANCIAL STATEMENTS AND DIVIDEND

Financial statements

We are pleased to present the annual report of Vastned Retail N.V. prepared by the Board of Management for the 2013 financial year. The financial statements have been audited by Deloitte Accountants B.V., which issued an unqualified opinion on them. We recommend that you:

1) adopt the financial statements unamended in accordance with Article 27 of the articles of association;
2) discharge the members of the Board of Management for the management provided during 2013; and
3) discharge the members of the Supervisory Board for the supervision of the management exercised during 2013.

The members of the Supervisory Board have endorsed the 2013 financial statements on the basis of their statutory obligations pursuant to Book 2, Article 101 (2) of the Netherlands Civil Code.

Dividend policy

The Annual General Meeting of shareholders of 19 April 2013 approved the current dividend policy which calls for a minimum of 75% of the direct investment result per share to be paid as dividend. In principle, no stock dividend is paid. An interim dividend in the amount of 60% of the direct investment result per share is paid out.

Dividend proposal

We agree with the Board of Management's proposal that a cash dividend of € 2.55 per share be paid to shareholders for the 2013 financial year. Taking into account the € 0.92 interim dividend paid on 30 August 2013, the final dividend is set at € 1.63 per share. The final dividend will be made payable on 29 May 2014. At the Annual General Meeting of shareholders on 15 May 2014 Vastned will put the above proposal to the shareholders for approval.

EPRA KEY PERFORMANCE MEASURES

EPRA BEST PRACTICES-RECOMMENDATIONS

In August 2011, EPRA's Reporting and Accounting Committee published the updated EPRA Best Practices Recommendations (BPR), to which the EPRA Cost Ratios were added in July 2013. These BPRs contain recommendations concerning the determination of key performance indicators for measuring the performance of the property portfolio. Vastned endorses the importance of standardising the reporting of performance indicators from the perspective of comparability and improving the quality of information provided to investors and other users of the annual report. For this reason, Vastned has decided to include the key performance indicators in a separate chapter of the annual report.

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

The EPRA BPR Checklist is available on Vastned's website: www.vastned.com

EPRA PERFORMANCE INDICATORS

				(x € 1,000)		per share (x € 1)
EPRA performance-indicator [1]	**Page**	**Table**	**2013**	**2012**	**2013**	**2012**
EPRA Earnings	130	1	54,195	62,562	2.85	3.31
EPRA NAV	131	2	829,642	971,766	43.58	51.04
EPRA NNNAV	131	3	783,756	908,056	41.17	47.70
EPRA Net Initial Yield (NIY) [2]	132	4 (i)	5.2%	5.7%		
EPRA 'topped-up' NIY [2]	132	4 (ii)	5.6%	6.0%		
EPRA Vacancy Rate [2]	134	5	3.5%	5.1%		
EPRA Cost Ratio (including direct vacancy costs)	135	6 (i)	20.3%	19.5%		
EPRA Cost Ratio (excluding direct vacancy costs)	135	6 (ii)	17.0%	17.0%		

[1] The EPRA performance indicators are calculated on the basis of the definitions published by the EPRA and are included in the list of definitions on page 228.
[2] In the calculation of these performance indicators, the Spanish shopping centres that were sold in the beginning of 2014 are not taken into account.

1 EPRA EARNINGS

	2013	2012
Investment result according to consolidated IFRS profit and loss account	(89,036)	(41,000)
Value movements investment properties	121,575	122,241
Net result on disposals of investment properties	9,468	(1,206)
Value movements financial derivatives	12,356	1,397
Movement deferred tax assets and liabilities	(6,104)	(17,672)
Attributable to non-controlling interests	5,936	(1,198)
EPRA Earnings	**54,195**	**62,562**
EPRA Earnings per share (EPS) (x € 1)	2.85	3.31

2 AND 3 EPRA NAV AND EPRA NNNAV

	31-12-2013		31-12-2012	
		per share (x € 1)		per share (x € 1)
Equity Vastned Retail shareholders	791,365	41.57	899,666	47.26
Fair value of financial derivatives	29,068	1.53	48,063	2.52
Deferred tax	9,209	0.48	24,037	1.26
EPRA NAV	**829,642**	**43.58**	**971,766**	**51.04**
Fair value of financial derivatives	(29,068)	(1.53)	(48,063)	(2.52)
Fair value of interest-bearing loans [1)]	(9,556)	(0.50)	185	0.01
Deferred tax	(7,262)	(0.38)	(15,832)	(0.83)
EPRA NNNAV	**783,756**	**41.17**	**908,056**	**47.70**

[1)] The calculation of the fair value is based on the swap yield curve at year-end 2013 and the credit spreads in effect at year-end 2013.

4 EPRA NET INITIAL YIELD AND EPRA TOPPED-UP NET INITIAL YIELD AS AT 31 DECEMBER

	The Netherlands		Belgium	
	2013	2012	2013	2012
Investment properties	623,303	719,530	361,678	331,109
excluding:				
Investment properties in pipeline	(1,890)	(2,250)	-	-
Assets held for sale	-	-	-	-
Investment properties in operation	621,413	717,280	361,678	331,109
plus:				
Estimated transaction fees	46,773	53,989	9,042	41,814
Investment value of investment properties in operation (B)	**668,186**	**771,269**	**370,720**	**372,923**
Annualised cash passing rental income	42,084	49,891	21,516	22,120
Property outgoings	(5,253)	(5,906)	(1,843)	(1,576)
Annualised net rental income (A)	**36,831**	**43,985**	**19,673**	**20,544**
Effect of rent-free periods and other lease incentives	889	475	610	254
Topped-up annualised net rental income (C)	**37,720**	**44,460**	**20,283**	**20,798**
(i) EPRA Net Initial Yield (A/B)	5.5%	5.7%	5.3%	5.5%
(ii) EPRA Topped-up Net Initial Yield (C/B)	5.6%	5.8%	5.5%	5.6%

	High street shops in premium cities		Other high street shops	
	2013	2012	2013	2012
Investment properties	787,889	674,480	387,343	419,906
excluding:				
Investment properties in pipeline	-	(46,694)	-	-
Assets held for sale	-	-	-	-
Investment properties in operation	787,889	627,786	387,343	419,906
plus:				
Estimated transaction fees	41,401	45,796	24,757	34,169
Investment value of investment properties in operation (B)	**829,290**	**673,582**	**412,100**	**454,075**
Annualised cash passing rental income	38,428	32,535	26,432	28,955
Property outgoings	(2,779)	(2,263)	(2,519)	(2,761)
Annualised net rental income (A)	**35,649**	**30,272**	**23,913**	**26,194**
Effect of rent-free periods and other lease incentives	5,301	2,786	187	115
Topped-up annualised net rental income (C)	**40,950**	**33,058**	**24,100**	**26,309**
(i) EPRA Net Initial Yield (A/B)	4.3%	4.5%	5.8%	5.8%
(ii) EPRA Topped-up Net Initial Yield (C/B)	4.9%	4.9%	5.8%	5.8%

	France		Turkey		Spain/Portugal		Total
2013	2012	2013	2012	2013	2012	2013	2012
359,406	472,477	128,632	127,093	221,376	330,776	1,694,395	1,980,985
-	(595)	-	(46,694)	-	-	(1,890)	(49,539)
-	-	-	-	(157,943)	-	(157,943)	-
359,406	471,882	128,632	80,399	63,433	330,776	1,534,562	1,931,446
23,756	31,191	3,218	2,176	2,293	9,229	85,082	138,399
383,162	**503,073**	**131,850**	**82,575**	**65,726**	**340,005**	**1,619,644**	**2,069,845**
20,604	28,428	4,126	2,709	4,300	29,678	92,630	132,826
(1,029)	(1,812)	(88)	(114)	(120)	(4,483)	(8,333)	(13,891)
19,575	**26,616**	**4,038**	**2,595**	**4,180**	**25,195**	**84,297**	**118,935**
199	133	3,960	2,280	-	1,634	5,658	4,776
19,774	**26,749**	**7,998**	**4,875**	**4,180**	**26,829**	**89,955**	**123,711**
5.1%	5.3%	3.1%	3.1%	6.4%	7.4%	5.2%	5.7%
5.2%	5.3%	6.1%	5.9%	6.4%	7.9%	5.6%	6.0%

	Other investment properties		Total
2013	2012	2013	2012
519,163	886,599	1,694,395	1,980,985
(1,890)	(2,845)	(1,890)	(49,539)
(157,943)	-	(157,943)	-
359,330	883,754	1,534,562	1,931,446
18,924	58,434	85,082	138,399
378,254	**942,188**	**1,619,644**	**2,069,845**
27,770	71,336	92,630	132,826
(3,035)	(8,867)	(8,333)	(13,891)
24,735	**62,469**	**84,297**	**118,935**
170	1,875	5,658	4,776
24,905	**64,344**	**89,955**	**123,711**
6.5%	6.6%	5.2%	5.7%
6.6%	6.8%	5.6%	6.0%

5 EPRA VACANCY RATE

31-12-2013

	Gross rental income	Net rental income	Lettable floor area (sqm)	Annualised cash passing rental income	Estimated rental value (ERV) of vacancies	Estimated rental value (ERV)	EPRA Vacancy Rate
The Netherlands	46,429	40,524	203,617	42,084	1,446	43,826	3.3%
Belgium	21,744	19,833	146,851	21,516	1,058	22,470	4.7%
France	23,440	20,400	57,542	20,604	1,066	22,171	4.8%
Turkey	4,496	4,204	13,075	4,126	-	8,353	-
Spain/Portugal	27,129	21,787	10,822	4,300	-	3,814	-
Total investment properties in operation	**123,238**	**106,748**	**431,907**	**92,630**	**3,570**	**100,634**	3.5%
High street shops in premium cities	36,033	32,223	86,708	38,428	466	46,090	1.0%
Other high street shops	27,154	24,186	117,343	26,432	1,509	26,550	5.7%
Other investment properties	60,051	50,339	227,856	27,770	1,595	27,994	5.7%
Total investment properties in operation	**123,238**	**106,748**	**431,907**	**92,630**	**3,570**	**100,634**	3.5%

31-12-2012

	Gross rental income	Net rental income	Lettable floor area (sqm)	Annualised cash passing rental income	Estimated rental value (ERV) of vacancies	Estimated rental value (ERV)	EPRA Vacancy Rate
The Netherlands	52,647	45,366	241,098	49,891	1,626	51,284	3.2%
Belgium	22,245	19,881	150,771	22,120	609	22,499	2.7%
France	27,927	25,540	103,697	28,428	1,699	30,937	5.5%
Turkey	2,085	1,908	7,800	2,709	-	5,138	-
Spain/Portugal	28,580	23,001	144,324	29,678	3,165	30,044	10.5%
Total investment properties in operation	**133,484**	**115,696**	**647,690**	**132,826**	**7,099**	**139,902**	5.1%
High street shops in premium cities	29,672	26,398	74,360	32,484	946	37,187	2.5%
Other high street shops	29,513	25,644	126,675	29,006	1,003	29,609	3.4%
Other investment properties	74,299	63,654	446,655	71,336	5,150	73,106	7.0%
Total investment properties in operation	**133,484**	**115,696**	**647,690**	**132,826**	**7,099**	**139,902**	5.1%

6 EPRA COST RATIOS

	2013	2012
General expenses	8,955	8,791
Ground rents paid	584	603
Operating expenses	12,663	14,129
Net service charge expenses	3,243	3,056
less:		
Ground rents paid	(584)	(603)
EPRA costs (including vacancy costs) (A)	**24,861**	**25,976**
Vacancy costs	(3,977)	(3,433)
EPRA costs (excluding vacancy costs) (B)	**20,884**	**22,543**
Gross rental income less ground rents paid (C)	**122,654**	**132,881**
(i) EPRA Cost Ratio (including vacancy costs) (A/C)	20.3%	19.5%
(i) EPRA Cost Ratio (excluding vacancy costs) (B/C)	17.0%	17.0%

A sum of less than € 0.1 million in operating expenses was capitalised in 2013 (2012: € 1.5 million). Vastned capitalises the operating expenses directly attributable to the investment properties in pipeline during the period that the investment properties in pipeline are not available for letting.
General expenses (overhead) are not capitalised.

DIRECT AND INDIRECT INVESTMENT RESULT

DIRECT INVESTMENT RESULT

(x € 1,000)

	2013	2012
Gross rental income	123,238	133,484
Ground rents paid	(584)	(603)
Net service charge expenses	(3,243)	(3,056)
Operating expenses	(12,663)	(14,129)
Net rental income	106,748	115,696
Financial income	956	1,889
Financial expenses	(35,347)	(37,805)
Net financing costs	(34,391)	(35,916)
General expenses	(8,955)	(8,791)
Direct investment result before taxes	63,402	70,989
Current income tax expense	(2,407)	(1,734)
Direct investment result after taxes	60,995	69,255
Direct investment result attributable to non-controlling interests	(6,800)	(6,693)
Direct investment result attributable to Vastned Retail shareholders	**54,195**	**62,562**

INDIRECT INVESTMENT RESULT

(x € 1,000)

	2013	2012
Value movements investment properties in operation	(119,567)	(126,359)
Value movements investment properties in pipeline	49	4,118
Value movements assets held for sale	(2,057)	-
Total value movements investment properties	(121,575)	(122,241)
Net result on disposals of investment properties	(9,468)	1,206
Value movements financial derivatives	1,385	(1,397)
Reclassification of unrealised results on financial derivatives from equity	(13,741)	-
Indirect investment result before taxes	(143,399)	(122,432)
Movement deferred tax assets and liabilities	2,334	17,672
Reclassification of taxes on unrealised results on financial derivatives from equity	3,770	-
Indirect investment result after taxes	(137,295)	(104,760)
Indirect investment result attributable to non-controlling interests	(5,936)	1,198
Indirect investment result attributable to Vastned Retail shareholders	**(143,231)**	**(103,562)**
Direct investment result attributable to Vastned Retail shareholders	54,195	62,562
Indirect investment result attributable to Vastned Retail shareholders	(143,231)	(103,562)
Investment result attributable to Vastned Retail shareholders	**(89,036)**	**(41,000)**

PER SHARE (x € 1)

	2013	2012
Direct investment result attributable to Vastned Retail shareholders	2.85	3.31
Indirect investment result attributable to Vastned Retail shareholders	(7.53)	(5.48)
	(4.68)	**(2.17)**

The direct investment result attributable to Vastned Retail shareholders consists of net rental income less net financing costs (excluding value movements of financial derivatives), general expenses, current income tax expense and the part of this income and expenditure attributable to non-controlling interests.

The indirect investment result attributable to Vastned Retail shareholders consists of the value movements and the net result on disposals of investment properties, movements in deferred tax assets and/or deferred tax liabilities and the value movements of financial derivatives that do not qualify as effective hedges, less the part of these items attributable to non-controlling interests.

FINANCIAL STATEMENTS 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(x € 1,000)

NET INCOME FROM INVESTMENT PROPERTIES

	Notes	2013	2012
Gross rental income	4, 26	123,238	133,484
Ground rents paid	4	(584)	(603)
Net service charge expenses	4	(3,243)	(3,056)
Operating expenses	4	(12,663)	(14,129)
Net rental income		106,748	115,696
Value movements investment properties in operation	5	(119,567)	(126,359)
Value movements investment properties in pipeline	5	49	4,118
Value movements assets held for sale	5	(2,057)	-
Total value movements investment properties		(121,575)	(122,241)
Net result on disposals of investment properties	6	(9,468)	1,206
Total net income from investment properties		**(24,295)**	**(5,339)**
Expenditure			
Financial income	7	956	1,889
Financial expenses	7	(35,347)	(37,805)
Value movements financial derivatives	7	1,385	(1,397)
Reclassification of unrealised results on financial derivatives from equity	7	(13,741)	-
Net financing costs		(46,747)	(37,313)
General expenses	8	(8,955)	(8,791)
Total expenditure		**(55,702)**	**(46,104)**
Investment result before taxes		**(79,997)**	**(51,443)**
Current income tax expense	9	(2,407)	(1,734)
Movement deferred tax assets and liabilities	9	2,334	17,672
Reclassification of taxes on unrealised results on financial derivatives from equity	9	3,770	-
Total income tax		3,697	15,938
Investment result after taxes		**(76,300)**	**(35,505)**
Investment result attributable to non-controlling interests		(12,736)	(5,495)
Investment result attributable to Vastned Retail shareholders		**(89,036)**	**(41,000)**

PER SHARE (x € 1)

	Notes	2013	2012
Investment result attributable to Vastned Retail shareholders	10	(4.68)	(2.17)
Diluted investment result attributable to Vastned Retail shareholders	10	(4.68)	(2.17)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(x € 1,000)

	Notes	2013	2012
Investment result		(76,300)	(35,505)
Items not reclassified to the profit and loss account			
Remeasurement of defined benefit obligation	20	376	(2,434)
Items that have been or could be reclassified to the profit and loss account			
Value movements financial derivatives directly recognised in equity		22,525	(3,440)
Reclassification of unrealised results on financial derivatives to profit and loss account		13,741	-
Translation differences on net investments		(1,406)	(435)
Taxes on items that have been or could be reclassified to the profit and loss account		(7,154)	(1,360)
Other comprehensive income after taxes		28,082	(7,669)
Total comprehensive income		**(48,218)**	**(43,174)**
Attributable to:			
Vastned Retail shareholders		(61,471)	(48,851)
Non-controlling interests		13,253	5,677
		(48,218)	**(43,174)**

PER SHARE (x € 1)

	2013	2012
Total comprehensive income attributable to Vastned Retail shareholders	(3.23)	(2.59)

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

(x € 1.000)

	Notes	2013	2012
ASSETS			
Investment properties in operation	13	1,531,860	1,926,713
Accrued assets in respect of lease incentives	13	2,702	4,733
		1,534,562	1,931,446
Investment properties in pipeline	13	1,890	49,539
Total investment properties		**1,536,452**	**1,980,985**
Tangible fixed assets		1,465	1,595
Financial derivatives	25	1,417	2,222
Deferred tax assets	14	-	345
Total fixed assets		**1,539,334**	**1,985,147**
Assets held for sale	15	157,943	-
Debtors and other receivables	16,18	7,844	12,959
Income tax		679	513
Cash and cash equivalents	17	5,133	4,908
Total current assets		**171,599**	**18,380**
Total assets		**1,710,933**	**2,003,527**

	Notes	2013	2012
EQUITY AND LIABILITIES			
Capital paid-up and called	19	95,183	95,183
Share premium reserve		468,555	468,555
Hedging reserve in respect of financial derivatives		(15,180)	(44,747)
Translation reserve		(3,870)	(2,464)
Other reserves		335,713	424,139
Investment result attributable to Vastned Retail shareholders	10	(89,036)	(41,000)
Equity Vastned Retail shareholders		791,365	899,666
Non-controlling interests		81,258	118,705
Total equity		**872,623**	**1,018,371**
Deferred tax liabilities	14	8,583	13,037
Provisions in respect of employee benefits	20	4,061	4,352
Long-term interest-bearing loans	21	536,540	676,618
Financial derivatives	25	15,874	49,393
Long-term tax liabilities	22	2,256	561
Guarantee deposits and other long-term liabilities		7,158	9,019
Total long-term liabilities		**574,472**	**752,980**
Payable to banks	23	20,722	77,023
Redemption of long-term interest-bearing loans	21	198,398	115,522
Financial derivatives	25	15,856	3,202
Income tax		1,708	792
Other liabilities and accruals	24	27,154	35,637
Total short-term liabilities		**263,838**	**232,176**
Total equity and liabilities		**1,710,933**	**2,003,527**

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
Balance as at 31 December 2011	93,106	470,705	(39,765)	(2,029)
Adjustment related to IAS19R	-	-	-	-
Balance as at 1 January 2012	93,106	470,705	(39,765)	(2,029)
Investment result	-	-	-	-
Remeasurement of defined benefit obligation	-	-	-	-
Value movements financial derivatives after deduction of taxes	-	-	(4,982)	-
Translation differences on net investments	-	-	-	(435)
Total comprehensive income	-	-	*(4,982)*	*(435)*
Purchase of shares in subsidiaries	-	-	-	-
Stock dividend	2,077	(2,077)	-	-
Costs of stock dividend	-	(73)	-	-
Final dividend for previous financial year in cash	-	-	-	-
2012 interim dividend in cash	-	-	-	-
Contribution from profit appropriation	-	-	-	-
Balance as at 31 December 2012	**95,183**	**468,555**	**(44,747)**	**(2,464)**
Investment result	-	-	-	-
Remeasurement of defined benefit obligation	-	-	-	-
Value movements financial derivatives after deduction of taxes	-	-	18,624	-
Reclassification of unrealised results on financial derivatives to profit and loss account	-	-	9,971	-
Translation differences on net investments	-	-	-	(1,406)
Reclassification	-	-	972	-
Total comprehensive income	-	-	*29,567*	*(1,406)*
Disposal of shares in subsidiaries	-	-	-	-
Final dividend for previous financial year in cash	-	-	-	-
2013 interim dividend in cash	-	-	-	-
Contribution from profit appropriation	-	-	-	-
Balance as at 31 December 2013	**95,183**	**468,555**	**(15,180)**	**(3,870)**

Other reserves	Investment result attributable to Vastned Retail shareholders	Equity Vastned Retail shareholders	Non-controlling interests	Total equity
382,279	96,097	1,000,393	105,308	1,105,701
(1,171)	-	(1,171)	-	(1,171)
381,108	96,097	999,222	105,308	1,104,530
-	(41,000)	(41,000)	5,495	(35,505)
(2,434)	-	(2,434)	-	(2,434)
-	-	(4,982)	182	(4,800)
-	-	(435)	-	(435)
(2,434)	*(41,000)*	*(48,851)*	*5,677*	*(43,174)*
2,012	-	2,012	14,100	16,112
-	-	-	-	-
-	-	(73)	-	(73)
-	(33,417)	(33,417)	(6,380)	(39,797)
(19,227)	-	(19,227)	-	(19,227)
62,680	(62,680)	-	-	-
424,139	**(41,000)**	**899,666**	**118,705**	**1,018,371**
-	(89,036)	(89,036)	12,736	(76,300)
376	-	376	-	376
-	-	18,624	517	19,141
-	-	9,971	-	9,971
-	-	(1,406)	-	(1,406)
(972)	-	-	-	-
(596)	*(89,036)*	*(61,471)*	*13,253*	*(48,218)*
-	-	-	(43,208)	(43,208)
-	(29,316)	(29,316)	(7,492)	(36,808)
(17,514)	-	(17,514)	-	(17,514)
(70,316)	70,316	-	-	-
335,713	**(89,036)**	**791,365**	**81,258**	**872,623**

CONSOLIDATED CASH FLOW STATEMENT

(x € 1,000)

	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES		
Investment result	(76,300)	(35,505)
Adjustments for:		
Value movements	121,575	122,241
Net result on disposals of investment properties	9,468	(1,206)
Net financing costs	46,747	37,313
Income tax	(3,697)	(15,938)
Cash flow from operating activities before changes in working capital and provisions	97,793	106,905
Movement current assets	2,482	(1,405)
Movement short-term liabilities	(6,767)	2,386
Movement provisions	(69)	(1,910)
	93,439	105,976
Interest paid (on balance)	(34,633)	(35,600)
Income tax paid	(1,501)	(207)
Cash flow from operating activities	**57,305**	**70,169**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisition of and capital expenditure on investment properties	(113,332)	(121,305)
Disposal of investment properties	225,779	144,210
Cash flow from investment properties	112,447	22,905
Movement in tangible fixed assets	130	(480)
Cash flow from investment activities	**112,577**	**22,425**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(46,830)	(52,717)
Dividend paid to non-controlling interests	(7,497)	(6,451)
Interest-bearing loans drawn down	64,100	100,566
Interest-bearing loans redeemed	(179,436)	(149,533)
Disposal of shares in subsidiaries	-	16,112
Cash flow from financing activities	**(169,663)**	**(92,023)**
MOVEMENT IN CASH AND CASH EQUIVALENTS	**219**	**571**
Cash and cash equivalents as at 1 January	4,908	4,339
Exchange rate differences on cash and cash equivalents	6	(2)
Cash and cash equivalents as at 31 December	**5,133**	**4,908**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Vastned Retail N.V. ('the Company' or 'Vastned'), with its registered office in Rotterdam, the Netherlands, is a (closed-end) property investment company with variable capital that makes long-term investments in top quality well-let retail properties, particularly high street shops, in its five core countries: the Netherlands, Belgium, France, Turkey and Spain.

Vastned is listed on the NYSE Euronext stock exchange of Amsterdam.
On 20 October 2006, Vastned Management B.V. was granted the licence by the AFM as referred to in Section 2:65 (1) (a) of the (old) Act on Financial Supervision pursuant to which it can act as manager of the Company.
On 22 July 2013 the new AIFM directive came into force. The Act on Financial Supervision was amended on the basis of this directive. For managers that already had a licence on 21 July 2013, a transitional year applies, whereby the Wft licence converts by operation of law into an AIFM licence on 22 July 2014.
The manager has a best-efforts obligation to comply with the new AIFM regulations. It is unclear at the moment whether Vastned must comply with these new regulations.

The consolidated financial statements of the Company include the Company and its subsidiaries (jointly referred to as 'the Group') and the interests the Group has in associates and entities over which it exercises joint control.
The company profit and loss account has been shown in abbreviated form pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

2 SIGNIFICANT PRINCIPLES FOR FINANCIAL REPORTING

A STATEMENT OF COMPLIANCE

The consolidated financial statements of the Company are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and also comply with the legal provisions concerning the financial statements as stipulated in Part 9 of Book 2 of the Netherlands Civil Code. These standards comprise all new and revised standards and interpretations as published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), insofar as they apply to the Group's activities and are effective for financial years starting on or after 1 January 2013.

New or amended standards and interpretations that became effective in 2013
The amended standards and interpretations that came into effect in 2013 are listed below.

- **Amendments to IAS 1 Presentation of Items of Other Comprehensive Income**
  The amendments concern the presentation of the comprehensive income. The Group has brought its presentation of the comprehensive income in line with this.
- **Amendments to IAS 19 Employee Benefits**
  The changes in this standard pertain to, among other things, the treatment of actuarial gains and losses on the present value of the defined benefit pension obligation and the fair value of the plan assets. Effective 1 January 2013, these actuarial gains and losses (called 'remeasurements' in the revised standard) must be directly recognised in equity and must no longer be recognised in accordance with the 'corridor' approach. The amendments to the standard have resulted in the following adjustments to the comparative figures for 2012 (with respect to the figures reported for 2012) (x € 1,000):

Decrease in equity as at 1 January 2012	(1.171)
Decrease in equity as at 31 December 2012	(3.591)
Decrease of total comprehensive income during the financial year because of remeasurement of the pension obligation	(2.420)
Increase in investment result because of lower pension costs	14

Another important change to this standard concerns the presentation of changes to the defined benefit pension obligation and the fair value of the plan assets. The changes to the defined benefit pension obligation and the fair value of the plan assets are split into three components as follows: increase in present value of the pension rights granted (service costs), net interest and remeasurements.
These amendments to the standard have resulted in the following adjustments to the comparative figures for 2012 (with respect to the figures reported for 2012) (x € 1,000):

Net financing costs	99
General expenses	(113)
Other comprehensive income	2.434

In view of the low materiality Vastned refrained from presenting a 'third balance sheet'.

Vastned regularly publishes a number of financial key figures. The impact of the changes in the standard on these key figures as at 31 December 2012 is as follows:

Solvency ratio:	declines from 51.7% to 51.5%
Loan-to-value-ratio:	no impact
Interest coverage ratio:	negligible impact

The changes to the standard had no effect on the pension premiums paid to the pension insurer in 2013.

- **IFRS 13 Fair Value Measurement**
  This standard provides a framework for measuring fair value and guidelines on disclosures about fair value measurements where valuation at fair value is mandatory or permitted on grounds of other IFRSs. The application of the standard did not have any material impact on the fair value measurement as performed by the Group. The notes to a number of items on the balance sheet have been brought in line with the requirements of the standard.

New or amended standards and interpretations that became effective in 2013 but which have no impact on the presentation, notes or financial results of the Group.

- Annual Improvements to IFRSs 2009-2011 Cycle;
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Government Loans;
- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities;
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.

New or amended standards and interpretations taking effect from 1 January 2014 and later which are not yet applied by the Group

- **IAS 27 Separate Financial Statements** (effective for financial years starting on or after 1 January 2014)
  This standard contains provisions concerning the company financial statements.
  The Group does not expect these amendments to affect the presentation, notes or financial results of the Group;
- **IAS 28 Investments in Associates and Joint Ventures** (effective for financial years starting on or after 1 January 2014)
  The standard indicates how the reporting on the basis of net asset value must take place for investments in associates and joint ventures. The Group has assessed the amended standard and has concluded that the amendments will not affect the presentation, notes or financial results of the Group;
- **Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities)** (effective for financial years starting on or after 1 January 2014)
  The standard concerns the netting of financial assets and financial liabilities. The Group does not expect these amendments to have any material impact on the presentation, notes or financial results of the Group;

- **Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets** (effective for financial years starting on or after 1 January 2014)
  As a result of these amendments it is no longer necessary to report the recoverable value of every cash-generating entity to which a significant amount of goodwill or intangible assets with an indeterminate lifespan are assigned. A few other disclosure requirements are also concerned. The Group does not expect these amendments to affect the presentation, notes or financial results of the Group;
- **Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting** (effective for financial years starting on or after 1 January 2014)
  The amendments concern the novation of derivatives designated as hedge instruments as the result of the transfer of derivatives to a central counterparty. If certain conditions are satisfied, this transfer will not result in hedge accounting no longer being applicable for these derivatives. The Group does not expect these amendments to affect the presentation, notes or financial results of the Group;
- **IFRS 10 Consolidated Financial Statements** (effective for financial years starting on or after 1 January 2014)
  The standard contains a new definition of control which is used to determine which entities must be consolidated. The standard also describes the consolidation procedures. The amendments in this standard will result in changes to the principle used by the Group in determining whether entities in which the Group invests must be consolidated based on the definition. The Group does not expect the new standard will have any effect on the consolidation of entities.
- **IFRS 11 Joint Arrangements** (effective for financial years starting on or after 1 January 2014)
  This standard describes the reporting of joint arrangements. There are two types of joint arrangements: joint operations and joint ventures. Classification depends on the structure of the agreement, the legal form of any separate vehicle, the contractual conditions and other facts and circumstances.
  The Group has assessed the amended standard and has concluded that the amendments will not affect the presentation, notes or financial results of the Group;
- **IFRS 12 Disclosure of Interests in Other Entities** (effective for financial years starting on or after 1 January 2014)
  The standard contains disclosure requirements for all types of interests in entities, such as joint arrangements and associates. The effect is limited to the notes, nonetheless the Group does not expect this standard to have any material effect on the notes;
- **Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities – Transition Guidance** (effective for financial years starting on or after 1 January 2014)
  The Group does not expect these amendments to affect the presentation, notes or financial results of the Group;
- **Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities** (effective for financial years starting on or after 1 January 2014)
  The Group does not expect these amendments to affect the presentation, notes or financial results of the Group.

New or amended standards and interpretations not yet adopted by the European Union

The following standards, amended standards and interpretations that have not yet been adopted by the European Union are not yet being applied by the Group:

- **Annual Improvements to IFRSs 2010-2012 Cycle** (effective for financial years starting on or after 1 January 2014)
  The Group does not expect the amendments to have any material impact on the presentation, notes or financial results of the Group;
- **Annual Improvements to IFRSs 2011-2013 Cycle** (effective for financial years starting on or after 1 January 2014)
  The Group does not expect the amendments to have any material impact on the presentation, notes or financial results of the Group;
- **Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)** (effective for financial years starting on or after 1 January 2014)
  The Group does not expect the amendments to have any material impact on the presentation, notes or financial results of the Group;
- **IFRS 9 Financial Instruments and subsequent amendments (amendments to IFRS 9 and IFRS 7)**
  The IASB has not yet set an effect date for this standard, but it may already be applied. The amendments to this standard could have consequences for the classification and valuation of financial assets and liabilities, but the impact of this on the presentation, notes or financial results of the Group will only become fully clear after all phases of the project have been completed;

- **IFRIC Interpretation 21 Levies** (effective for financial years starting on or after 1 January 2014)
  The Group does not expect the amendments to have any material impact on the presentation, notes or financial results of the Group.

B PRINCIPLES APPLIED IN THE COMPILATION OF THE FINANCIAL REPORTING

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

Semi-annual reports are presented in compliance with IAS 34 Interim Financial Reporting.

The accounting principles for financial reporting under IFRS set out below have been applied consistently within the Group for all periods presented in these consolidated financial statements.

In the preparation of the financial statements in compliance with IFRS, the Board of Management has made judgements concerning estimates and assumptions that have an impact on the figures included in the financial statements. The estimates and underlying assumptions concerning the future are based on past experience and other relevant factors, given the circumstances at the 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 revised, and in future periods as well if the estimate has an impact on these future periods.

The principal estimates and assumptions concerning the future and other important sources of estimate uncertainties at the balance sheet date that have a material impact on the financial statements and that present a significant risk of material adjustments to book values in the next financial year are included in '31 Accounting Estimates and Judgements'.

C PRINCIPLES FOR CONSOLIDATION

Subsidiaries
Subsidiaries are entities over which the Company has control. Control of an entity entails that the Company has the authority, either directly or indirectly, to determine the financial and operational policies of the entity in order to obtain benefits from the operations of this entity. Potential voting rights that can be exercised or converted are taken into account in assessing whether there is control. The financial statements of the subsidiaries are included in the consolidated statements as from the date at which control is obtained until such time when control ceases. Once control is obtained, all subsequent changes in ownership interests that do not involve the loss of that control will be treated as transactions among shareholders. Goodwill is not recalculated or adjusted. Non-controlling interests are recognised separately in the balance sheet under equity. Non-controlling interests in the result of the Group are also recognised separately in the profit and loss account.

Transactions eliminated on consolidation
Balances within the Group and any unrealised profits and losses on transactions within the Group or income and expenditure from such transactions are eliminated in the preparation of the financial statements. Unrealised profits in respect of transactions with associates and joint ventures are eliminated proportionally to the interest that the Group has in the entity. Unrealised losses are eliminated in the same way as unrealised profits, but only to the extent that there is no evidence of impairment.

Goodwill
All acquisitions of subsidiaries are recognised using the purchase accounting method. The costs of an acquisition are valued at the fair value of the underlying assets, equity instruments issued and debts incurred or taken over at the time of transfer. Costs incurred in realising a business combination (such as consultancy, legal and accountancy fees) are recognised in the profit and loss account. Acquired identifiable assets and (contingent) liabilities are initially recognised at fair value on the acquisition date. Goodwill is the amount by which the cost of an acquired entity at first recognition exceeds the net fair value of the identifiable assets,

liabilities and contingent liabilities. Changes in the purchase price after the acquisition date do not result in recalculation or adjustment of the goodwill.

After first recognition, the goodwill is valued at cost less any cumulative impairment losses. Goodwill is attributed to cash-generating entities and is not amortised. Goodwill is assessed for impairment annually, or earlier if circumstances give cause. For associates, the book value of the goodwill is included in the book value of the investment in the associate in question.

Negative goodwill resulting from an acquisition is recognised directly in the profit and loss account.

D FOREIGN CURRENCIES

The items in the annual accounts of the separate entities of the Group are recognised in the currency of the principal economic environment in which the entity operates (the 'functional currency'). The currency of the main cash flows of the entity is taken into account in determining the functional currency. As a result, the euro is used as the functional currency in all foreign entities where the Group operates.

The consolidated financial statements are presented in euros, the Group's reporting currency. In the preparation of the financial statements of the separate entities, transactions in foreign currencies are recognised at the exchange rate effective on the transaction date. Foreign currency results arising from the settlement of these transactions are recognised in the profit and loss account.

At the balance sheet date, monetary assets and liabilities in foreign currency are translated at the exchange rate effective on that date. Non-monetary assets and liabilities that are valued at fair value are translated at the exchange rate on the date on which the fair value was determined. Non-monetary assets and liabilities valued at historical cost are not translated.

Translation differences are recognised in the profit and loss account, with the exception of unrealised translation results on net investments and unrealised translation results on intercompany loans that are materially part of the net investment. In the preparation of the consolidated financial statements, the items of all individual entities included in the Group's consolidation are recognised in euros. If the particular financial statements are drawn up in a different currency, assets and liabilities are translated into euros at the balance sheet date and income and expenses are translated at exchange rates approximating the exchange rates effective on the dates of the transactions. The resulting exchange rate differences are recognised as a separate component in equity ('Translation reserve'). Exchange rate differences arising from the translation of net investments in foreign activities and related hedges are also recognised in equity under 'Translation reserve'. In the event of a full or partial sale of an entity or foreign operation, the cumulative balance of this 'Translation reserve' is recognised in the profit and loss account.

E INVESTMENT PROPERTIES IN OPERATION AND UNDER RENOVATION

Investment properties are properties held in order to realise rental income, value increases or both. Investment properties are classified as investment properties in operation when they are available for letting.

Acquisitions and disposals of property available for letting are included in the balance sheet as investment properties or designated as sold at the time when the obligation to buy or sell is entered into by means of a signed agreement, at which time the conditions of the transaction can be identified unequivocally and any contingent conditions included in the agreement can no longer be invoked, or the chance that they will be invoked is small, the material risks and benefits associated with the ownership of the property investment have been transferred and the actual control over the investment property has been acquired or has been transferred.
Upon first recognition, the investment properties are recognised at acquisition price plus costs attributable to the acquisition, including property transfer tax, property agency fees, due diligence costs, and legal and civil-law notary costs, and are recognised at fair value on subsequent balance sheet dates.

Investment properties are classified as investment properties under renovation at such time when it is decided that for continued future use, an existing investment property must first be renovated and as a consequence is no longer available for letting during renovation.

Both investment properties in operation and under renovation are stated at fair value, with an adjustment for any balance sheet items in respect of lease incentives (see under 'R Gross Rental Income'). The fair value is based on market value (less the costs borne by the buyer, including property transfer tax), i.e. the estimated value at which an investment property could be traded at the balance sheet date between well-informed and independent parties who are prepared to enter into a transaction, both parties acting prudently and without duress.
The independent, certified appraisers are instructed to appraise the investment properties in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards published by the International Valuation Standards Council (IVSC). These guidelines contain mandatory rules and best practice guidelines for all RICS members and appraisers. The appraisers use the discounted cash flow method and/or the capitalisation method for determining the market value. In the event that both methods are applied, the respective outcomes are compared. The market value established according to the discounted cash flow method is determined as the present value of the forecast cash flow for the next ten years. The market value established according to the capitalisation method is determined by capitalising the net market rents on the basis of a percentage yield (capitalisation factor). The capitalisation factor is based on the yields of recent market transactions for comparable investment properties at comparable locations. Both methods take recent market transactions and differences between market rent and contractual rent, incentives provided to tenants, vacancy, operating expenses, state of repair and future developments into account.
All investment properties in operation and under renovation are appraised at least once a year by independent, certified appraisers.

In order to present the fair value at the balance sheet date in (interim) financial statements as accurately as possible, the following system is used:

- All investment properties in operation and under renovation with an expected individual value exceeding € 2.5 million are appraised externally every six months.
- External appraisals of investment properties with an expected individual value of € 2.5 million or less are carried out at least once per year, evenly spread across the six-month periods. For the periods in which these investment properties are not appraised externally, the fair value of these investment properties is determined internally.
- The external appraisers must be properly certified and must have a good reputation and relevant experience pertaining to the location and the type of investment property. Furthermore, they must act independently and exercise objectivity.
- In principle, the external appraiser for an investment property is changed every three years.

Based on this methodology, effectively 80% to 90% of the total value of the investment properties is appraised externally every six months.

The remuneration of the external appraisers is based on a fixed fee per investment property and on the number of tenants per investment property.

Profits or losses resulting from a change in the fair value of an investment property in operation or under renovation are entered in the profit and loss account under 'Value movements investment properties in operation/ under renovation' in the period in which they occur.

Profits or losses resulting from the disposal of an investment property are determined as the difference between the net income from disposal and the most recently published book value of the investment property. They are recognised in the period in which the disposal takes place and entered under 'Net result on disposals of investment properties'.

F INVESTMENT PROPERTIES IN PIPELINE

Investment properties in pipeline concern properties under construction or development for future use as investment properties in operation. During development or construction, all directly attributable costs necessary for preparing the property for letting are recognised as the cost price of the investment property. Overhead costs are not capitalised.

Financing costs directly attributable to the acquisition or construction of the investment property are capitalised as part of the cost price of the investment property. Capitalisation of financing costs starts at the time when the preparations for construction or renovation have started, the expenditure is made and the financing costs are incurred. Capitalisation of financing costs is terminated when construction or development is complete and the investment property in pipeline is recognised as an investment property in operation. In determining the financing costs, a capitalisation percentage is applied to the expenditure. This percentage is equal to the weighted average of the financing costs of the Group's interest-bearing loans that are outstanding during the period concerned, excluding loans specifically taken out in connection with the investment properties in pipeline. Financing costs relating to these loans taken out specifically are capitalised in full.

The property under construction or in development is recognised at fair value as soon as it becomes possible to reliably determine the fair value. A reliable determination of the fair value is considered possible once substantial development risks have been eliminated. Any differences between the fair value and the cost price applicable at that time are recognised in the profit and loss account under 'Value movements investment properties in pipeline'.

G TANGIBLE FIXED ASSETS

Tangible fixed assets mainly comprise assets held by the Group in the context of supporting business operations, such as office furniture, computer equipment and vehicles. Tangible fixed assets are valued at cost less any cumulative depreciation and any cumulative impairment losses. Depreciation is recognised in the profit and loss account using the straight-line method, taking account of the expected useful life and residual value of the assets in question. The expected useful life is estimated as follows:

- Office furniture and the like 5 years
- Computer equipment 5 years
- Vehicles 5 years

H FINANCIAL DERIVATIVES

The Group uses financial interest rate derivatives to hedge interest-rate risks resulting from its operating, financing and investing activities. In accordance with the treasury policy set by the Board of Management and the Supervisory Board, the Group neither holds nor issues derivatives for trading purposes. At first recognition, financial derivatives are valued at cost. After first recognition, financial derivatives are valued at fair value.

The fair value of financial interest rate derivatives is the amount the Group would expect to receive or to pay if the financial interest-rate derivatives were to be terminated at the balance sheet date, taking into account the current interest rate and the actual credit risk of the particular counterparty or counterparties or the Group at the balance sheet date. The amount is determined on the basis of information from reputable market parties.

A derivative is classified as a current asset or short-term debt if the remaining term of the derivative is less than 12 months or if the derivative is expected to be realised or settled within 12 months.

Hedging

When entering into hedging transactions, the relation between the derivatives and the hedged loan positions is documented and aligned with the objectives in the treasury policy. In addition, both prospective and retrospective analyses are carried out to determine whether the hedging transactions are highly effective in compensating the risk of changes in the fair value of the hedged positions or the hedged risk of attributable cash flows. The recognition of gains and losses depends on the degree of hedging:

- **Derivatives that have not been designated as a hedge or do not quality for hedge accounting**
  These derivatives are stated at fair value; the results are recognised in the profit and loss account.

- **Fair value hedging**
  Changes in the fair value of derivatives designated and qualifying as fair value hedges are recognised in the profit and loss account simultaneously with the changes in the fair value of the hedged liabilities associated with the hedged risk. The Group does not currently hold any interest-rate derivatives that qualify as fair value hedges.
- **Cash flow hedging**
  The Group uses interest-rate derivatives to hedge interest-rate risks of floating interest loans. Gains and losses in respect of the effective portion of the derivatives designated and qualifying as cash flow hedges are taken to group equity (after deduction of any deferred tax liabilities) under the item 'Hedging reserve in respect of financial derivatives'. The ineffective part of the financial interest-rate derivative is recognised in the profit and loss account.

If an interest-rate derivative expires or is sold, terminated or exercised, or if the entity revokes designation of the hedge relationship, but the hedged future transaction is still expected to take place, the cumulative gain or loss at that point remains in equity and is recognised when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss stated in equity is immediately reclassified to the profit and loss account.

I ASSETS HELD FOR SALE

Investment properties that are expected to be sold within a year are normally not presented separately on the balance sheet, but recorded under 'Investment properties in operation'.

A group of investment properties is recognised under 'Assets held for sale' if the book value is expected to be realised primarily by the sale of the group of investment properties within one year after being recognised in 'Assets held for sale', and not by their continued use. This condition is satisfied only if the sale is highly probable, if the group of investment properties in their present state is immediately available for sale and if the Board of Management has drawn up a plan to this end.

The sale of the Spanish shopping centres and the Spanish retail warehouse is viewed as a group of assets that is being divested by means of a sale.

Assets held for sale are valued at fair value less sales costs.
The fair value is equal to the expected sales proceeds.

Profits or losses resulting from a change in the fair value of assets held for sale are entered in the profit and loss account under 'Value movements assets held for sale' in the period in which they occur.

J DEBTORS AND OTHER RECEIVABLES

Debtors and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less impairment losses.

K CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise deposits, call money and bank account credit balances.

L CAPITAL PAID-UP AND CALLED, SHARE PREMIUM RESERVE AND OTHER RESERVES

Shares are classified as equity Vastned Retail shareholders. External costs directly attributable to the issue of new shares, such as issuing costs, are deducted from the issue proceeds and consequently recognised in the share premium reserve. In the issue price of shares, account is taken of the estimated investment result for the current financial year attributable to the shareholders of the Company up to the issuing date. The investment result included in the issue price is added to the share premium reserve. The increase in the capital paid-up and called associated with the issue of shares in respect of the stock dividend is charged to the share premium reserve, as are the costs in respect of the stock dividend.

When repurchasing the Company's own shares, the balance of the amount paid, including directly attributable costs, is recognised as a movement in equity.

Dividends in cash are charged to the other reserves in the period in which the dividends are declared by the Company.

M DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are recognised for income tax to be reclaimed in future periods relating to offsettable temporary differences between the book value of assets and liabilities and their fiscal book value, and for the carry-forward of unused tax losses or unused tax credits. Deferred tax assets are only recognised if it is likely that the temporary differences will be settled in the near future and sufficient taxable profit will be available for compensation.

Deferred tax liabilities are recognised for income tax payable in future periods on taxable temporary differences between the book value of assets and liabilities and their fiscal book value. For the valuation of deferred tax liabilities, the tax rates are taken into account that are expected to apply in the period in which the liability will be settled, based on tax rates (materially) enacted at the balance sheet date. In valuing deferred tax liabilities, account is taken of the tax consequences of the way in which the Group expects to realise or settle the book value of its assets and liabilities on the balance sheet date. Deferred tax liabilities are not discounted.

The investment properties are valued at fair value under the assumption that the fair value will be realised on the disposal of the investment properties, unless it is expected that the value of an investment property will be realised through use. The Board of Management is of the opinion that the value of all investment properties will be realised in the future on disposal.

N PROVISIONS IN RESPECT OF EMPLOYEE BENEFITS

Defined benefit pension plans
The Group's net liability in respect of defined benefit pension plans is calculated separately for each plan by estimating the pension rights that employees have built up in return for their service during the reporting period and prior periods. The pension rights in respect of defined benefit pension plans are calculated at net present value at a discount rate less the fair value of the plan assets from which the liabilities are to be settled. The certified external actuary employs the projected unit credit method for these calculations.

When the pension rights in respect of a plan are improved, the part of the improved pension rights that relates to employees' past years of service is recognised as an expense in the profit and loss account on a straight-line basis over the average period until the pension rights become vested. To the extent that the pension rights vest immediately, the expense is recognised in the profit and loss account immediately.

If the plan assets exceed the obligations, the recognition of the assets is limited to an amount not exceeding the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan available at that time or lower future (pension) premiums.

Actuarial gains and losses are recognised directly in equity.

Defined contribution pension plans
Obligations of the Group in respect of defined contribution pension plans are recognised as expenditure in the profit and loss account when the contributions become due.

Long-term employee benefits
Obligations in respect of future long-service benefits are also recognised in this provision.

O OTHER PROVISIONS

Provisions are recognised in the balance sheet if the Group has a legally enforceable or actual obligation resulting from a past event and if it is probable that the settlement of that liability will require an outflow of funds. If the effect is material, provisions are made that are equal to the present value of the expenditure that is expected to be required for the settlement of the liability.

P INTEREST-BEARING DEBTS

Upon first recognition, interest-bearing debts are stated at fair value less the costs associated with taking on the interest-bearing debt. After their first recognition, interest-bearing debts are stated at amortised cost, recognising any difference between the cost price and the debt to be repaid in the profit and loss account for the term of the debt based on the effective interest rate method. Interest-bearing debts with a term of more than one year are recognised under long-term liabilities. Any repayments on interest-bearing debts within one year are recognised under short-term liabilities.

Q OTHER LIABILITIES AND ACCRUALS

Other liabilities and accruals are initially recognised at fair value and subsequently valued at amortised cost.

R GROSS RENTAL INCOME

Gross rental income from operational leases is recognised on a time-proportionate basis over the term of the leases. Rent-free periods, rent reductions and other lease incentives are recognised as an integral part of total gross rental income. The resulting accruals are recognised under 'Accrued assets in respect of lease incentives'. These accruals are part of the fair value of the respective investment properties in operation and under renovation.

Payments from tenants in relation to the premature termination of a lease are recognised in the period in which they occur.

S NET SERVICE CHARGE EXPENSES

Service charges are the costs for energy, doormen, garden maintenance, etc., which can be charged on to the tenant under the terms of the lease. The part of the service charges that cannot be charged on relates largely to vacant (units in) investment properties. The costs and amounts charged on are not specified in the profit and loss account.

T OPERATING EXPENSES

Operating expenses are the costs directly related to the operation of the property, such as maintenance, management costs, insurance, allocation to the provision for doubtful debtors and local taxes. These costs are attributed to the period to which they relate. Costs incurred when concluding operational leases, such as leasing fees, are recognised in the period in which they are incurred.

U NET FINANCING COSTS

Net financing costs are the interest expenses on loans and debts attributable to the period, calculated on the basis of the effective interest rate method, less capitalised financing costs on investment properties and interest income on outstanding loans and receivables. Net financing costs also include gains and losses resulting from changes in the fair value of the financial derivatives. These gains and losses are recognised immediately in the profit and loss account, unless a derivative qualifies for hedge accounting (see under 'H Financial Derivatives').

V GENERAL EXPENSES

General expenses include, inter alia, personnel costs, housing costs, IT costs, publicity costs and the costs of external consultants. Costs relating to the internal commercial, technical and administrative management of the property are attributed to operating expenses.

W INCOME TAX

Income tax comprises taxes currently payable and offsettable as attributable to the reporting period and the movements in deferred tax assets and deferred tax liabilities (see under 'M Deferred Tax Assets and Liabilities'). Income tax is recognised in the profit and loss account, except to the extent that it concerns items that are included directly in equity, in which case the tax is recognised under equity.

The taxes payable and offsettable for the reporting period are the taxes that are expected to be payable on taxable profit in the financial year, calculated on the basis of tax rates and tax legislation enacted or substantively enacted at the balance sheet date, and corrections to taxes payable for previous years.
Additional income tax in respect of dividend payments by subsidiaries is recognised at the same time as the obligation to pay out the dividend concerned.

X CASH FLOW STATEMENT

The cash flow statement is prepared based on the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Income and expenditure in respect of interest are recognised under the cash flow from operating activities. Expenditure in respect of dividends is recognised under the cash flow from financing activities.

Y SEGMENTED INFORMATION

The segmented information is presented on the basis of the countries where the investment properties are located and on the basis of the type of investment property, with a distinction made between high street shops in premium cities, other high street shops and other (retail) properties. These reporting segments are consistent with the segments used in the internal reports.

3 SEGMENTED INFORMATION

	Netherlands		Belgium	
	2013	2012	2013	2012
Net rental income	40,524	45,366	19,833	19,881
Value movements investment properties in operation	(27,793)	(28,397)	24,913	6,005
Value movements investment properties in pipeline	(195)	2,268	-	-
Value movements assets held for sale	-	-	-	-
Net result on disposals of investment properties	(6,537)	(1,339)	273	1,779
Total net income from investment properties	**5,999**	**17,898**	**45,019**	**27,665**
Net financing costs				
General expenses				
Income tax				
Non-controlling interests				
Investment result attributable to Vastned Retail shareholders				

	Netherlands		Belgium	
	2013	2012	2013	2012
Investment properties in operation				
Balance as at 1 January	716,550	786,760	330,862	333,432
– Acquisitions	45,368	57,397	11,670	-
– Capital expenditure	3,419	1,120	351	1,438
– Taken into operation	-	2,350	-	-
- Transferred to Assets held for sale	-	-	-	-
– Disposals	(117,142)	(102,680)	(6,496)	(10,013)
	648,195	744,947	336,387	324,857
– Value movements	(27,793)	(28,397)	24,913	6,005
Balance as at 31 December	620,402	716,550	361,300	330,862
– Accrued assets in respect of lease incentives	1,011	730	378	247
Appraisal value as at 31 December	**621,413**	**717,280**	**361,678**	**331,109**
Investment properties in pipeline	1,890	2,250	-	-
Assets held for sale	-	-	-	-
Investment properties	**623,303**	**719,530**	**361,678**	**331,109**
Other assets	1,326	1,657	939	3,166
Not allocated to segments				
Total assets				
Liabilities	13,556	17,952	3,018	3,221
Not allocated to segments				
Total liabilities [1]				

[1] The financing for the property portfolios in the different countries is managed at the holding level. For this reason segmenting this financing by country is not relevant.

	France		Turkey		Spain/Portugal		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	20,400	25,540	4,204	1,908	21,787	23,001	106,748	115,696
	(6,124)	(12,830)	(2,547)	784	(108,016)	(91,921)	(119,567)	(126,359)
	-	220	244	1,630	-	-	49	4,118
	-	-	-	-	(2,057)	-	(2,057)	-
	(3,204)	524	-	(23)	-	265	(9,468)	1,206
	11,072	**13,454**	**1,901**	**4,299**	**(88,286)**	**(68,655)**	**(24,295)**	**(5,339)**
							(46,747)	(37,313)
							(8,955)	(8,791)
							3,697	15,938
							(12,736)	(5,495)
							(89,036)	**(41,000)**

	France		Turkey		Spain/Portugal		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	471,507	464,123	80,035	29,478	327,759	421,107	1,926,713	2,034,900
	46,624	38,407	-	14,826	-	-	103,662	110,630
	658	896	100	5	298	1,568	4,826	5,027
	-	-	50,219	34,942	-	-	50,219	37,292
	-	-	-	-	(156,638)	-	(156,638)	-
	(153,717)	(19,089)	-	-	-	(2,995)	(277,355)	(134,777)
	365,072	484,337	130,354	79,251	171,419	419,680	1,651,427	2,053,072
	(6,124)	(12,830)	(2,547)	784	(108,016)	(91,921)	(119,567)	(126,359)
	358,948	471,507	127,807	80,035	63,403	327,759	1,531,860	1,926,713
	458	375	825	364	30	3,017	2,702	4,733
	359,406	**471,882**	**128,632**	**80,399**	**63,433**	**330,776**	**1,534,562**	**1,931,446**
	-	595	-	46,694	-	-	1,890	49,539
	-	-	-	-	157,943	-	157,943	-
	359,406	**472,477**	**128,632**	**127,093**	**221,376**	**330,776**	**1,694,395**	**1,980,985**
	3,437	2,402	1,225	1,700	1,437	1,873	8,364	10,798
							8,174	11,744
							1,710,933	**2,003,527**
	9,624	14,484	5,122	2,648	8,965	16,982	40,285	55,287
							798,025	929,869
							838,310	**985,156**

	High street shops in premium cities		Other high street shops	
	2013	2012	2013	2012
Net rental income	32,223	26,398	24,186	25,644
Value movements investment properties in operation	8,448	13,087	(8,513)	(2,301)
Value movements investment properties in pipeline	244	1,630	-	-
Value movements non-current assets held for sale	-	-	-	-
Net result on disposals of investment properties	365	1,972	(1,319)	709
Total net income from investment properties	**41,280**	**43,087**	**14,354**	**24,052**
Net financing costs				
General expenses				
Income tax				
Non-controlling interests				
Investment result attributable to Vastned Retail shareholders				

	High street shops in premium cities		Other high street shops	
	2013	2012	2013	2012
Investment properties in operation				
Balance as at 1 January	627,008	522,577	419,388	450,466
– Acquisitions	103,662	84,767	-	4,443
– Capital expenditure	2,483	745	178	(460)
– Taken into operation	50,219	34,942	-	2,350
- Transferred to Assets held for sale	-	-	-	-
– Disposals	(5,783)	(29,118)	(24,071)	(35,102)
	777,589	613,913	395,495	421,697
– Value movements	8,447	13,095	(8,512)	(2,309)
Balance as at 31 December	786,036	627,008	386,983	419,388
– Accrued assets in respect of lease incentives	1,853	778	360	518
Appraisal value as at 31 December	**787,889**	**627,786**	**387,343**	**419,906**
Investment properties in pipeline	-	46,694	-	-
Assets held for sale	-	-	-	-
Investment properties	**787,889**	**674,480**	**387,343**	**419,906**
Other assets	3,357	894	1,123	1,033
Not allocated to segments				
Total assets	**791,246**	**675,374**	**388,466**	**420,939**

Other investment properties		Total	
2013	2012	2013	2012
50,339	63,654	106,748	115,696
(119,502)	(137,145)	(119,567)	(126,359)
(195)	2,488	49	4,118
(2,057)	-	(2,057)	-
(8,514)	(1,475)	(9,468)	1,206
(79,929)	**(72,478)**	**(24,295)**	**(5,339)**
		(46,747)	(37,313)
		(8,955)	(8,791)
		3,697	15,938
		(12,736)	(5,495)
		(89,036)	**(41,000)**

Other investment properties		Total	
2013	2012	2013	2012
880,317	1,061,857	1,926,713	2,034,900
-	21,420	103,662	110,630
2,165	4,742	4,826	5,027
-	-	50,219	37,292
(156,638)	-	(156,638)	-
(247,501)	(70,557)	(277,355)	(134,777)
478,343	1,017,462	1,651,427	2,053,072
(119,502)	(137,145)	(119,567)	(126,359)
358,841	880,317	1,531,860	1,926,713
489	3,437	2,702	4,733
359,330	**883,754**	**1,534,562**	**1,931,446**
1,890	2,845	1,890	49,539
157,943	-	157,943	-
519,163	**886,599**	**1,694,395**	**1,980,985**
1,839	4,074	6,319	6,001
		10,219	16,541
521,002	**890,673**	**1,710,933**	**2,003,527**

4 NET RENTAL INCOME

	Gross rental income		Ground rents paid		Net service charge expenses		Operating expenses		Net rental income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Netherlands	46,429	52,647	(55)	(60)	162	(176)	(6,012)	(7,045)	40,524	45,366
Belgium	21,744	22,245	(21)	(20)	(227)	(257)	(1,663)	(2,087)	19,833	19,881
France	23,440	27,927	(36)	(64)	(478)	(296)	(2,526)	(2,027)	20,400	25,540
Turkey	4,496	2,085	-	-	-	(1)	(292)	(176)	4,204	1,908
Spain/Portugal	27,129	28,580	(472)	(459)	(2,700)	(2,326)	(2,170)	(2,794)	21,787	23,001
	123,238	**133,484**	**(584)**	**(603)**	**(3,243)**	**(3,056)**	**(12,663)**	**(14,129)**	**106,748**	**115,696**

GROUND RENTS PAID

	2013	2012
Attributable to leased properties	526	557
Attributable to vacant properties	58	46
	584	**603**

NET SERVICE CHARGE EXPENSES

	2013	2012
Attributable to leased properties	(56)	282
Attributable to vacant properties	3,299	2,774
	3,243	**3,056**

OPERATING EXPENSES

	2013	2012
Attributable to leased properties	11,985	13,470
Attributable to vacant properties	678	659
	12,663	**14,129**

OPERATING EXPENSES

	2013	2012
Maintenance	2,540	3,273
Administrative and commercial management [1)]	4,930	5,339
Insurance	504	508
Local taxes	2,372	2,376
Letting costs	476	510
Allocation to the provision for doubtful debtors (on balance)	1,304	1,184
Other operating expenses	537	939
	12,663	**14,129**

[1)] 4% of gross rental income, consisting of external and general expenses, which are attributed to operating expenses.

5 VALUE MOVEMENTS IN INVESTMENT PROPERTIES

	2013			2012		
	Positive	Negative	Total	Positive	Negative	Total
Investment properties in operation	60,093	(179,660)	(119,567)	40,809	(167,168)	(126,359)
Investment properties in pipeline	244	(195)	49	4,239	(121)	4,118
Assets held for sale	-	(2,057)	(2,057)	-	-	-
	60,337	**(181,912)**	**(121,575)**	**45,048**	**(167,289)**	**(122,241)**

6 NET RESULT ON DISPOSALS OF INVESTMENT PROPERTIES

	2013	2012
Sales price	271,321	146,772
Book value at time of disposal	(277,950)	(144,777)
	(6,629)	1,995
Sales costs	(2,415)	(1,257)
	(9,044)	738
Other	(424)	468
	(9,468)	**1,206**

7 NET FINANCING COSTS

	2013	2012
INTEREST INCOME		
Bank accounts and short-term deposits	(4)	(14)
Other interest income	(8)	(51)
Capitalised financing costs	(862)	(1,829)
	(874)	**(1,894)**
INTEREST EXPENSE		
Long-term interest-bearing loans	33,737	35,629
Short-term credits and cash loans	1,100	1,843
Other interest payable	510	333
	35,347	**37,805**
Total interest expense	34,473	35,911
Value movements financial derivatives	(1,385)	1,397
Reclassification of unrealised results on financial derivatives from equity	13,741	-
Exchange rate differences	(82)	5
	46,747	**37,313**

8 GENERAL EXPENSES

	2013	2012
Personnel costs	9,147	9,382
Remuneration of Supervisory Board	142	130
Consultancy and audit costs	1,316	1,075
Appraisal costs	683	949
Accommodation and office costs	1,670	1,655
Other expenses	487	297
	13,445	**13,488**
Attributed to operating expenses	(4,490)	(4,697)
	8,955	**8,791**

Personnel costs
During 2013 an average of 72 employees (full-time equivalents) were employed by Vastned (2012: 76), of whom 29 were in the Netherlands and 43 abroad.
In the year under review, Vastned accounted for € 6.2 million in wages and salaries (2012: € 6.4 million), € 1.0 million in social security charges (2012: € 1.1 million) and € 0.5 million in pension premiums (2012: € 0.4 million).

Audit costs
The consultancy and audit costs include the costs shown below, which were charged by Deloitte Accountants for work carried out for Vastned Retail N.V. and its subsidiaries.

	2013	2012
Audit fees	282	300
Audit-related fees	18	4
Other non-audit-related fees	3	12
	303	**316**

The audit costs include a sum of € 0.1 million (2012: € 0.1 million) for Deloitte Accountants B.V.

Other expenses
Other expenses include, inter alia, publicity costs and IT costs.

9 INCOME TAX

CURRENT INCOME TAX EXPENSE

	2013	2012
Current financial year	1,961	2,344
Adjustment related to change in fiscal status	-	(804)
Expiry of offsettable losses	10	175
Adjustment to previous financial years	436	19
	2,407	**1,734**

MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES

	2013	2012
In respect of:		
Value movements investment properties	(3,311)	(18,031)
Value movements financial derivatives	172	-
Change in tax rates	(57)	-
Adjustment related to change in fiscal status	-	230
Use/expiry of offsettable losses	(1,399)	129
Adjustment to previous financial years	2,261	-
	(2,334)	**(17,672)**
Reclassification from equity to profit and loss account	**(3,770)**	**-**
	(3,697)	**(15,938)**

RECONCILIATION OF EFFECTIVE TAX RATE

		2013		2012
Investment result before taxes		(79,997)		(51,443)
Income tax at Dutch tax rate	0.0%	-	0.0%	-
Effect of tax rates for subsidiaries operating in other jurisdictions	1.5%	(1,178)	30.5%	(15,687)
Change in tax rates	0.1%	(57)	0.0%	-
Use/expiry of offsettable losses	1.7%	(1,389)	(0.6%)	304
Adjustment related to change in fiscal status	0.0%	-	1.1%	(574)
Adjustment to previous financial years	(3.4%)	2,697	0.0%	19
Reclassification from equity to profit and loss account	4.7%	(3,770)		
	4.6%	**(3,697)**	**31.0%**	**(15,938)**

Vastned qualifies as a fiscal investment institution as referred to in Article 28 of the 1969 Netherlands Corporate Income Tax Act. As long as the Company continues to comply with the conditions of Article 28 of the 1969 Netherlands Corporate Income Tax Act, the Company's fiscal result is taxed at a rate of 0%. These conditions mainly concern the investment character of the Company's activities, the fiscal financing ratios, the composition of the shareholders' base and the cash dividend distribution of the fiscal result within 8 months of the close of the financial year.

In Belgium almost the entire property portfolio is held by the REIT ('Vastgoedbevak') Vastned Retail Belgium NV A "Vastgoedbevak" (investment company with fixed capital) essentially has a tax-exempt status, so that no tax is payable on its profits in Belgium. The requirements for applying the status of a "Vastgoedbevak" are in principle comparable to those for a Dutch fiscal investment institution.

In France, Vastned is, except for its French management company, subject to the SIIC regime[1]. Under this fiscal regime, Vastned is not liable for taxation on its French net rental income nor on the capital gains realised in France. The requirements of the SIIC regime are in principle comparable to those for a Dutch fiscal investment institution.
The French management company is subject to the regular fiscal regime, which means that the taxable result, consisting of income less depreciation, interest and other expenses, is taxed at a nominal tax rate of 34.43%.

Because of the stricter requirements introduced by the Spanish government for opting for the SOCIMI regime[2], Vastned decided not to opt for this regime in Spain in 2013. The Spanish investment properties are held by a company subject to the regular tax regime. In Spain the nominal tax rate is 30.0%. Depreciation, interest and other expenses are deducted from the taxable net rental income realised in this company. The interest deduction is limited to 30% of the net rental income less other expenses.
If a capital gain that has been realised is reinvested in Spain within three years, income tax paid is refunded to the value of 12%.

The properties in Turkey and Portugal are held by companies subject to the usual tax rules. In Turkey the nominal tax rate is 20.0% and in Portugal 26.5% (from 1 January 2014: 24.5%). Depreciation, interest and other expenses are deducted from the taxable net rental income realised in these companies.

The calculations of deferred tax assets and liabilities are based on the nominal tax rates as effective on 1 January 2014.

[1] Société d'Investissements Immobiliers Cotée
[2] Sociedades Anónimas Cotizades de Inversión en el Mercado Inmobiliario

10 INVESTMENT RESULT PER SHARE

	2013		2012	
	Basic	Diluted	Basic	Diluted
Investment result	**(89,036)**	**(89,036)**	**(41,000)**	**(41,000)**

AVERAGE NUMBER OF SHARES IN ISSUE	2013		2012	
	Basic	Diluted	Basic	Diluted
Balance as at 1 January	19,036,646	19,036,646	18,621,185	18,621,185
Effect of stock dividend	-	-	255,406	255,406
Average number of shares in issue	**19,036,646**	**19,036,646**	**18,876,591**	**18,876,591**

PER SHARE (x € 1)	2013		2012	
	Basic	Diluted	Basic	Diluted
Investment result	**(4.68)**	**(4.68)**	**(2.17)**	**(2.17)**

No shares were issued or purchased during the period between the balance sheet date and the date on which the financial statements were drawn up and approved for publication.

11 DIVIDEND

On 22 May 2013, the final dividend for the 2012 financial year was made payable. The dividend amounted to € 1.54 per share in cash. This dividend payment totalled € 29.3 million.

On 30 August 2013, the interim dividend for the 2013 financial year was made payable. The interim dividend amounted to € 0.92 per share in cash (total payout: € 17.5 million).

The following dividend policy was approved by the General Meeting of Shareholders of 19 April 2013:
- at least 75% of the direct investment result[1)] will be put at the disposal of shareholders;
- the payment of any stock dividend will depend on the possible dilution of the investment result and the net asset value per share, the capital strength and needs and on the financing market;
- in order to comply with the conditions for fiscal investment institutions, at least the fiscal result will have to be paid out in cash.

Based on this dividend policy and with due consideration for the conditions associated with fiscal investment institution status in the sense of Section 28 of the 1969 Netherlands Corporate Income Tax Act and for the interim dividend already paid out, the Board of Management proposes that a final dividend of € 1.63 per share in cash be paid out for the 2013 financial year.

If the General Meeting of Shareholders of 15 May 2014 approves the dividend proposal, the dividend will be made payable to shareholders on 29 May 2014. The dividend to be distributed has not been entered in the balance sheet as a liability.

[1)] The direct investment result consists of net rental income less net financing costs (excluding value movements in financial derivatives), general expenses, current income tax expense and the part of this income and expenditure attributable to non-controlling interests.

12 FAIR VALUE

The fair value is the amount the Group would expect to receive on the balance sheet date if an asset is sold or to pay if a liability is transferred in an orderly transaction between market parties.
The assets and liabilities valued at fair value on the balance sheet are divided into a hierarchy of three levels:
Level 1: The fair value is determined based on published listings in an active market
Level 2: Valuation methods based on information observable in the market
Level 3: Valuation methods based on information that is not observable in the market, which has a more than significant impact on the fair value of the asset or liability

The table below shows according to which level the assets and liabilities of the Group valued at fair value are valued:

		2013		2012	
	Level	**Book value**	**Fair value**	**Book value**	**Fair value**
ASSETS VALUED AT FAIR VALUE					
Investment properties					
Investment properties in operation (including accrued assets in respect of lease incentives)	3	1,534,562	1,534,562	1,931,446	1,931,446
Investment properties in pipeline	3	1,890	1,890	49,539	49,539
Fixed assets					
Financial derivatives	2	1,417	1,417	2,222	2,222
Current assets					
Assets held for sale	3	157,943	157,943	-	-
Debtors and other receivables	2	7,844	7,844	12,959	12,959
Cash and cash equivalents	2	5,133	5,133	4,908	4,908
LIABILITIES VALUED AT FAIR VALUE					
Long-term liabilities					
Long-term interest-bearing loans	2	536,540	545,833	676,618	676,065
Financial derivatives	2	15,874	15,874	49,393	49,393
Guarantee deposits and other long-term liabilities	2	7,158	7,158	9,019	9,019
Short-term liabilities					
Payable to banks	2	20,722	20,722	77,023	77,023
Redemption of long-term interest-bearing loans	2	198,398	198,398	115,522	115,522
Financial derivatives	2	15,856	15,856	3,202	3,202
Other liabilities and accruals	2	27,154	27,154	35,637	35,637

All assets and liabilities valued at fair value were valued as at 31 December.

No assets or liabilities were reclassified with respect to level in 2013 and 2012.

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

For an explanation of the valuation methods used for investment properties in operation and in pipeline, assets held for sale, the financial derivatives and long-term interest-bearing loans, see the notes to the particular assets and liabilities.

13 INVESTMENT PROPERTIES

The investment properties in operation and in pipeline valued at fair value fall under 'level 3' in terms of valuation method.

Valuation of investment properties
The investment properties in operation and in pipeline are stated at fair value, with an adjustment for any balance sheet items in respect of lease incentives. The fair value is based on market value (less the costs borne by the buyer, including property transfer tax), i.e. the estimated value at which an investment property could be traded at the balance sheet date between well-informed and independent parties who are prepared to enter into a transaction, both parties operating prudently and without duress.

The investment properties in pipeline are recognised at fair value as soon as it becomes possible to reliably determine the fair value. A reliable determination of the fair value is considered possible once substantial development risks have been eliminated.

The following system is used to determine the fair value:

- The valuation of the investment properties is based on the highest and best use.
- All investment properties with an expected individual value exceeding € 2.5 million are appraised externally every six months.
- External appraisals of investment properties with an expected individual value of € 2.5 million or less are carried out at least once per year, evenly spread across the six-month periods. For the periods in which these investment properties are not appraised externally, the fair value of these property investments is determined internally.
- The external appraisers must be properly certified and must have a good reputation and relevant experience pertaining to the location and the type of investment property. Furthermore, they must act independently and exercise objectivity.
- In principle, the external appraiser for an investment property is changed every three years.

The independent, certified appraisers are instructed to appraise the investment properties in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards published by the International Valuation Standards Council (IVSC). These guidelines contain mandatory rules and best practice guidelines for all RICS members and appraisers.

The appraisers use the discounted cash flow method and/or the capitalisation method for determining the fair value. In the event that both methods are applied, the respective outcomes are compared. The fair value established according to the discounted cash flow method is determined as the present value of the forecast cash flow for the next ten years. The fair value established according to the capitalisation method is determined by capitalising the net market rents on the basis of a percentage yield (capitalisation factor). The capitalisation factor is based on the yields of recent market transactions for comparable investment properties at comparable locations. Both methods take recent market transactions and differences between market rent and contractual rent, incentives provided to tenants, vacancy, operating expenses, state of repair and future developments into account.

Key principles and assumptions used in determining the appraisal values of the investment properties in operation:

	Netherlands		Belgium	
	High street shops	Other investment properties	High street shops	Other investment properties
2013				
Lease incentives still to be granted as at the balance sheet date	604	165	322	92
Market rent per sqm (x € 1)	276	150	349	95
Theoretical annual rent per sqm (x € 1)	275	157	357	99
Vacancy rate at end of reporting year	3.0	3.9	5.0	4.4
Weighted average lease term in years (first break)	4.5	4.2	2.6	3.8
The appraisal values established on the basis of these principles and assumptions produce the following net yields (all-in basis):	5.3	6.7	4.9	6.3
2012				
Lease incentives still to be granted as at the balance sheet date	295	62	194	129
Market rent per sqm (x € 1)	267	170	338	96
Theoretical annual rent per sqm (x € 1)	259	176	337	96
Vacancy rate at end of reporting year	3.8	2.4	2.2	3.3
Weighted average lease term in years (first break)	4.3	2.7	2.1	3.5
The appraisal values established on the basis of these principles and assumptions produce the following net yields (all-in basis):	5.4	6.3	5.0	6.3

The market rent is the estimated amount for which a specific space can be let at a specific point in time by well-informed and independent parties who are prepared to enter into a transaction, both parties operating prudently and without duress.

The theoretical annual rent is the gross annual rent exclusive of the effects of straight-lining lease incentives, increased by the annual market rent of any vacant spaces.

The vacancy rate is calculated by dividing the estimated market rent of the vacant spaces by the estimated market rent of the total property portfolio.

The net yield is calculated by dividing the contractual gross rental income less the property outgoings by the fair value of the investment properties determined on all-in basis.

An increase in the net initial yields used in the appraised values of 50 basis points will result in a decrease of € 126.0 million or 8.2% (2012: € 135.3 million or 7.0%) in the value of the investment properties in operation and an increase of approximately 358 basis points (2012: approximately 322 basis points) in the loan-to-value ratio.

A decrease in the market rents used in the appraised values of € 10 per sqm will result in a decrease of € 62.2 million or 4.1% (2012: € 87.7 million or 4.5%) in the value of the property portfolio and an increase of 170 basis points (2012: 203 basis points) in the loan-to-value ratio.

France		Turkey	Spain/Portugal		Total	
High street shops	Other investment properties	High street shops	High street shops	Other investment properties	High street shops	Other investment properties
946	13	945	-	-	2.817	270
434	196	639	565	115	355	124
417	231	615	618	151	351	132
2.5	27.9	-	-	-	2.7	5.7
2.2	2.2	3.7	4.9	4.0	3.5	3.9
5.0	7.8	6.1	6.0	9.1	5.3	6.7
88	-	190	-	300	767	491
383	224	659	573	193	331	164
373	218	636	610	212	324	171
3.4	8.9	-	-	11.8	2.9	7.0
2.2	2.2	2.7	5.9	2.6	3.3	2.7
5.0	5.9	5.9	5.8	8.3	5.3	6.8

INVESTMENT PROPERTIES IN OPERATION

As at 31 December 2013, 91% of the investment properties in operation were appraised by independent certified appraisers. The appraisal values determined by these external appraisers match the book values recorded in the financial statements. The other investment properties in operation (with an individual value of € 2.5 million or less) were appraised by independent certified appraisers as at 30 June 2013. The fair value of these investment properties on 31 December 2013 was determined internally, for which the external appraisal reports prepared earlier in the year constituted a key starting point.

The independent certified appraisers who appraised the investment properties are as follows: CBRE in Brussels, Madrid and Paris, Crédit Foncier in Paris, Cushman & Wakefield in Amsterdam, Brussels, Madrid and Paris, De Crombrugghe & Partners in Brussels, DTZ Zadelhoff in Amsterdam and Jones Lang Lasalle in Istanbul and Lisbon.

	2013	2012
Balance as at 1 January	1,926,713	2,034,900
Acquisitions	103,662	110,630
Capital expenditure	4,826	5,027
Taken into operation	50,219	37,292
Transferred to Assets held for sale	(156,638)	-
Disposals	(277,355)	(134,777)
	1,651,427	2,053,072
Value movements	(119,567)	(126,359)
Balance as at 31 December	1,531,860	1,926,713
Accrued assets in respect of lease incentives	2,702	4,733
Appraisal value as at 31 December	**1,534,562**	**1,931,446**

The acquisitions in the Netherlands in 2013 involved high street shops in Amsterdam for € 20.7 million, in Maastricht for € 3.5 million and in Utrecht for € 21.2 million. In Belgium, a high street shop was acquired in Bruges for € 11.7 million. In France, high street shops in Bordeaux were acquired for € 46.6 million.

The capital expenditure in 2013 involved improvements to a number of investment properties throughout the various countries.

The disposals in 2013 included a number of small high street shops in the Netherlands, Belgium and France for € 24.9 million, shopping centres in the Netherlands and France for € 209.9 million, retail warehouses in the Netherlands, Belgium and France for € 25.7 million and other investment properties in France for € 7.9 million. A negative sales result of € 9.0 million in relation to the book value was realised on these disposals.

Accrued assets in respect of lease incentives	2013	2012
Balance as at 1 January	4,733	4,548
Lease incentives	6,054	3,986
Transferred to Assets held for sale	(3,362)	-
Charged to the profit and loss account	(4,699)	(3,675)
Other	(24)	(126)
Balance as at 31 December	2,702	4,733

Investment properties with a value of € 1.2 million (2012: € 244.0 million) serve as security for loans contracted (also see '21 Long-term interest-bearing loans').

For further details on the investment properties in operation, please refer to the '2013 Property Portfolio' overview included elsewhere in this annual report..

INVESTMENT PROPERTIES IN PIPELINE

	2013	2012
Balance as at 1 January	49,539	89,581
Acquisitions and development expenditure	3,116	5,376
Taken into operation	(50,219)	(37,292)
Disposals	(595)	(10,000)
	1,841	47,665
Value movements	49	1,874
Balance as at 31 December	**1,890**	**49,539**

The properties at Istiklal Caddesi 85 and Abdi Ipekçi Caddesi 41 in Istanbul were completed and taken into operation in December 2013. The property at Rue Ernestale 35/Rue de Collège in Arras, due for redevelopment, was disposed of in 2013.

Only one property in Houten was stated under 'Investment properties in pipeline' as at 31 December 2013. The property was externally appraised by an independent certified appraiser as at 30 June 2013. The value of this investment property was determined internally at € 1.9 million as at 31 December 2013.

A net initial yield of 9.5% was used to determine the fair value of the investment property in pipeline.

For further details on the investment properties in pipeline, please refer to the '2013 Property Portfolio' overview included elsewhere in this annual report.

14 DEFERRED TAX ASSETS AND LIABILITIES

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Investment properties	-	9,341	-	24,168
Financial derivatives	-	(897)	-	(3,303)
Offsettable losses	-	(233)	345	(8,202)
Other	-	372	-	374
	-	**8,583**	**345**	**13,037**

Deferred tax assets and liabilities are offset if there is a right enforceable by law to set off the tax assets and liabilities against each other and if these deferred tax assets and liabilities are incurred under the same tax regime.

The movements in the deferred tax assets and liabilities were as follows:

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Balance as at 1 January	345	13,037	478	23,781
Acquisition of subsidiaries	-	-	-	4,511
Net credit/charge to the profit and loss account	-	(935)	-	(16,924)
Net credit/charge to equity	-	1,588	-	1,360
Offsettable losses used	-	2,054	-	-
Expiry of offsettable losses	(345)	(1,744)	(133)	175
Transferred to income tax in connection with merger (long-term and short-term tax liabilities)	-	(4,511)	-	-
Other movements	-	(220)	-	47
Exchange rate differences	-	(686)	-	87
Balance as at 31 December	-	**8,583**	**345**	**13,037**

The deferred tax assets and liabilities as at 31 December 2013 are related to Belgium, Turkey, Spain and Portugal.

The deferred tax assets are related to offsettable losses. No restrictions apply to the offsettable losses in Belgium. In Turkey, the first offsettable losses expire in 2014 and the last offsettable losses expire in 2018.

The deferred tax liabilities are largely related to the difference between the balance sheet value and the fiscal book value of the investment properties.

As at the balance sheet date, additional unused tax losses totalled € 18.9 million. In view of the expectation that, given the present structure, it will not be possible to set off these unused tax losses against taxable profits in the near future, no deferred tax asset was recognised.

15 ASSETS HELD FOR SALE

	2013	2012
Balance as at 1 January	-	-
Transferred from Investment properties in operation	156,638	-
Transferred from Accrued assets in respect of lease incentives	3,362	-
	160,000	-
Value movements	(2,057)	-
Balance as at 31 December	157,943	-

The assets held for sale are recognised at fair value less sales costs. The fair value is equal to the expected sales proceeds.

The assets held for sale include the Spanish shopping centres and Spanish retail warehouse which will be sold in 2014.

For further details on the sale, please refer to the '28 Events after the balace sheet date'.

The assets held for sale, with the exception of one property, serve as security for loans contracted (also see '21 Long-term interest-bearing loans').

For further details on the assets held for sale, please refer to the '2013 Property Portfolio' overview included elsewhere in this annual report.

16 DEBTORS AND OTHER RECEIVABLES

	2013	2012
Debtors	6,726	7,774
Provision for doubtful debtors	(5,187)	(5,452)
	1,539	2,322
Taxes	1,384	2,133
Receivable from disposals	2,500	2,005
Interest	26	17
Service charges	130	367
Prepayments	1,536	1,657
Other receivables	729	4,458
	7,844	**12,959**

The other receivables include items with a term in excess of one year with a total value of € 0.1 million (2012: € 0.3 million).

17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents concern deposits, call money and bank account credit balances with a term of less than three months. The cash and cash equivalents are freely available to the Company.

18 CREDIT RISK

Vastned's principal financial assets consist of cash and cash equivalents, debtors and other receivables, and receivables related to financial derivatives entered into.

The credit risk on cash and cash equivalents is very small, since the cash and cash equivalents are held at reputable banks with at least an AA credit rating from Standard & Poor's.

The credit risk associated with the financial derivatives entered into is limited by only concluding transactions with reputable financial institutions with at least an AA credit rating from Standard & Poor's.

The credit risk attributable to the debtors is limited by carefully screening potential tenants in advance. Security is also required from tenants in the form of guarantee deposits or bank guarantees and rents are paid in advance.

The aging analysis of the debtors as at 31 December was as follows:

		2013		2012
	Gross amounts	Provision	Gross amounts	Provision
Overdue by less than 30 days	534	105	560	2
Overdue by between 31 and 90 days	576	283	626	268
Overdue by between 91 days and one year	2,558	1,797	2,209	1,248
Overdue by more than one year	3,058	3,002	4,379	3,934
	6,726	**5,187**	**7,774**	**5,452**

Movements in the provision for doubtful debtors were as follows:

	2013	2012
Balance as at 1 January	5.452	5.006
Allocation to the provision	2.081	1.596
Write-off for bad debts	(1.543)	(738)
Release	(777)	(412)
Disposal of subsidiaries	(26)	-
Balance as at 31 December	**5.187**	**5.452**

Receivables are recognised after deduction of a provision for bad debts.

There is no credit risk concentration since the tenant base consists of a large number of different parties.

19 SHAREHOLDERS' EQUITY

The authorised share capital is € 375.0 million and is divided into 75,000,000 shares at € 5 par value.

The Equity Vastned Retail shareholders was € 41.57 per share as at 31 December 2013 (31 December 2012: € 47.26 per share).

NUMBER OF SHARES IN ISSUE

	2013	2012
Balance as at 1 January	19,036,646	18,621,185
Stock dividend	-	415,461
Balance as at 31 December	**19,036,646**	**19,036,646**

The shareholders are entitled to receive the dividend declared by the Company and are entitled to cast one vote per share at the shareholders' meetings. In the event of a share buyback by Vastned in which the shares are not cancelled, these rights are suspended until such time as the shares are reissued.

20 PROVISIONS IN RESPECT OF EMPLOYEE BENEFITS

Vastned has a pension plan in place for its employees in the Netherlands that qualifies as a defined benefit pension plan. The pension plan is fully re-insured with Nationale-Nederlanden Levensverzekering Maatschappij N.V. The pension plan is a conditionally indexed career-average system. An unconditional indexation of a maximum of 2% per year applies to a small group of employees.
The pension plans for the employees in other countries where Vastned has branches can be qualified as defined contribution pension plans.

Mercer (Nederland) B.V. has made the following assumptions for the actuarial calculations concerning the defined benefit pension plans:

	31-12-2013	31-12- 2012
Discount rate	3.95%	3.85%
Expected return on plan assets	3.95%	3.85%
Expected rate of future salary increases (dependent on age and including inflation correction)	2.00% - 6.00%	2.00% - 6.00%
Future pension increases	0.325% - 2.00%	0.325% - 2.00%

	2013	2012	2011	2010	2009
Present value of defined benefit pension obligation	16,590	16,057	9,886	13,028	10,178
Fair value of plan assets	(12,615)	(11,826)	(7,982)	(11,073)	(8,753)
	3,975	4,231	1,904	1,955	1,425
Long-term employee benefits	86	121	108	148	140
	4,061	**4,352**	**2,012**	**2,103**	**1,565**

Movements in the present value of the defined pension benefits were as follows:

	2013	2012
Balance as at 1 January	16,057	9,886
Service costs	467	288
Administration costs		59
Interest	611	577
Contributions	56	53
Actuarial loss/(gain):		
Demographic assumptions	-	85
Financial assumptions	(349)	5,417
Experience adjustments	119	110
Benefits paid	(371)	(358)
Expenses	-	(60)
Balance as at 31 December	**16,590**	**16,057**

Movements in the fair value of plan assets were as follows:

	2013	2012
Balance as at 1 January	11,826	7,982
Expected return	458	478
Actuarial loss/(gain)	148	3,178
Employer contributions	560	553
Employee contributions	56	53
Benefits paid	(371)	(358)
Expenses	(62)	(60)
Balance as at 31 December	**12,615**	**11,826**

As indicated earlier, the defined benefit pension plan is re-insured with Nationale-Nederlanden Levensverzekering Maatschappij N.V. For that reason, the plan assets entirely consist of insurance contracts.

The amounts recognised under general expenses in the profit and loss account in respect of the defined benefit pension plan and the defined contribution pension plans are as follows:

	2013	2012
Employer service costs	467	288
Interest	611	577
Expected return on plan assets	(458)	(478)
Administration costs	59	59
	679	446
Defined contribution pension plans	66	67
	745	**513**

Vastned expects to contribute a total of € 0.5 million to its defined benefit pension plan in 2014.
Vastned expects to contribute a total of € 0.1 million to its defined contribution pension plans in 2014.

Sensitivity analysis
The table below contains the sensitivity analysis for the effect of a 25-basis-point change in the discount rate:

	minus 25 basis points	discount rate used	plus 25 basis points
	3.70%	3.95%	4.20%
Present value of defined benefit pension obligation	17,482	16,590	15,757
Service costs	449	417	387

In view of the low materiality Vastned refrained from presenting sensitivity analyses of the effects of changes in the expected rate of future salary increases (dependent on age and including inflation correction) and future pension increases.

21 LONG-TERM INTEREST-BEARING LOANS

	2013				2012			
	Remaining term				Remaining term			
	1-5 years	More than 5 years	Total	Average interest rate at year-end	1-5 years	More than 5 years	Totaal	Average interest rate at year-end
Secured loans:								
fixed interest [1]	70	142	212	1.50	118,988	16,099	135,087	4.03
floating interest	-	-	-	-	-	-	-	-
	70	**142**	**212**	1.50	**118,988**	**16,099**	**135,087**	4.03
Unsecured loans:								
fixed interest [1]	366,100	87,500	453,600	4.85	339,852	87,500	427,352	4.76
floating interest	82,728	-	82,728	2.21	114,179	-	114,179	1.95
	448,828	**87,500**	**536,328**	4.44	**454,031**	**87,500**	**541,531**	4.16
Total:								
fixed interest [1]	366,170	87,642	453,812	4.85	458,840	103,599	562,439	4.58
floating interest	82,728	-	82,728	2.21	114,179	-	114,179	1.95
	448,898	**87,642**	**536,540**	4.44	**573,019**	**103,599**	**676,618**	4.14

[1] Including the part that was fixed by means of interest rate derivatives.

The right of mortgage on investment properties with a value of € 1.2 million (2012: € 244.0 million) has been granted as security for the secured loans.
A positive/negative mortgage covenant was issued for the unsecured loans. In addition, a number of lenders have set conditions regarding the solvency and interest coverage, as well as changes in the control of the Company and/or its subsidiaries. Vastned met these conditions on 31 December 2013. Please refer to '25 Financial instruments' for more details on the conditions set by the lenders.

The part of the long-term interest-bearing loans due within one year of € 198.4 million, of which € 129.4 million pertains to secured loans (2012: € 115.5 million, of which € 1.9 million pertains to secured loans), is recognised under short-term liabilities.
The portion of the long-term interest-bearing loans due within one year includes a number of loans totalling € 129.3 million which have been qualified as short-term in connection with the agreed sale of the Spanish shopping centres at the beginning of 2014. As at balance sheet date, based on the agreed sale price some of these loans no longer (fully) complied with the covenants agreed with banks concerning the loan-to-value ratio A waiver was received from the lender before the balance sheet date in connection with the impending sale.

As at 31 December 2013, the total credit facility of the long-term interest-bearing loans, including the part due within one year, was € 741.2 million (2012: € 812.6 million).
The unused credit facility of the long-term interest-bearing loans as at 31 December 2013 was € 6.3 million (2012: € 20.5 million).

The average term of the long-term interest-bearing loans was 2.8 years (2012: 3.5 years).

The fair value of the long-term interest-bearing loans is calculated on the basis of 'level 2' (see '12 Fair value'). The fair value of the long-term interest-bearing loans is calculated as the present value of the cash flows based on the swap yield curve and credit spreads in effect at year-end 2013.

As at 31 December, the fair value of the long-term interest-bearing loans, including the part due within one year, was as follows:

	2013		2012	
	Fair value	**Carrying amount**	Fair value	Carrying amount
	744,231	**734,938**	791,587	792,140

The average interest rate in 2013 was 4.46% (2012: 4.33%).

22 LONG-TERM TAX LIABILITIES

	2013	2012
Balance as at 1 January	561	1,042
Short-term portion as at 1 January	561	3,325
	1,122	4,367
Allocation	4,511	-
Payments	(1,700)	(3,245)
	3,933	1,122
Short-term portion as at 31 December	(1,677)	(561)
Balance as at 31 December	**2,256**	**561**

This concerns the long-term portion of the exit tax in France, which is payable in connection with obtaining the SIIC status for property companies acquired in the past.

23 PAYABLE TO BANKS

	2013	2012
Credit facility	179,953	211,306
Of which undrawn	(159,231)	(134,283)
Drawn down as at 31 December	**20,722**	**77,023**

The item 'Payable to banks' concerns short-term credits and cash loans.
By way of security for the credit facilities, it has been agreed with the lenders that, except for an agreed threshold, investment property will only be mortgaged on behalf of third parties subject to the lenders' approval.

The amounts payable to banks are payable at the lenders' request within one year.

The average interest rate in 2013 was 1.93% (2012: 1.93%).

The fair value of the amounts payable to banks is calculated on the basis of 'level 2'.

Where the Company operates a notional cash pooling arrangement, the cash and amounts payable to banks are set off against each other.

24 OTHER LIABILITIES AND ACCRUALS

	2013	2012
Accounts payable	1,701	3,745
Investment creditors	1,472	2,199
Dividend	27	32
Taxes	1,502	2,110
Prepaid rent	7,982	10,624
Interest	7,674	7,479
Operating expenses	2,938	3,441
Payable in respect of acquisitions	-	2,072
Other liabilities and accruals	3,858	3,935
	27,154	**35,637**

25 FINANCIAL INSTRUMENTS

A MANAGEMENT OF FINANCIAL RISKS

For the realisation of its objectives and the exercise of its day-to-day activities, Vastned has defined a number of financial conditions aimed at mitigating the financing and refinancing risk, liquidity risk, interest rate risk and currency risk. These conditions have been laid down inter alia in the financing and interest rate policy memorandum, which is updated annually, and in the treasury regulations. Quarterly reports on these risks are submitted to the Audit Committee and the Supervisory Board.

A summary is given below of the main conditions aimed at mitigating these risks.

Financing and refinancing risks
Investing in property is a capital-intensive activity. The property portfolio is financed partly with equity and partly with loan capital. If loan capital accounts for a large proportion of the financing, there is a risk when returns are less than expected or the property decreases in value that the interest and repayment obligations on the loans and other payment obligations can no longer be met. This would make loan capital or refinancing more difficult to arrange, with a possibility that more unfavourable conditions may have to be agreed to. To limit this risk, Vastned's guiding principle is to limit loan capital financing of the property portfolio to approximately 40%-45% of the fair value of the investment properties. In line with these objectives, solvency ratios and interest coverage ratios have been agreed in virtually all of the credit agreements with lenders.

In addition, Vastned aims to secure access to the capital market through transparent information provision, regular contacts with financiers and current and potential shareholders, and by increasing the liquidity of Vastned shares. Finally, the aim with regard to long-term financing is to have a balanced spread of refinancing dates and a weighted average term of at least 3.0 years.

The solvency ratio is calculated by taking equity plus the provision for deferred tax liabilities and dividing by the balance sheet total. At year-end 2013, the solvency ratio was 51.5%, which is in compliance with the solvency ratios agreed with lenders.

The interest coverage ratio is calculated by taking net rental income less general expenses and dividing by net financing costs (excluding value movements financial derivatives). The interest coverage ratio for 2013 was 2.8, which was well above the ratios agreed with lenders.

At year-end 2013, the weighted average term of the long-term interest-bearing loans was 2.8 years.

Liquidity risk
Vastned must generate sufficient cash flows in order to be able to meet its day-to-day payment obligations. On the one hand, this is realised by taking measures aimed at high occupancy rates and by preventing financial loss due to tenants becoming bankrupt. On the other hand, the aim is to arrange sufficient credit facilities to be able to absorb fluctuations in liquidity needs. Liquidity management is centralised in the Netherlands, where most of the foreign subsidiaries' bank accounts have been placed in cash pool schemes.

At year-end 2013, Vastned had € 179.9 million in short-term credit facilities available, of which it had drawn down € 20.7 million. The unused credit facility of the long-term interest-bearing loans as at 31 December 2013 was € 6.3 million. The total unused credit facility as at 31 December 2013 therefore was € 165.5 million.

The table below shows the financial liabilities, including the estimated interest payments [1].

	Balance sheet value	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Long-term interest-bearing loans [2]	536,540	647,915	41,934	513,141	92,840
Long-term tax liabilities	2,256	2,256	-	2,256	-
Guarantee deposits and other long-term liabilities	7,158	7,158	-	7,158	-
Payable to banks [3]	20,722	20,732	20,732	-	-
Redemption of long-term interest-bearing loans [3] [4]	198,398	198,800	198,800	-	-
Income tax	1,708	1,708	1,708	-	-
Other liabilities and accruals	27,154	27,154	27,154	-	-
	793,936	905,723	290,328	522,555	92,840

1) The interest rate for the long-term interest-bearing loans with a floating interest rate is based on the market rates of Euribor and Libor in effect on 1 January 2014.
2) Including interest rate swaps.
3) Including interest up to the next expiry date or interest review date.
4) Including the mortgages in the amount of € 129.3 million to be redeemed from the proceeds of the sale of the Spanish shopping centres.

Interest rate risk
The interest rate risk policy aims to mitigate the interest rate risks arising from the financing of the property portfolio while optimising net interest expenses. This policy translates into a loan portfolio composition in which in principle at least two thirds of the loans have fixed interest rates. There may be temporary deviations from this principle depending on developments in interest rates. Furthermore, the aim is to have a balanced spread of interest rate review dates within the long-term loan capital portfolio and a typical minimum interest rate term of three years. At least once per quarter, a report on the interest rate and refinancing risks is submitted to the Audit Committee and the Supervisory Board.

Vastned mitigates its interest rate risk by making use of financial derivatives (interest rate swaps), swapping the floating interest rate it pays on part of its loans for a fixed interest rate.

The interest rate swaps are designated as cash flow hedges if it has been established that these hedges are materially effective. Cash flow hedge accounting has been applied for these swaps, which means that value movements in these swaps are recognised directly in equity.

The value movements in the interest rate swaps for which it has been established that the hedges are not materially effective, are recognised in the profit and loss account.

Regarding the materially effective cash flow hedges, the interest rate risk on loans with a nominal value of € 333.5 million at year-end 2013 was hedged by entering into interest rate swaps. To this end, contracts have been concluded with fixed interest rates ranging from 0.79% to 4.70% (excluding margins) and expiry dates ranging from 2014 through to the beginning of 2018.

The cash flow hedges that are not effective are interest rate swaps where the interest on an amount totalling € 199.2 million has been fixed, with fixed interest rates varying from 2.25% to 4.07% and expiry dates varying from 2016 to 2018. These hedges were not materially effective during certain periods in 2013, or will not be materially effective on the basis of future transactions, consequently the value movements in these interest rate swaps are (partially) directly recognised in the profit and loss account.

Vastned placed a fixed rate bond loan in the amount of € 75.0 million with an institutional investor. In order to continue to comply with the financing policy laid down in the treasury regulations, interest rate swaps were concluded for loans with a nominal value of € 37.5 million, swapping the fixed interest rate for a floating interest rate. Because hedge accounting is not applied to these swaps, which expire in October 2015, the value movements in these interest rate swaps are recognised directly in the profit and loss account.

The fair value of the interest rate swaps for which the cash flow hedges are not effective, or to which no hedge accounting is applied, amounted to negative € 14.8 million at year-end 2013. This on balance negative fair value, which on the expiry date will amount to nil, will be charged to the profit and loss account for the remaining term of these interest rate swaps.

Taking into account the interest rate swaps mentioned above, of the total long-term interest-bearing loans in the amount of € 536.5 million, € 453.8 million was at a fixed interest rate at year-end 2013 (see '25 B Summary of expiry dates and fixed interest rates on long-term interest-bearing loans').

Most of the interest rate swaps are settled on a quarterly basis. The floating interest rate is based on the 3-month Euribor rate. The differences between the floating rate and the agreed fixed interest rate are settled at the same time.

The average term of the long-term interest-bearing loans calculated in fixed interest periods was 2.9 years (2012: 3.9 years).

All transactions involving financial derivatives are entered into with reputable banks with at least an AA credit rating from Standard & Poor's as counterparties. For this reason, it is thought unlikely that the counterparties will be unable to fulfil their obligations.

Interest rate sensitivity

As at 31 December 2013, the impact on the direct investment result of a hypothetical 100-basis-point increase in interest rates - all other factors remaining equal - would be a fall of € 1.1 million. Should interest rates decrease by 100 basis points as at this date, the impact on the investment result would be an increase of € 1.1 million.

The calculations take account of the financial derivatives entered into.

Currency risk

In principle, currency risks are limited as a result of the strategic decision to invest primarily in the euro zone. Vastned has investment properties in Turkey. Turkey is not in the euro zone, which means it does involve a currency risk. The risk is mitigated on the one hand by limiting the size of the Turkish property portfolio to a maximum of 10% of the total property portfolio and on the other hand by stipulating a rent in euros in the leases wherever possible and by financing the investment wholly or partly in the same currency as the investment itself, which significantly lowers the exposure.

B SUMMARY OF EXPIRY DATES AND FIXED INTEREST RATES ON LONG-TERM INTEREST-BEARING LOANS

	2013			2012		
	Contract renewal	Interest renewal	Average interest rate [1]	Contract renewal	Interest renewal	Average interest rate [1]
2013	-	-	-	-	30,268	4.80
2014	-	105,000	4.94	204,414	135,000	4.77
2015	283,471	87,500	5.05	146,000	87,500	4.34
2016	43,700	44,712	4.88	75,252	71,481	4.77
2017	61,657	44,100	4.33	138,265	47,500	4.53
2018	60,000	85,000	4.44	24,958	103,190	3.90
2019 and beyond	87,712	87,500	5.18	87,729	87,500	5.18
Total long-term interest-bearing loans with a fixed interest rate	536,540	453,812	4.85	676,618	562,439	4.58
Long-term interest-bearing loans with a floating interest rate	-	82,728	2.21	-	114,179	1.95
Total long-term interest-bearing loans	**536,540**	**536,540**	**4.44**	**676,618**	**676,618**	**4.14**

[1] Including interest rate swaps and credit spreads in effect at year-end 2013.

C SUMMARY OF FAIR VALUE OF INTEREST RATE DERIVATIVES

	2013		2012	
	Asset	Liability	Asset	Liability
Interest rate swaps	1,417	31,730	2,222	41,666
Forward interest rate swaps	-	-	-	10,929
	1,417	**31,730**	**2,222**	**52,595**

Fair value of interest rate derivatives, compared with the nominal value of the loans for which the interest rate risk has been hedged:

	2013		2012	
	Fair value of interest rate derivatives	Carrying amount loans	Fair value of interest rate derivatives	Carrying amount loans
Interest rate swaps < 1 year	(15,856) [1]	269,190	(3,202)	101,645
Interest rate swaps 1-2 years	(4,294)	80,000	(9,159)	135,000
Interest rate swaps 2-5 years	(10,163)	146,000	(26,277)	237,000
Interest rate swaps > 5 years	-	-	(806)	8,694
	(30,313)	**495,190**	**(39,444)**	**482,339**
Forward interest rate swaps > 5 years	-	-	(10,929)	105,000
	(30,313)	**495,190**	**(50,373)**	**587,339**

For the purposes of the valuation method the interest rate derivatives are classed under 'level 2'. The fair value of the derivatives is determined with reference to information from reputable financial institutions, which information is also based on direct and indirect observable market data. For verification purposes, this information is compared to internal calculations made by discounting cash flows based on the market interest rate for comparable financial derivatives on the balance sheet date. When determining the fair value of financial derivatives, the credit risk of the Group or counterparty is taken into account.

[1] Including interest rate swaps to be settled in connection with the sale of the Spanish shopping centres at the beginning of 2014.

26 RIGHTS AND OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

At year-end 2013, there were no material rights or obligations not recorded in the balance sheet.

27 OPERATING LEASES

Vastned lets its investment properties in the form of non-cancellable operating leases.

The future minimum income from non-cancellable operating leases is as follows:

	2013	2012
Within one year	95,821	124,905
One to five years	191,941	245,295
More than five years	43,196	43,604
	330,958	**413,804**

In the Netherlands, virtually all leases are concluded for a period of five years, the tenant having one or more options to extend the lease by five years. Annual rent increases are based on the cost-of-living index.

In Belgium, leases are normally concluded for a period of nine years, with termination options after three and six years. Annual rent increases are based on the cost-of-living index.

In France, leases are normally concluded for a period of nine or twelve years, the tenant having the option of terminating or renewing the lease every three years. Annual rent increases are based on the cost-of-construction index or on a combination of the cost-of-construction index, the cost-of-living index and retail prices.

In Turkey, leases are generally concluded for a period of five years. All leases concluded by Vastned in Turkey are denominated in euros and are increased on the basis of specific agreements.

In Spain, normally virtually all leases are concluded for a minimum period of five years. Annual rent increases are based on the cost-of-living index.

The lease legislation in Portugal that applies to the leases concluded by Vastned is comparable to that of Spain.

28 EVENTS AFTER THE BALANCE SHEET DATE

At the end of January 2014 agreement was reached with a consortium of The Baupost LLC, GreenOak Real Estate and Grupo Lar on the sale of seven shopping centres/galleries and a retail park in Spain. The agreed sale price is € 160.0 million. The transaction will take place by the sale of the shares in the entity that holds the investment properties, whereby the usual balance-sheet guaranties will be issued. The transaction is expected to be completed in the first quarter of 2014. The sales proceeds will be used first to redeem loans. This will improve the loan-to-value ratio by approximately 300 basis points. Furthermore, most of the employees in Spain will be hired by the buyer.

In 2014 the Supervisory Board decided that, considering the long tenure of the current CFO and the current phase of the Company, it is time for a change. In 2014 a new CFO will be appointed who, together with the CEO, will lead the Company into the next phase.

29 RELATED PARTIES TRANSACTIONS

The following are designated related parties: controlling shareholders, subsidiaries, Supervisory Board members and members of the Board of Management.

To the company's best knowledge, no property transactions were effected during the year under review involving persons or institutions that might be regarded as related parties.

INTERESTS OF MAJOR INVESTORS

As at year-end 2013, the Netherlands Authority for the Financial Markets (AFM) had received the following reports of shareholders with an interest in the Company exceeding three percent:

Commonwealth Bank of Australia	5.79%
Stichting Pensioenfonds ABP	5.15%
FMR LLC	3.03%
BlackRock, Inc.	3.02%

SUBSIDIARIES

Please refer to '30 Subsidiaries' and the chapter 'Corporate Governance' in the Report of the Board of Management for an overview of the major subsidiaries.

Transactions as well as internal balances and income and expenditure between the Company and its subsidiaries are eliminated in the consolidation and are not commented upon.

SUPERVISORY BOARD MEMBERS AND MEMBERS OF THE BOARD OF MANAGEMENT

During the 2013 financial year, none of the members of Vastned's Supervisory Board or Board of Management had a personal interest in the investments of the company.

REMUNERATION AND SHAREHOLDING OF THE SUPERVISORY BOARD

	Remuneration 2013	Shares held at year-end 2013	Remuneration 2012	Shares held at year-end 2012
W.J. Kolff	38	-	35	-
P.M. Verboom	37	-	33	-
J.B.J.M. Hunfeld	34	-	31	-
M. Bax	33	-	22	-
N.J. Westdijk	-	-	9	-
	142	**-**	**130**	**-**

REMUNERATION AND SHAREHOLDING OF THE BOARD OF MANAGEMENT

	2013						
	Salaries (including social security charges)	Bonus for 2013 to be paid in 2014	Long-service bonus	Pension premiums	Crisis levy	Total	Shares held at year-end 2013
T.T.J. de Groot	383	101	-	70	67	621	39,110
T.M. de Witte	309	74	25	69	43	520	4,130
	692	**175**	**25**	**139**	**110**	**1.141**	**43,240**

	Salaries (including social security charges)	Bonus for 2012 paid in 2013	Long-service bonus	Pension premiums	Crisis levy	Total	Shares held at year-end 2012
							2012
T.T.J. de Groot	384	115	-	70	53	622	33,975
T.M. de Witte	309	81	-	68	35	493	3,437
	693	**196**	**-**	**138**	**88**	**1,115**	**37,412**

Mr De Groot acquired 39,110 Vastned shares at his own expense. Mr De Witte acquired 3,063 VastNed shares at his own expense. He acquired the remaining shares from the grant of bonuses related to the direct investment results for 2006 and 2007.
Vastned has not provided any guarantees with regard to these shares.

No option rights have been granted to the Board of Management or Supervisory Board members. Moreover, no loans or advances have been made to them or guarantees been provided on their behalf.

The Supervisory Board and the Board of Management have been identified as key management personnel.

For further details of the remuneration, please refer to the chapter 'Remuneration report 2013' included elsewhere in this annual report.

30 SUBSIDIARIES

The most important subsidiaries are:

	Established in	Interest and voting rights as %
Vastned Retail Nederland B.V.	Netherlands	100
Vastned Retail Monumenten B.V.	Netherlands	100
Vastned Management B.V.	Netherlands	100
Hispania Retail Properties S.L.	Spain	100
-Vastned Management España S.L.	Spain	100
-Vastned Emlak Yatırım ve Inşaat Ticaret A.Ş.	Turkey	100
Vastned Projecten B.V.	Netherlands	100
-Vastned Lusitania Investimentos Imobiliarios S.A.	Portugal	100
Vastned France Holding S.A.R.L.	France	100
- Jeancy S.A.R.L.	France	100
- Lenepveu S.A.R.L.	France	100
- S.C.I. Limoges Corgnac	France	100
- Palocaux S.A.R.L.	France	100
- Parivolis S.A.R.L.	France	100
- Plaisimmo S.A.R.L.	France	100
-Val Thoiry S.A.R.L.	France	100
Vastned Management France S.A.R.L.	France	100
Vastned Retail Belgium NV	Belgium	65
- EuroInvest Retail Properties NV	Belgium	65

At the end of September 2013, the 50% interest in C.V. Winkelcentrum Het Rond (owner of the Het Rond shopping centre in Houten) was sold.
The sale resulted in a book loss of € 2,8 million which is recognised in Net result on disposals of investment properties (€ 5,6 million negative) and Investment result attributable to non-controlling interests (€ 2.8 million positive).
As a result of this sale the Non-controlling interests decreased by € 43.2 million.

31 ACCOUNTING ESTIMATES AND JUDGEMENTS

In consultation with the Audit Committee, the Board of Management has applied the following essential estimates and judgements that have a material effect on the amounts included in the annual accounts.

SOURCES OF ESTIMATE UNCERTAINTIES

Assumptions concerning pending legal proceedings
As at 31 December 2013 there were no legal proceedings whose final outcome the Board of Management expects to result in a significant outflow of cash and cash equivalents and that as such would have a negative impact on the investment result. If the outcome of these legal proceedings should differ from what the Board of Management estimates, this might have a negative impact on the investment result.

CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

Assumptions concerning investment properties in operation and in renovation
As described in '2 Significant principles for financial reporting', all investment properties in operation and under renovation are valued at least once a year by independent certified appraisers. These appraisals are based on assumptions including the estimated rental value of the investment properties in operation, net rental income, future capital expenditure and the net market yield of the investment properties. As a result, the values of the investment properties in operation and under renovation are subject to a certain degree of uncertainty. The actual outcome may therefore differ from the assumptions, and this can have a positive or negative effect on the value of the investment properties in operation and under renovation and as a consequence on the investment result.

Assumptions concerning investment properties in pipeline
The investment properties in pipeline are valued internally as well as externally. The appraisals are based on assumptions such as the estimated rental value of the investment properties in pipeline, future capital expenditure and the net market yield for the properties. As a result, the values of the investment properties in pipeline are subject to a certain degree of uncertainty. The actual outcome may therefore differ from the assumptions, and this can have a positive or negative effect on the value of the investment properties in pipeline and as a consequence on the investment result.

Business combinations
The Group acquires investment properties either directly or by means of the acquisition of subsidiaries that own investment properties. In the event that the Group acquires investment properties by means of the acquisition of subsidiaries, the Group at the time of the acquisition determines whether the acquisition constitutes the acquisition of a business. The Group recognises the acquisition as a business combination if, in addition to the investment properties, the acquisition also includes other key processes. An assessment is made concerning the degree to which key processes are acquired and in particular concerning the scope of the supporting services provided by the subsidiary, such as administration, cleaning and the like. The importance of a process is assessed on the basis of the IAS 40 guidelines concerning supporting services.
In the event that the acquisition is not recognised as the acquisition of a business, it is recognised as the acquisition of a group of assets and liabilities. The acquisition costs in that case are allocated to the assets and liabilities on the basis of their relative fair value. In that case no goodwill is recorded.

Assumptions concerning pensions
The Board of Management has made a number of assumptions concerning the calculation of the provision for pension obligations. These assumptions involve inter alia assumptions about the future return to be realised on investments and about future salary increases. If the realisation should prove to deviate materially, an actuarial result might ensue that must be recognised in equity.

Deferred tax liabilities
If it is possible to realise the disposal of a property through the disposal of shares in a company (subject to the usual tax rules) which has ownership of the investment properties in question, no income tax is payable on the disposal. The transfer of the deferred tax liability to the purchaser will in that case normally take place through a reduction in the sale price of the shares, whereby (generally) a deferred tax liability of 50% of the nominal tax rate is taken into account. The Board of Management of Vastned is of the opinion that in these cases the deferred tax liabilities should be valued at 50% of the nominal tax rate. The Board of

Management of Vastned has applied this valuation method to the deferred tax assets and liabilities in respect of the Turkish and Portuguese investment properties. If these deferred tax assets and liabilities were valued at 100% of the nominal tax rate, the effect on equity as at 31 December 2013 would be a negative amount of € 6.5 million.

Deferred tax liabilities in Spain
In Spain, if capital gains are realised and reinvested in Spain within three years, income tax paid is refunded at 12% of the capital gains realised on the disposal (over the SOCIMI taxable period: 6%). The Board of Management of Vastned is of the opinion that this restitution must be taken into account in determining the deferred tax liability. If the deferred tax liabilities were valued at the nominal tax rate, there would be a negative effect on equity of € 2.5 million as per 31 December 2013.

32 TOTAL EXPENSE RATIO

The total expense ratio for 2013 was 2.98% (2012: 2.84%).

The total expense ratio is calculated by dividing the total costs for the reporting period by the average equity of Vastned Retail shareholders. The total costs include ground rents paid, net service charge expenses, operating expenses, general expenses and income tax.
These costs are adjusted to allow for the share of these costs attributable to third parties.

33 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were drawn up by the Board of Management and authorised for publication by the Supervisory Board on 19 March 2014.

COMPANY BALANCE SHEET AS AT 31 DECEMBER

(x € 1,000)

	2013	2012
ASSETS		
Investment properties in operation	10,471	16,581
Accrued assets in respect of lease incentives	64	75
Total investment properties	10,535	16,656
Participations in group companies	1,192,911	1,245,142
Financial derivatives	1,399	2,222
Total fixed assets	**1,204,845**	**1,264,020**
Group companies	154,629	193,870
Debtors and other receivables	325	442
Cash and cash equivalents	47	58
Total current assets	**155,001**	**194,370**
Total assets	**1,359,846**	**1,458,390**

	2013	2012
LIABILITIES		
Capital paid-up and called	95,183	95,183
Share premium reserve	468,555	468,555
Hedging reserve in respect of financial derivatives	(15,180)	(44,747)
Translation reserve	(3,870)	(2,464)
Revaluation reserve	378,232	460,852
Other reserves	(42,519)	(36,713)
Investment result attributable to Vastned Retail shareholders	(89,036)	(41,000)
Equity Vastned Retail shareholders	**791,365**	**899,666**
Long-term interest-bearing loans	317,787	329,567
Financial derivatives	10,953	15,027
Guarantee deposits	153	215
Total long-term liabilities	**328,893**	**344,809**
Payable to banks	231,350	209,260
Income tax	21	11
Other liabilities and accruals	8,217	4,644
Total short-term liabilities	**239,588**	**213,915**
Total equity and liabilities	**1,359,846**	**1,458,390**

COMPANY PROFIT AND LOSS ACCOUNT

(x € 1,000)

	2013	2012
Company result	(4,072)	(1,877)
Result from participations in group companies	(84,964)	(39,123)
Investment result	**(89,036)**	**(41,000)**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

GENERAL

The company profit and loss account has been shown in abbreviated form pursuant to Section 402 of Book 2 of the Netherlands Civil Code.
The company financial statements are part of the 2013 financial statements, which also include the consolidated financial statements.
The Company has availed itself of the provisions of Section 379(5) of Book 2 of the Netherlands Civil Code. The list as referred to in this article has been filed with the offices of the Commercial Register in Rotterdam.
The Company has issued certificates of guarantee for a number of group companies in accordance with Section 403 of Book 2 of the Netherlands Civil Code.

PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES AND THE DETERMINATION OF THE RESULT

The company financial statements have been prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code.
In the preparation of the company financial statements, the provisions of Section 362(8) of Book 2 of the Netherlands Civil Code have been used.
The valuation principles for assets and liabilities and the method of determining the result are identical to those used in the consolidated financial statements. Reference is therefore made to the notes to those statements.
The participations in group companies have been stated at net asset value.

RIGHTS AND OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

The Company heads a tax group for the purposes of Dutch corporate income tax and a tax group for the purposes of turnover tax and is consequently jointly and severally liable for the tax liabilities of the tax groups as a whole.

INVESTMENT PROPERTIES IN OPERATION

	2013	2012
Balance as at 1 January	16,581	15,201
Capital expenditure	-	(8)
Disposals	(5,976)	-
Value movements	(134)	1,388
Balance as at 31 December	10,471	16,581
Accrued assets in respect of lease incentives	64	75
Appraisal value as at 31 December	**10,535**	**16,656**

PARTICIPATIONS IN GROUP COMPANIES

	2013	2012
Balance as at 1 January	1,245,142	1,321,670
Adjustment related to IAS19R	-	(1,171)
	1,245,142	1,320,499
Acquisitions and capital contributions	11,839	692
Share in investment result	(84,964)	(39,123)
Share in total result recognised directly in equity	22,796	(5,210)
Payments received	(8,700)	(9,446)
Disposals	-	(14,100)
Legal restructuring of associates	6,823	(8,187)
Other movements	(25)	17
Balance as at 31 December	**1,192,911**	**1,245,142**

As at 31 December 2013, Vastned together with its subsidiaries held 3,325,960 Vastned Retail Belgium shares (31 December 2012: 3,325,960 shares). The net asset value per share on 31 December 2013 was € 46.37 (31 December 2012: € 40.76 per share).
The share price of Vastned Retail Belgium shares on 31 December 2013 was € 52.40 (31 December 2012: € 47.60 per share).

EQUITY

	Capital paid-up and called	Share premium reserve	Hedging reserve in respect of financial derivatives	Translation reserve	Revaluation reserve	Other reserves	Investment result attributable to Vastned Retail shareholders	Equity Vastned Retail shareholders
Balance as at 31 December 2011	93,106	470,705	(39,765)	(2,029)	540,091	(157,812)	96,097	1,000,393
Adjustment related to IAS19R	-	-	-	-	-	(1,171)	-	(1,171)
Balance as at 1 January 2012	93,106	470,705	(39,765)	(2,029)	540,091	(158,983)	96,097	999,222
Investment result	-	-	-	-	-	-	(41,000)	(41,000)
Remeasurement of defined benefit obligation	-	-	-	-	-	(2,434)	-	(2,434)
Value movements financial derivatives	-	-	(4,982)	-	-	-	-	(4,982)
Translation differences on net investments	-	-	-	(435)	-	-	-	(435)
Net result on sale of Vastned Retail Belgium shares	-	-	-	-	-	2,012	-	2,012
Stock dividend	2,077	(2,077)	-	-	-	-	-	-
Costs of stock dividend	-	(73)	-	-	-	-	-	(73)
Final dividend for previous financial year in cash	-	-	-	-	-	-	(33,417)	(33,417)
2012 interim dividend in cash	-	-	-	-	-	(19,227)	-	(19,227)
Contribution from profit appropriation	-	-	-	-	-	62,680	(62,680)	-
Allocation to revaluation reserve	-	-	-	-	(79,239)	79,239	-	-
Balance as at 31 December 2012	95,183	468,555	(44,747)	(2,464)	460,852	(36,713)	(41,000)	899,666
Investment result	-	-	-	-	-	-	(89,036)	(89,036)
Remeasurement of defined benefit obligation	-	-	-	-	-	376	-	376
Value movements financial derivatives	-	-	18,624	-	-	-	-	18,624
Reclassification of unrealised results on financial derivatives to profit and loss account	-	-	9,971	-	-	-	-	9,971
Translation differences on net investments	-	-	-	(1,406)	-	-	-	(1,406)
Reclassification	-	-	972	-	-	(972)	-	-
Final dividend for previous financial year in cash	-	-	-	-	-	-	(29,316)	(29,316)
2013 interim dividend in cash	-	-	-	-	-	(17,514)	-	(17,514)
Contribution from profit appropriation	-	-	-	-	-	(70,316)	70,316	-
Allocation to revaluation reserve	-	-	-	-	(82,620)	82,620	-	-
Balance as at 31 December 2013	**95,183**	**468,555**	**(15,180)**	**(3,870)**	**378,232**	**(42,519)**	**(89,036)**	**791,365**

The authorised share capital is € 375.0 million and is divided into 75,000,000 shares at € 5 par value.
The legal reserves comprise the Hedging reserve in respect of financial derivatives, the Translation reserve and the Revaluation reserve.

LONG-TERM INTEREST-BEARING LOANS

	2013				2012			
	Remaining term				Remainging term			
	1-5 years	More than 5 years	Total	Average interest rate at year end	1-5 years	More than 5 years	Total	Average interest rate at year end
Unsecured loans:								
fixed interest [1]	171,170	87,430	258,600	5.08	137,100	87,500	224,600	4.89
floating interest	59,187	-	59,187	2.35	104,967	-	104,967	1.95
	230,357	**87,430**	**317,787**	**4.57**	**242,067**	**87,500**	**329,567**	**3.95**

[1] Including the part that was fixed by means of interest rate derivatives

A positive/negative mortgage covenant was issued for the unsecured loans. In addition, a number of lenders have set conditions regarding the solvency and interest coverage, as well as changes in the control of the Company and/or its subsidiaries. Vastned met these conditions on 31 December 2013.

The part of the long-term interest-bearing loans due within one year of € 69.1 million is recognised under short-term liabilities (2012: € 55.0 million).

The average term of the long-term interest-bearing loans was 3.4 years (2012: 3.7 years).

FINANCIAL DERIVATIVES

	2013		2012	
	Asset	Liability	Asset	Liability
Interest rate swaps	1,399	10,953	2,222	10,282
Forward interest rate swaps	-	-	-	4,745
	1,399	**10,953**	**2,222**	**15,027**

Fair value of interest rate derivatives, compared with the nominal value of the loans for which the interest rate risk has been hedged:

	2013		2012	
	Fair value of interest rate derivatives	Carrying amount loans	Fair value of interest rate derivatives	Carrying amount loans
Interest rate swaps < 1 year	-	-	-	25,000
Interest rate swaps 1-2 years	(3,234)	55,000	(1,848)	30,000
Interest rate swaps 2-5 years	(6,320)	81,500	(6,212)	57,500
Interest rate swaps > 5 years	-	-	-	-
	(9,554)	**136,500**	**(8,060)**	**112,500**
Forward interest rate swaps > 5 years	-	-	(4,745)	40,000
	(9,554)	**136,500**	**(12,805)**	**152,500**

APPROVAL OF THE COMPANY FINANCIAL STATEMENTS

The company financial statements were drawn up by the Board of Management and authorised for publication by the Supervisory Board on 19 March 2014.

OTHER INFORMATION

PROFIT DISTRIBUTION

In accordance with the Company's articles of association, the profit is placed at the disposal of the General Meeting of Shareholders. The Company may only make distributions to shareholders insofar as Vastned Retail shareholders' equity exceeds the sum of the capital paid-up and called augmented by the reserves required to be maintained by law.
In order to retain its fiscal status as an investment institution, the Company must distribute the taxable profit, after making permitted reservations, within eight months of the end of the year under review.

PROFIT APPROPRIATION

The Board of Management proposes to distribute the investment result as follows (x € 1.000):

Investment result attributable to Vastned Retail shareholders	(89,036)
To be charged to the reserves	143,231
Available for dividend payment	54,195
Distributed earlier as interim dividend	(17,514)
Available for final dividend payment	**36,681**

Based on this dividend policy and with due consideration for the conditions associated with fiscal investment institution status in the sense of Section 28 of the 1969 Netherlands Corporate Income Tax Act, the Board of Management proposes that a final dividend of € 1.63 per share in cash be paid out for the 2013 financial year.

EVENTS AFTER THE BALANCE SHEET DATE

The disposal of the Spanish shopping centres at the beginning of 2014 will take place by the sale of the shares in the entity that holds these shopping centres, whereby the sale price reflects the book value of the particular subsidiary.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Vastned Retail N.V.

STATEMENT REGARDING THE FINANCIAL STATEMENTS

OUR OPINION WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion the consolidated financial statements give a true and fair view of the financial position of Vastned Retail N.V. as at 31 December 2013 and of its result and its cash flows for the year 2013 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

OUR OPINION WITH RESPECT TO THE COMPANY FINANCIAL STATEMENTS

In our opinion the company financial statements give a true and fair view of the financial position of Vastned Retail N.V. as at 31 December 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Ducth Civil Code.

OUR ENGAGEMENT

We have audited the 2013 financial statements of Vastned Retail N.V. in Rotterdam. These financial statements include the consolidated financial statements and company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2013, the consolidated statement of the comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2013 and the company profit and loss account for the year then ended and notes, comprising a summary of the accounting policies applied and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section Our Responsibilities for the Audit of the Financial Statements of our report. We are independent of Vastned Retail N.V. within the meaning of applicable Dutch law and regulations and have fulfilled our other responsibilities under those ethical requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Scope
In addition to the Dutch country organization, the scope of our audit of the financial statements of the group included three other foreign country organizations that are subject to a comprehensive audit for the year ended on 31 December 2013. They represent 87% of the total assets of the group, 91% of the investment property, 95% of the gross revenues of the group and 100% of the investment result. In addition, our audit included a single foreign country organization where review procedures for the year ended on 31 December 2013 have been performed. The audit team has visited all four country organizations this year. In addition, 12 financial statements audits are performed for local statutory purposes.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

- **Accounting for acquisition and sale of investment property**
  We have audited the accounting for the acquisition and sale of investment property on the basis of the underlying acquisition/sale contracts, deeds of transfer and (dis)investment proposals. We have also verified whether the authorization for each transaction is accurate.

- **The valuation of investment property**
  We have used the support of our internal valuation experts to verify the value of the property based on underlying valuation reports. We have applied IAS 40 to test the fair value concept used by the appraisers. We have also examined the relevant factors that affect the assessed value of an object and have discussed these with the external appraisers and the responsible portfolio managers.

- **The valuation and recognition of interest rate derivatives**
  We have used bank statements to verify the value of the derivatives, with the support of internal financial instruments valuation experts. We have reviewed the recognition of the derivatives based on tests of the hedge documentation and the effectiveness calculations.

- **Complying with the loan covenants**
  The company has entered into a number of loans to finance its business operations, for which agreements have been made with the bank. These agreements have been laid down in covenants. We have reviewed the underlying calculation for the covenants on the basis of the contracts and the financial information as at year-end 2013.

- **The risk of management override of internal controls**
  We have performed control and substantive testing on journal entries to identify and mitigate the risk of fraud or override of internal controls by management; furthermore we have critically reviewed material estimates made by management and the supporting documention.

GOING CONCERN

The financial statements of the company have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the company's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern, and accordingly none is disclosed in the financial statements of the company.

Based on our audit of the financial statements of the company, we have also not identified such a material uncertainty. However, neither management nor the auditor can guarantee the company's ability to continue as a going concern.

RESPONSIBILITIES OF MANAGEMENT AND SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code and for the preparation of the Management Board Report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Futhermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The supervisory board are responsible for overseeing the company's financial reporting process.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We apply a materiality for the financial statements as a whole. We have set the materiality for the group at EUR 28 million for the property investments (based on 3% of the shareholders' equity) and at EUR 2.7 million for the other financial statement items, i.e., approximately 5% of the expected distribution to the shareholders. Based on our risk assessment and our review of the control environment, we have set the materiality we use during the audit at 90% and 70% of the planning materiality, respectively – this is EUR 25.2 million for the property investments and EUR 1.89 million for the other financial statement items. The objective of this approach is to guarantee that the aggregate of identified and non-identified audit differences for the group audit does not exceed the materiality applied for the financial statements as a whole.

As part of an audit in accordance with Dutch Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and the business operations within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We bear sole responsibility for our audit opinion.

We are required to communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

STATEMENT ON THE REPORT OF THE BOARD OF MANAGEMENT AND THE OTHER INFORMATION

Pursuant to the legal requirement under Part 9 of Book 2 of the Dutch Civil Code regarding our responsibility to report on the report of the board of management and the other information:

- we have no deficiencies to report as a result of our examination whether the annual report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the other information as required by Part 9 of Book 2 has been annexed; and
- we report that the report of the board of management, to the extent we can assess, is consistent with the financial statements.

Rotterdam, 19 March 2014
Deloitte Accountants B.V.

Signed on the original: D.A. Sonneveldt

2013 REMUNERATION REPORT

This section comprises three parts: The first part is a description of the remuneration policy as adopted by the Extraordinary General Meeting of shareholders held on 25 November 2011. The second part contains information on the remuneration of the Board of Management in 2013 and the changes expected in 2014. The third part contains information on the remuneration of the Supervisory Board.

REMUNERATION POLICY

The remuneration policy for the Vastned Board of Management was adopted by the Extraordinary General Meeting of shareholders held on 25 November 2011. The adoption took place in light of the changed circumstances and the introduction of the sharpened strategy. The remuneration policy is based on the following assumptions:

- the level and structure of the total remuneration should enable Vastned to attract, motivate and retain qualified members of the Board of Management with the necessary expertise;
- the proportion of fixed and variable income should be such that it promotes Vastned's medium and long-term interests; and
- the variable portion of the remuneration should be appropriate in relation to the fixed portion of the remuneration.

In the context of this remuneration policy, Vastned performs a benchmark every three years, in which the total remuneration of the Board of Management is compared with comparable property funds vested in the Netherlands with which Vastned competes on the labour market. Among others, this includes Corio, Eurocommercial Properties, Wereldhave and NSI (reference group). This benchmark was performed as part of the proposal for a new remuneration policy submitted to the Extraordinary General Meeting of Shareholders held on 25 November 2011. A remuneration benchmark is performed each year to assess whether the fixed basic salary should be adjusted.
In establishing the total remuneration of the Board of Management, its impact on the remuneration proportions within the Company is taken into consideration. At the end of 2013 the Supervisory Board asked the Hay Group to prepare a memo outlining trends and developments relating to top remuneration. This memo served as the basis for internal discussion and the determination of the remuneration for 2014.

TOTAL DIRECT REMUNERATION (TDR)

The total direct remuneration of the Board of Management consists of the following:
(I) Basic salary
(II) Variable income
- Performance-linked Short-Term Incentive (STI)
- Performance-linked Long-Term Incentive (LTI)

In addition to this total direct remuneration, the Board of Management is entitled to a non-contributory pension and other perquisites, such as a company car and a telephone and Internet allowance. According to the policy, the ratio of fixed to variable income elements (STI plus LTI) in the TDR of both members of the Board of Management is 50% - 50% if the targets are met.

Breakdown of TDR (if targets are realised):

Basic salary	50%
Variable income (STI + LTI)	50%
Total direct remuneration (TDR)	100%

BASIC SALARY

In determining a suitable remuneration level, Vastned gives due consideration to external reference data. The CEO is granted a fixed annual salary including holiday allowance that is in line with the above-mentioned reference group. The other members of the Board of Management are granted a fixed annual salary including holiday allowance that ranges from 60% - 80% of the CEO's fixed annual salary, depending on the weight of the property portfolio, experience and performance. The Supervisory Board has the discretionary authority required to adjust the basic salary. The fixed basic salary, in contrast to the variable income discussed below, is pensionable.

VARIABLE INCOME

At the end of each year, after the Supervisory Board has determined the fixed annual salaries of the members of the Board of Management for the coming financial year, the maximum realisable variable income for the members of the Board of Management for that year is calculated as the average of the established annual salaries.

The variable income in the remuneration consists of short-term and long-term incentives (STI and LTI). Of this variable income, 40% is designated as STI and 60% as LTI. The realisation of the STI is linked to the realisation of short-term targets with a term of one year and the LTI is linked to the realisation of long-term targets with a term of three years. The above creates a balance between value creation over the short and long term. As indicated above, the variable income (STI and LTI) can result in a maximum of 100% of the basic salary when the targets are met.

The Supervisory Board has the discretionary authority to establish the parameters related to the various elements of the variable portion of the income, and where necessary to adjust them, taking into account the general rules and principles of the remuneration policy itself. The distribution of the variable income when the targets are realised is summarised as follows and further explained in the following sections.

Short-Term Incentive (STI)	40%
Long-Term Incentive (LTI)	60%
Total variable income as a % of basic salary	100%

Short-Term Incentive (STI)
Members of the Board of Management qualify for participation in an STI scheme. This scheme rewards operational performance over the short term with the objective of creating sustainable value over the long term. If all targets are realised, the STI amounts to a maximum of 40% of the average annual basic salary.

Four STI performance criteria are established by the Supervisory Board each year on the basis of a number of factors, such as past performance, the operational and strategic prospects of the business for the short term and expectations for the long term. These targets contribute to the realisation of the envisioned value creation in the long term.

A score range is linked to each performance criterion in such a way that in the event of 'at target' performance for each of the four criteria, a bonus of 32% of the set maximum bonus amount is paid. The maximum STI of 40% can only be realised if top scores are achieved for all performance criteria and no STI will be paid if none of the defined minimum performance criteria are realised. At least three of the four performance criteria to be defined concern objectively measurable, challenging targets of which, in principle, two are common to all members of the Board of Management and one is specific to each member of the Board of Management individually. The fourth performance criterion may contain qualitative elements, including an evaluation by the Supervisory Board of the performance of the members of the Board of Management.

Because of the market sensitivity of the performance criteria, Vastned does not disclose the actual criteria.

The degree to which the STI is realised is determined after the end of the relevant financial year and the bonus determined accordingly is paid in cash following the adoption of the financial statements for the relevant financial year by the Annual General Meeting of shareholders. Members of the Board of Management will use their STI payment for the purchase of Vastned shares as long and insofar as the Vastned shares held by them that are purchased at their own expense are valued at less than 50% of their gross annual salary.

Long Term Incentive (LTI)

Members of the Board of Management qualify for participation in an LTI scheme in the form of performance-linked shares. The scheme for performance-linked shares provides for conditional granting of shares to the members of the Board of Management. Actual acquisition of these shares depends on the realisation of certain predetermined performance criteria during a period of three years (realisation over the three-year period will take place for the first time in 2015). The nominal LTI amount established at that point will be paid in shares at the initial share price established for a Vastned share for that year as defined below (initial share price). The shares paid this way are immediately entitled to dividend. Two targets apply for the award of performance-linked shares:

a. the Total Shareholder Return (TSR) of the Vastned share in comparison to a reference group;
b. the three-year yield realised by Vastned in terms of the average initial share price and the Net Asset Value per share (NAV).

The LTI performance targets can be defined as follows:

a. The Total Shareholder Return of the Vastned share in comparison to a reference group
50% of the LTI is linked to the total result over periods of three years each consisting of the value movements in the Vastned share price and taking into account that interim dividends paid will be reinvested (Total Shareholder Return (TSR)) in comparison to a reference group. At the beginning of each financial year, the initial share price of a Vastned share and that of a reference group of nine listed retail property funds are determined by taking the average of the first ten closing share prices for the year for each fund. The reference group currently comprises the following:

Reference group	
Eurocommercial Properties	Corio
Mercialys	Citycon
Wereldhave	NSI
Deutsche EuroShop	Klépierre
Unibail-Rodamco	Vastned

The reference group will be reviewed each year by the Supervisory Board on the basis of market developments (such as mergers and takeovers) that affect the suitability of the composition of the group. After three years, for the first time in 2015, Vastned and the reference group are ranked in terms of the TSR for the previous three years. The maximum LTI to be awarded conditionally becomes definitive in accordance with the following scheme:

Ranking	LTI (in %)
Vastned in position 1-2	50%
Vastned in position 3-4	35%
Vastned in position 5-6	20%
Vastned in position 7-10	0%

The realisation of these LTI performance targets will be validated by a bank and audited by the external auditor.

b. LTI based on three-year yield
The other 50% of the LTI is linked to the three-year yield realised by Vastned in terms of the average initial share price and the Net Asset Value per share (NAV). The NAV is adjusted for the acquisition costs incurred in the relevant period for property investments in the context of the sharpened strategy. Each year, the initial value is determined by taking the average of the Vastned initial share price as defined above (average of the first ten closing share prices) and the NAV as at the end of the previous financial year adjusted for the acquisition costs incurred in the previous three financial years. After three years the yield realised on the initial value established in this way is calculated by dividing the movement in value, increased by the interim dividends paid, by the initial value.

> Example
> The average of the first ten closing share prices of the Vastned share in 2012 is € 32.67 and suppose that the NAV at year-end 2011 is € 53.73. The initial value for calculating the LTI is then set at the average of these two values, i.e. € 43.20. Next, suppose that the initial share value calculated in the same way for 2015 is € 46 and that dividends amounting to € 10 have been paid in the interim. The three-year yield in that case is 29.6% ((€ 46 - € 43.20 + € 10)) / € 43.20). [1]
>
> [1] *The amounts used are fictitious and are in no way predictive.*

The conditionally awarded maximum LTI becomes definitive in accordance with the following scheme:

Three-year yield less than 25%:	0% LTI
Three-year yield between 25% and 35%:	LTI pro rata, 5% per % rendement
Three-year yield 35% or more:	50% LTI

If the initial value for the three-year period calculated above rises, then the above-referenced LTI award limits will be adjusted in accordance with the scheme below.

		Initial share price three-year period (amounts in €) (as %)				
	Percentage awarded	<45	45-50	50-55	55-60	>60
	0	25.0	23.8	22.6	21.4	20.4
Lower limits of	5	26.0	24.7	23.5	22.3	21.2
graduated scales	10	27.0	25.7	24.4	23.1	22.0
for three-year yield	15	28.0	26.6	25.3	24.0	22.8
	20	29.0	27.6	26.2	24.9	23.6
	25	30.0	28.5	27.1	25.7	24.4
	30	31.0	29.5	28.0	26.6	25.2
	35	32.0	30.4	28.9	27.4	26.1
	40	33.0	31.4	29.8	28.3	26.9
	45	34.0	32.3	30.7	29.2	27.7
	50	35.0	33.3	31.6	30.0	28.5

A maximum of fifty per cent of the LTI-based shares paid in any financial year may be sold immediately to pay taxes due. The other shares paid must be held for a period of at least two years or until the end of the employment of the Board of Management member in question, if earlier.

Amounts awarded conditionally under the LTI scheme in principle become unconditional and are paid in shares if a public bid, supported by Vastned, on the Vastned shares has become irrevocable. However, before the amounts awarded under the LTI scheme become unconditional in the event of a public bid, the Supervisory Board will check, on the basis of good corporate governance and applicable legislation, whether making the amounts awarded unconditional would lead to disproportionate or unreasonable results, in which case the Supervisory Board may adjust the remuneration.

In the event of the interim termination of the employment contract of a Board of Management member, the Supervisory Board will decide whether, and if so, to what extent, the LTI conditionally awarded to the Board of Management member in question will be withdrawn, taking into account the circumstances of the termination.

Granting date

'The shares will be granted on the date of the ex-dividend listing following the Annual General Meeting of shareholders in which the Vastned financial statements are adopted.

BOARD OF MANAGEMENT EMPLOYMENT CONTRACTS

Duration of the contract

The term of Mr De Groot's employment contract is four years. Mr De Witte has an employment contract for indefinite period. Mr De Witte's employment contract ends on his retirement date or if it is terminated by either of the parties.

Period of appointment

Mr De Groot was appointed for a period of four years by the Annual General Meeting of shareholders of 2 May 2012, effective from 25 November 2011. Mr De Witte was appointed as a Managing Director of Vastned by the Extraordinary General Meeting of shareholders of 25 November 2011, for an indefinite period of time. Mr De Witte is CFO of Vastned Management B.V. as of 16 June 2003.

Notice period

A three-month notice period applies if the contract is terminated by the member of the Board of Management. If the contract is terminated by Vastned, a statutory notice period of six months applies.

Severance payment

Mr T.T.J. de Groot (CEO)
If the employment contract with Mr De Groot is terminated as a result of a merger or take-over on the initiative of Vastned, compensation of a maximum of twelve months' salary is paid. The employment contract concluded with Mr De Groot complies with the Code.

Mr Tom M. de Witte (CFO)
Mr De Witte joined Vastned in 2003 and he has an employment contract for an indefinite period. In the event of involuntary dismissal by the Annual General Meeting of shareholders of Vastned Management B.V., Mr De Witte is entitled to compensation of at least twelve months of the income in effect at the time of the dismissal and it has been agreed that the seniority of twelve weighted service years accrued during his immediately prior employment will be used as the basis for his employment at Vastned, in particular in the event that compensation is determined in accordance with the system of the Dutch sub-district court formula. If the employment contract is terminated as a result of a merger or take-over on the initiative of Vastned, compensation of at least fifteen months' salary is paid.

In early 2014, agreement was reached with Mr De Witte about severance payment totalling 1.5 times his present fixed annual salary. This payment, which is higher than indicated by the Dutch Corporate Governance Code, partially compensates Tom de Witte for the rights under his pre-Code agreed employment contract for an indefinite period of time.

The contracts of new appointees for membership in the Board of Management will in principle include a limit of one time the annual fixed remuneration.

Share ownership
The Supervisory Board will encourage the Board of Management members to hold shares in the business as a means of emphasising their confidence in the strategy and the business.

Loans
Vastned does not provide any loans or guarantees to the members of the Board of Management.

Scenario analysis
In accordance with the Code, the Supervisory Board is obliged to analyse the 'potential results of the variable remuneration components and their impact on the remuneration of directors'. Vastned performs this analysis at least every three years.

REMUNERATION OF THE BOARD OF MANAGEMENT

REMUNERATION OF THE BOARD OF MANAGEMENT IN 2013

The basic salary of the Board of Management for the 2013 financial year did not change with respect to 2012 and is set as follows:

Basic salary	2013	2012	Change as %
Taco T.J. de Groot	375,000	375,000	0%
Tom M. de Witte	300,000	300,000	0%

Variable income in 2013
The maximum variable income over the 2013 financial year realisable by each member of the Board of Management was € 337,500, with a maximum STI of € 135,000 and a maximum LTI of € 202,500.

Short-term incentives over 2013
The STI targets are reviewed each year to ensure that they are challenging and realistic. The performance criteria are determined on the basis of Vastned's operational and strategic direction and are directly linked to Vastned's ambitions. The performance targets for each member of the Board of Management are established at the beginning of each year and pertain to elements such as:
1) increasing the share of high street shops in the property portfolio;
2) disposing of non-strategic investment properties;
3) realising an occupancy rate established in advance; and
4) further diversifying the financing.

The Supervisory Board has determined the extent to which the performance criteria for 2013 were realised. Of the maximum 40% STI Mr De Groot realised 32% and Mr De Witte 22%. A table summarising the STI paid to each individual member of the Board of Management in 2013 is contained on the next page.

Long-term incentives over 2012
The maximum realisable LTI over 2012 was € 202,500. The LTI in a particular year is assessed with reference to the total result over a period of three years. The 2013 reporting year is the second year in the three-year period in which the LTI for 2012 will be determined. Based on the situation at year-end 2013, no LTI is owed on the basis of the relative TSR. This is because Vastned ranked eighth in the reference group. Based on the situation at year-end 2013, no LTI is owed on the basis of the three-year yield. Since the LTI is determined on the basis of the position after three years, no LTI for 2012 has been taken into account as yet in the financial statements.

Long-Term Incentives over 2013
The maximum realisable LTI over 2013 was also € 202,500. The 2013 reporting year is the first year in the three-year period in which the LTI for 2013 will be determined. Based on the situation at year-end 2013, a 35% LTI is owed on the basis of the relative TSR. This is because Vastned ranked fourth in the reference group. Based on the situation at year-end 2013, no LTI is owed on the basis of the three-year yield. Since the LTI is determined on the basis of the situation after three years, no LTI for 2013 has been taken into account as yet in the financial statements.

Pensions

The pension schemes that are applicable to the Board of Management are exempt from premiums. Mr De Witte's pension scheme is based on the career-average system and Mr De Groot's pension scheme is a defined contribution scheme. The expected retirement age for Mr De Witte and Mr De Groot is 67. The pension schemes include a partner's pension and an occupational disability pension.

Loans

Vastned did not provide any loans or guarantees to the members of the Board of Management in 2013.

Purchase of shares

Both members of the Board of Management hold shares in the Company as a means of emphasising their confidence in the strategy and the Company. Shares are purchased via personal transactions using personal funds. On 1 January 2014, members of the Board of Management collectively held 43,240 Vastned shares. This number was 37,230 on 1 January 2013. For more information, see the chapter 'Information on the Vastned share' starting on page [xxx].

Summary of the remuneration of the Board of Management

The following table summarises the remuneration awarded to the Board of Management in 2013.

Name	Fixed salary	Allowances and other payments [(a)]	Value of other benefits	Variable income	Subtotal	Pension	Shares awarded	Total
Taco T.J. de Groot	375,000	26,300	-	101,250	502,550	70,000	-	572,550
Tom M. de Witte	300,000	16,300	25,000	74,250	415,550	69,000	-	484,550
Totaal 2013	**675,000**	**42,600**	**25,000**	**175,500**	**918,100**	**139,000**	**0**	**1,057,100**

[(a)] This concerns costs related to a company car, telephone and internet costs and allowances for health insurance.

The Supervisory Board did not exercise its right to adjust or recover any bonuses granted to the Board of Management for the 2013 reporting year.

REMUNERATION OF THE BOARD OF MANAGEMENT IN 2014

At the end of 2013, the Supervisory Board had an external consultant benchmark the CEO's basic salary. The conclusion of this analysis was that the basic salary for the members of the Board of Management will not be adjusted for 2014. The other components will neither be adjusted. The basic salary for the members of the Board of Management for 2014 is as follows:

Basic salary	2014	2013	Change as %
Taco T.J. de Groot	375,000	375,000	0%
Tom M. de Witte	300,000	300,000	0%

REMUNERATION OF THE SUPERVISORY BOARD

REMUNERATION POLICY AND REMUNERATION IN 2013

In accordance with good corporate governance, the remuneration of the Supervisory Board is not dependent on the Company's results. This means that no shares are awarded as remuneration to the members of the Supervisory Board.

The current remuneration package for the Supervisory Board comprises a fixed annual remuneration and an annual remuneration for membership in committees. The fixed annual remuneration of the Chairman of the Supervisory Board is € 38,000; the other members of the Supervisory Board each receive a fixed remuneration of € 30,000. Members receive € 4,000 for membership in the Audit Committee. Members of the Remuneration Committee each receive € 3,000. Apart from the aforementioned remuneration, the members do not receive any further remuneration other than reimbursements of actual expenses.

Insofar as members of the Supervisory Board own Vastned shares, this must be a long-term investment in the Company. As at 31 December 2013, none of the members of the Supervisory Board held any shares in Vastned.

Vastned does not provide any loans or guarantees to the members of the Supervisory Board.

Summary of the remuneration of the Supervisory Board in 2013

The following table summarises the remuneration of the Supervisory Board in 2013 (remuneration in €).

Name	Supervisory Board	Audit committee	Remuneration committee	Total
Wouter J. Kolff	38,000	-	-	38,000
Pieter M. Verboom	30,000	4,000	3,000	37,000
Jeroen B.J.M. Hunfeld	30,000	4,000	-	34,000
Marieke Bax	30,000	-	3,000	33,000
Total 2013	**128,000**	**8,000**	**6,000**	**142,000**

REMUNERATION OF THE SUPERVISORY BOARD IN 2014

During the Annual General Meeting of shareholders of 2 May 2012, the Supervisory Board announced that in principle it would not submit any proposals calling for an increase in its remuneration in the subsequent three years.

PROPERTY PORTFOLIO

PROPERTY PORTFOLIO IN OPERATION

Country / City / Location	Type of property	Year of acquisition	Year of construction	Letteble floor space (m^2)	Number of tenants	Number of apartments	Theoretical rent- (x € 1,000)
THE NETHERLANDS							
ALMELO							
Grotestraat 32 / Hof van Gülick 10	High street shop	1993	1920	210	1	1	48
Grotestraat 36	High street shop	1996	1920	430	1	-	88
Grotestraat 83-85	High street shop	1994	1850	255	1	-	107
Grotestraat 97a / Koornmarkt 3-5 and 9-11 / Werfstraat 1	High street shop	1993	1920	1,132	5	-	195
ALMERE-BUITEN							
Shopping centre Buitenmere	Shopping centre	2012	2012	4,955	15	-	1,429
AMERSFOORT							
Langestraat 8	High street shop	1990	1900	409	1	-	105
Utrechtsestraat 13 / Hellestraat 3	High street shop	2008	1900	97	1	1	75
AMSTERDAM							
Shopping centre Boven 't IJ [1)]	Shopping centre	90/93/07	68/72	9,988	2	-	1,316
Ferdinand Bolstraat 65	High street shop	1989	1883	113	1	3	64
Ferdinand Bolstraat 79-81	High street shop	1987	1905	160	1	6	129
Ferdinand Bolstraat 88	High street shop	1987	1883	85	1	3	69
Ferdinand Bolstraat 92 / G. Flinckstraat 118	High street shop	1987	1882	81	1	6	76
Ferdinand Bolstraat 95-97 / 1e Jan v.d. Heydenstraat 88a-90	High street shop	1987	1892	194	1	9	126
Ferdinand Bolstraat 101	High street shop	1989	1892	118	1	3	49
Ferdinand Bolstraat 109	High street shop	1989	1882	76	1	3	57
Ferdinand Bolstraat 120 / 1e Jan v.d. Heydenstraat 88	High street shop	1993	1893	130	1	6	74
Ferdinand Bolstraat 122	High street shop	1987	1893	95	1	3	68
Ferdinand Bolstraat 124	High street shop	1987	1893	75	1	3	61
Ferdinand Bolstraat 126	High street shop	1989	1893	80	1	3	59
Heiligeweg 47	High street shop	1989	1899	60	1	-	103
Kalverstraat 9	High street shop	1990	1900	253	1	-	164
Kalverstraat 162-164	High street shop	1988	1800	328	1	-	334
Kalverstraat 182	High street shop	1987	1900	95	1	-	210
Kalverstraat 208	High street shop	1991	1850	160	2	-	123
Keizersgracht 504	High street shop	2012	1686	200	1	1	73
Leidsestraat 5	High street shop	1990	1905	380	1	-	133
Leidsestraat 23	High street shop	2013	1900	160	1	-	185

Country / City / Location		Type of property	Year of acquisition	Year of construction	Lettable floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
Leidsestraat 46		High street shop	2012	1900	190	1	-	185
Leidsestraat 64-66 / Kerkstraat 44		High street shop	1986	1912	790	3	-	228
Paleisstraat 21		High street shop	1990	1876	310	1	-	54
P.C. Hooftstraat 49-51		High street shop	2013	1905	380	1	6	473
P.C. Hooftstraat 78		High street shop	2013	1905	465	2	-	254
Reguliersbreestraat 9 / Amstel 8		High street shop	1987	1905	277	2	3	134
Rembrandtplein 7	1)	High street shop	2007	1897	285	1	3	227
Van Baerlestraat 86		High street shop	1994	1800	90	1	2	77
Van Baerlestraat 108-110		High street shop	1990	1800	265	2	3	116
APELDOORN								
Deventerstraat 5		High street shop	1990	1900	363	2	2	121
Deventerstraat 6		High street shop	1990	1930	70	1	-	34
Deventerstraat 14 and 14a		High street shop	1994	1900	295	2	-	103
ARNHEM								
Bakkerstraat 3a and 4 / Wielakkerstraat 8		High street shop	1990	1600	188	2	1	124
Bakkerstraat 6		High street shop	1994	1950	574	1	-	157
Koningstraat 12-13 / Beekstraat 105-107 and 108		High street shop	1988	1890	1,052	4	3	355
Vijzelstraat 24		High street shop	1994	1800	161	1	-	100
ASSEN								
Gedempte Singel 11-13 / Mulderstraat 8		High street shop	1995	1952	894	3	-	105
BERGEN OP ZOOM								
Wouwsestraat 48		High street shop	1994	1900	80	1	-	52
BEVERWIJK								
Nieuwstraat 9 -11 / Breestraat 65		High street shop	1989	1910	2,630	4	-	364
BILTHOVEN								
Julianalaan 53		High street shop	1997	1930	367	1	-	39
BOXMEER								
Hoogkoorpassage 14-18 and 22		High street shop	1990	1989	566	5	-	85
Steenstraat 110 / D'n entrepot		High street shop	1997	1992	135	1	-	49
BOXTEL								
Stationstraat 18-20		High street shop	1997	1920	750	1	-	53
BREDA								
Eindstraat 14-16		High street shop	1988	1924	260	1	-	221
Ginnekenstraat 3		High street shop	1994	1985	88	1	-	75
Ginnekenstraat 19		High street shop	1993	1980	150	1	-	129
Ginnekenstraat 80-80a		High street shop	1998	1905	165	1	5	116
Grote Markt 29 / Korte Brugstraat 2		High street shop	1991	1953	102	1	-	67
Karrestraat 25		High street shop	1994	1920	268	1	2	147
Ridderstraat 19		High street shop	1994	1800	225	1	-	64
Torenstraat 2 / Korte Brugstraat 14		High street shop	1992	1953	90	1	-	80
Veemarktstraat 30		High street shop	1991	1920	555	1	-	85
Veemarktstraat 32		High street shop	1992	1800	70	1	2	43
BRIELLE								
De Reede 36-50	1)	Shopping centre	1993	1977	1,610	6	-	280
BRUNSSUM								
Kerkstraat 45 / Schiffelerstraat 1		High street shop	1997	1970	620	1	-	72
BUSSUM								
Kerkstraat 1 / Brinklaan		Retail warehouse	1994	1974	1,007	2	-	134
Nassaulaan 12 / Nassaustraat 1a and 1g		High street shop	1994	1920	295	1	2	90
Nassaustraat 12-16		High street shop	1994	1900	181	1	1	86
Veerstraat 11 and 11d		High street shop	1990	1900	360	2	-	116

Country City Location	Type of property	Year of acquisition	Year of construction	Lettable floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
CAPELLE A/D IJSSEL							
Lylantse Baan 7	Retail warehouse	1990	1985	13,336	3	-	922
COEVORDEN							
Friesestraat 14 / Weeshuisstraat 9	High street shop	1997	1950	203	1	3	60
CULEMBORG							
Everwijnstraat 6-14 / Markt 53	High street shop	1999	1989	493	6	-	98
DALFSEN							
Van Bloemendalstraat 6-8 / Wilhelminastraat 5	High street shop	1997	1991	434	1	1	59
DEDEMSVAART							
Julianastraat 13-19	High street shop	1997	1922	1,190	4	-	156
DELFT							
Markt 23	High street shop	1990	1906	54	1	3	52
Oude Langendijk 11	High street shop	1987	1906	150	1	-	52
Wijnhaven 9 / Oude Delft 92	High street shop	1986	1700	184	1	-	42
DEVENTER							
Lange Bisschopstraat 34	High street shop	1991	1900	278	1	-	44
Lange Bisschopstraat 50	High street shop	1993	1800	210	1	1	102
DOETINCHEM							
Dr. Huber Noodstraat 2	High street shop	1997	1968	1,840	4	-	307
Korte Heezenstraat 6 / Heezenpoort 13-15 and 21	High street shop	1994	1985	310	4	-	93
Nieuwstad 57-59	Retail warehouse	1988	1988	1,686	2	-	159
DOORWERTH							
Mozartlaan 52-66 / van der Molenallee 107-125	Shopping centre	1997	2007	3,395	12	-	497
DORDRECHT							
Voorstraat 262	High street shop	1996	1800	175	1	4	105
DRACHTEN							
Zuidkade 2	High street shop	1995	1900	150	1	1	54
EERBEEK							
Stuyvenburchstraat 44	High street shop	1997	1965	350	2	2	84
EINDHOVEN							
Orionstraat 137-159	Shopping centre	1993	1973	3,102	7	-	419
Rechtestraat 25	High street shop	1992	1930	100	1	-	128
Rechtestraat 44-48	High street shop	1988	1966	3,273	2	-	618
EMMELOORD							
Lange Nering 65	High street shop	1993	1960	275	1	1	69
ENSCHEDE							
Kalanderstraat 6	High street shop	1993	1950	124	1	-	101
Langestraat 9-17a / Achter het Hofje 2	High street shop	1987	1930	2,703	8	1	371
Raadhuisstraat 9	High street shop	1990	1954	289	1	-	64
GOES							
Lange Kerkstraat 9	High street shop	1994	1920	65	1	-	36
GOOR							
Grotestraat 57-59 and 63	High street shop	1994	1910	859	2	1	67
GOUDA							
Hoogstraat 5	High street shop	1988	1900	190	1	-	48
Kleiweg 77-95	High street shop	1994	1900	1,200	3	5	418
Kleiweg 103 / Regentesseplantsoen	High street shop	1990	1988	862	3	-	184
Markt 52	High street shop	1990	1900	284	1	-	48
GRONINGEN							
Brugstraat 2-6 / Schuitemakersstraat 1	High street shop	1995	1905	840	2	-	163

Country City Location	Type of property	Year of acquisition	Year of construction	Lettebl floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
Dierenriemstraat 198/2	Shopping centre	1993	1992	914	1	-	125
Herestraat 41	High street shop	1994	1991	243	1	-	154
Stoeldraaierstraat 17	High street shop	1990	1953	266	1	10	69
Vismarkt 31-31a-c	High street shop	1993	1880	275	1	5	136
HAAKSBERGEN							
Spoorstraat 45	High street shop	1997	1986	800	1	1	93
HAARLEM							
Grote Houtstraat 90	High street shop	1988	1850	96	1	-	66
HARDENBERG							
Fortuinstraat 21	High street shop	1997	1985	300	1	-	30
Voorstraat 10	High street shop	1997	1930	1,173	1	-	142
HARDERWIJK							
Markt 14	High street shop	1991	1875	470	1	-	88
Shopping centre Vuldersbrink	Shopping centre	1998	1978	4,735	11	-	774
HARLINGEN							
Kleine Bredeplaats 8a-10a / Grote Bredeplaats 26-26b	High street shop	1997	1990	658	-	3	79
HEEMSTEDE							
Binnenweg 135-137	High street shop	1989	1924	65	1	1	32
HEERDE							
Dorpsstraat 57-61	Retail warehouse	1998	1994	1,270	1	2	259
HEERLEN							
In de Cramer 140	Retail warehouse	2007	2007	6,000	1	-	250
Saroleastraat 38	High street shop	1994	1930	225	1	1	117
HELMOND							
Veestraat 1	High street shop	1994	1950	240	1	-	97
Veestraat 39	High street shop	1994	1960	136	1	-	42
HENGELO							
Molenstraat 4	High street shop	1991	1991	120	1	1	29
Wegtersweg 4	Retail warehouse	2006	2006	4,622	1	-	351
'S-HERTOGENBOSCH							
Hinthamerstraat 48	High street shop	1988	1900	130	1	2	81
Markt 27	High street shop	2012	1648	225	1	-	142
HILVERSUM							
Kerkstraat 55	High street shop	1994	1950	130	1	-	75
Kerkstraat 87	High street shop	1988	1905	100	-	-	61
Kerkstraat 91	High street shop	1994	1850	250	1	-	36
Kerkstraat 98	High street shop	1990	1927	77	1	1	58
Schoutenstraat 6	High street shop	1987	1923	65	-	-	32
Schoutenstraat 8	High street shop	1986	1923	122	1	-	42
HOOGEVEEN							
Hoofdstraat 157	High street shop	1993	1960	75	1	-	36
HOORN							
Grote Noord 114	High street shop	1996	1912	85	1	-	40
Grote Noord 118	High street shop	1994	1900	80	1	1	55
Nieuwsteeg 24	High street shop	1994	1920	134	1	1	72
HOUTEN							
Onderdoor 3-13	Other	2006	1984	2,187	5	-	302
Onderdoor 4, 4a	Other	2010	2010	2,105	2	-	261
IJSSELSTEIN							
Utrechtsestraat 45	High street shop	2007	2007	595	1	-	103
Utrechtsestraat 75	High street shop	1990	1911	300	1	-	78

Country / City / Location		Type of property	Year of acquisition	Year of construction	Lettable floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
JOURE								
Midstraat 153 - 163		High street shop	2006	1981	2,519	5	5	416
LEEK								
Tolberterstraat 3-5		High street shop	1997	1996	575	2	1	83
LEEUWARDEN								
Ruiterskwartier 127		High street shop	1995	1929	291	1	-	42
Ruiterskwartier 135		High street shop	1995	1930	70	1	-	37
Wirdumerdijk 7 / Weaze 16		High street shop	1994	1920	520	2	1	198
LEIDEN								
Haarlemmerstraat 53		High street shop	1996	1928	85	1	-	62
Haarlemmerstraat 202 / v.d. Werfstraat 39		High street shop	1994	1928	110	1	5	57
Haarlemmerstraat 208 / Duizenddraadsteeg 2		High street shop	1993	1928	72	-	1	33
Haarlemmerstraat 213		High street shop	1990	1928	546	1	-	95
Maarsmansteeg 2		High street shop	1989	1928	121	1	-	22
LELYSTAD								
De Promesse 113, 115, 121, 123, 129 and 135/ Stationsweg 22 and 23		High street shop	09/12	2009	7,335	8	-	1,264
Stadhuisstraat 2	1)	High street shop	1995	1975	470	2	-	128
Stadhuisplein 75	1)	High street shop	1996	1985	1,632	1	-	258
MAASTRICHT								
Muntstraat 16-18		High street shop	1989	1897	135	1	-	106
Muntstraat 20		High street shop	1987	1891	110	1	-	93
Wolfstraat 8 / Minckelersstraat 1		High street shop	1992	1883	789	2	-	330
Wolfstraat 27-29		High street shop	2013	1752	455	1	-	195
MEPPEL								
Hoofdstraat 50		High street shop	1990	1980	143	1	-	40
MIDDELBURG								
Korte Delft 1		High street shop	1991	1950	75	2	-	31
Lange Delft 59		High street shop	1991	1850	198	1	-	61
MIDDELHARNIS								
Westdijk 22-24		High street shop	1997	1990	325	1	-	68
NIJMEGEN								
Broerstraat 26 / Scheidemakershof 37		High street shop	1993	1960	161	1	3	108
Broerstraat 70 / Plein 1944 nr. 151		High street shop	1989	1951	1,033	1	-	327
Plein 1944 nr. 2		High street shop	1988	1957	164	1	7	55
OOSTERHOUT								
Arendshof 48-52		Shopping centre	2000	1963	349	1	-	100
Arendstraat 9-11		High street shop	1994	1982	889	4	-	167
Arendstraat 13		High street shop	1994	1989	440	2	1	185
OSS								
Heschepad 49-51 / Molenstraat 21-25		High street shop	1986	1983	2,803	3	-	342
PURMEREND								
Hoogstraat 19		High street shop	1993	1978	615	1	1	143
Kaasmarkt 7 / Westersteeg 1		High street shop	1994	1920	135	1	1	60
RENKUM								
Dorpsstraat 21-23		High street shop	1997	1907	520	-	-	49
RIDDERKERK								
St. Jorisplein 30		High street shop	1994	1970	478	3	-	103
ROERMOND								
Schoenmakersstraat 2		High street shop	1994	1900	140	1	-	82
Steenweg 1 / Schoenmakersstraat 6-18		High street shop	1986	1980	2,283	7	-	352
ROOSENDAAL								
Nieuwe Markt 51		High street shop	1994	1960	200	1	-	47

Country / City / Location		Type of property	Year of acquisition	Year of construction	Lettable floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
ROTTERDAM								
Keizerswaard 73		Shopping centre	1996	1992	280	1	-	79
Lijnbaan 35-43		High street shop	1987	1955	880	4	-	231
Shopping centre Zuidplein Hoog		Shopping centre	94/95/10	1972	1,315	7	-	670
Zwart Janstraat 4		High street shop	1988	1892	96	1	3	43
Zwart Janstraat 8		High street shop	1988	1892	120	1	2	45
Zwart Janstraat 24		High street shop	1988	1892	83	-	2	34
Zwart Janstraat 34		High street shop	1991	1887	92	1	1	33
Zwart Janstraat 36-38		High street shop	1994	1887	200	1	4	67
Zwart Janstraat 55-59		High street shop	1987	1950	272	3	4	97
Zwart Janstraat 58-60		High street shop	1992	1888	160	1	2	65
Zwart Janstraat 63		High street shop	1990	1893	70	1	1	24
Zwart Janstraat 71-73		High street shop	1994	1900	178	1	2	61
Zwart Janstraat 72		High street shop	1991	1888	95	-	2	32
Zwart Janstraat 84		High street shop	1994	1920	92	1	2	35
SCHIEDAM								
Shopping centre Hof van Spaland	1)	Shopping centre	96/97	70/78	347	2	-	88
SNEEK								
Oosterdijk 58		High street shop	1996	1940	75	1	-	41
Schaapmarktplein 4		High street shop	1994	1852	275	1	-	45
SPIJKENISSE								
Nieuwstraat 118-232		Shopping centre	2010	1981	2,832	18	-	892
STADSKANAAL								
Navolaan 12		Retail warehouse	1993	1968	2,080	6	-	133
STEENWIJK								
Oosterstraat 22-26		High street shop	1994	1900	285	1	1	62
THE HAGUE								
Frederik Hendriklaan 101-103		High street shop	1989	1995	90	-	3	62
Frederik Hendriklaan 128 / v. Beuningenstraat 48		High street shop	1987	1990	125	1	2	61
Gravenstraat 1		High street shop	1993	1916	374	3	-	74
Hoogstraat 24-26		High street shop	1988	1923	319	1	-	74
Hoogstraat 27-27a		High street shop	1986	1916	550	1	-	140
Korte Poten 10		High street shop	1989	1916	56	1	-	31
Korte Poten 13		High street shop	1990	1916	120	1	-	44
Korte Poten 42		High street shop	1987	1900	55	1	2	48
Lange Poten 7		High street shop	1989	1937	112	1	-	35
Lange Poten 21		High street shop	1989	1916	204	1	2	128
Noordeinde 9 / Hartogstraat 1		High street shop	1988	1916	100	1	-	85
Noordeinde 16-18		High street shop	1989	1888	530	3	1	129
Noordeinde 48		High street shop	1988	1921	80	1	-	62
Noordeinde 54 / Molenstraat 1		High street shop	1989	1919	90	1	1	67
Plaats 17 and 21		High street shop	1990	1916	415	2	-	138
Plaats 25		High street shop	1987	1920	517	1	-	16
Plein 10		High street shop	1988	1920	507	1	-	123
Plein 11		High street shop	1987	1917	276	1	-	87
Spuistraat 13		High street shop	1988	1930	662	1	-	368
Venestraat 43		High street shop	1989	1916	115	1	-	40
Vlamingstraat 43		High street shop	1995	1916	163	1	-	77
Wagenstraat 3-5 Weverplaats		High street shop	2012	2012	3,176	1	-	1,134
TIEL								
Waterstraat 29 / Kerkstraat 2b		High street shop	1994	1850	70	1	1	47
Waterstraat 51a		High street shop	1994	1920	65	-	-	33

Country City Location	Type of property	Year of acquisition	Year of construction	Lettable floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
TILBURG							
Heuvel 29-31 / J. v. Stolbergstraat 2-6	High street shop	1994	1920	298	3	3	171
Shopping centre Westermarkt	Shopping centre	93/94/08	1963	7,614	10	-	1,167
UDEN							
Marktstraat 32	High street shop	1994	1958	420	1	1	118
UTRECHT							
Achter Clarenburg 19	High street shop	1987	1975	91	1	-	50
Bakkerstraat 16	High street shop	2013	1900	642	1	-	120
Choorstraat 13	High street shop	1987	1900	139	1	1	65
Lange Elisabethstraat 6	High street shop	1987	1850	113	1	-	92
Lange Elisabethstraat 36	High street shop	1993	1850	188	1	-	139
Nachtegaalstraat 55	High street shop	1994	1904	2,116	2	2	323
Oudegracht 124-128	High street shop	1990	1930	393	2	2	144
Oudegracht 134-136 / Vinkenburgstraat 8 and 12-14	High street shop	1987	1900	2,482	10	5	611
Oudegracht 153-159	High street shop	1997	1904	1,616	7	2	618
Oudegracht 161	High street shop	1997	1900	1,963	4	-	675
Shopping centre Overvecht [1)]	Shopping centre	94/10	1970	5,374	17	-	1,605
Steenweg 9 / Choorstraat 9-9bis	High street shop	1990	1900	578	2	3	163
Steenweg 31-33 / Hekelsteeg 7	High street shop	2013	1450	790	1	1	392
VAASSEN							
Dorpsstraat 22	High street shop	1990	1981	550	-	-	39
VEENENDAAL							
Hoofdstraat 25	High street shop	1990	1930	260	1	-	72
VEGHEL							
Kalverstraat 8-16	High street shop	1993	1988	446	3	3	109
VENLO							
Lomstraat 30-32	High street shop	1993	1960	465	1	-	134
Lomstraat 33	High street shop	1994	1970	50	1	-	31
VENRAY							
Grotestraat 2-4 / Grote Markt 2a-4	High street shop	1986	1946	1,166	4	-	168
VRIEZENVEEN							
Westeinde 21-29	High street shop	1993	1938	2,611	9	-	310
WASSENAAR							
Langstraat 188-190	High street shop	1990	1981	290	1	-	74
WINSCHOTEN							
Langestraat 22 / Venne 109	High street shop	1994	1900	70	1	-	24
Langestraat 24	High street shop	1991	1960	430	2	-	66
WINTERSWIJK							
Dingstraat 1-3	Retail warehouse	1998	1900	2,335	1	-	282
Misterstraat 8-10 / Torenstraat 5a and 5c	High street shop	1996	1900	441	1	2	154
Misterstraat 12 / Torenstraat 5b	High street shop	1991	1939	135	1	1	49
Misterstraat 14	High street shop	1991	1989	377	2	-	105
Misterstraat 33	High street shop	1999	1900	550	1	-	83
Weurden 2-4	High street shop	1998	1977	278	2	3	67
Wooldstraat 26	High street shop	1999	1900	603	2	-	91
ZAANDAM							
Gedempte Gracht 37 / Rozengracht 90	High street shop	1993	1888	235	2	-	79
Gedempte Gracht 80 / Vinkenstraat 41	High street shop	1993	1920	55	1	1	33
ZWIJNDRECHT							
Shopping centre Walburg	Shopping centre	2011	1975	14,174	30	-	2,797

Country / City / Location	Type of property	Year of acquisition	Year of construction	Lettable floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
ZUTPHEN							
Beukerstraat 28	High street shop	1989	1800	296	1	-	53
Beukerstraat 40	High street shop	1989	1838	335	1	-	45
ZWOLLE							
Broerenstraat 7	High street shop	1994	1930	66	1	-	16
Diezerstraat 62	High street shop	1996	1910	95	1	-	45
Diezerstraat 74 and 74a	High street shop	2012	1800	315	1	1	224
Diezerstraat 78	High street shop	1990	1832	140	1	-	71
Kleine A 11-13 / Broerenkerkplein 2 - 6	High street shop	1989	1989	1,050	1	3	214
Luttekestraat 26 / Ossenmarkt 1a	High street shop	1990	1930	78	1	1	35
Roggenstraat 6	High street shop	1987	1900	106	1	-	42
Total investment properties in operation the Netherlands				**203,617**	**521**	**237**	**44,425**

FRANCE

Country / City / Location	Type of property	Year of acquisition	Year of construction	Lettable floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
AGEN							
Boulevard de la République 36	High street shop	2001	1950	700	1	-	99
ALENÇON							
Rue de la Cave aux Boeufs 1-7 / Rue de Cygne 12	High street shop	2001	1950	2,368	1	-	259
AMIENS							
Rue des Trois Cailloux 7 - 9	High street shop	2000	1950	560	1	-	312
ANGERS							
Rue d'Alsace 7	High street shop	2012	1950	114	1	-	15
Rue d'Alsace 9	High street shop	2001	1950	67	1	-	58
Rue Lenepveu 25-29	High street shop	1998	1990	4,664	5	-	1,060
AULNOYE-AYMERIES							
Anatole France 45	High street shop	2007	1945	137	1	-	14
Rue Ampère 9	Other	2007	1950	-	-	1	3
BESANÇON							
Grande Rue 22 / Place Pasteur 3	High street shop	2001	1950	104	2	-	88
BORDEAUX							
Allée de Tourny 50	High street shop	2011	1900	584	2	1	106
Cours de l'Intendance 12	High street shop	2011	1900	948	1	-	124
Cours de l'Intendance 47	High street shop	2011	1900	810	1	-	131
Cours de l'Intendance 56	High street shop	2013	1900	310	1	-	195
Cours de l'Intendance 58	High street shop	2013	1900	125	1	-	98
Cours de l'Intendance 60	High street shop	2013	1900	508	1	-	299
Cours de l'Intendance 61	High street shop	2012	1900	720	2	2	250
Cours de l'Intendance 62	High street shop	2013	1900	560	1	-	574
Cours de l'Intendance 64-66	High street shop	2013	1900	240	1	-	158
Cours Georges Clémenceau 12	High street shop	2011	1900	360	1	2	196
Rue de la Porte Dijeaux 35-37	High street shop	2013	1900	1,302	1	-	748
Rue de la Porte Dijeaux 73	High street shop	2012	1950	139	1	-	73
Rue Sainte Catherine 20	High street shop	2011	1900	591	1	14	227
Rue Sainte Catherine 27-31	High street shop	2011	1900	967	4	3	518
Rue Sainte Catherine 35-37	High street shop	2011	1900	343	1	-	260
Rue Sainte Catherine 39	High street shop	2011	1900	335	1	1	139
Rue Sainte Catherine 66	High street shop	2012	1950	158	1	-	133
Rue Sainte Catherine 131	High street shop	2012	1900	567	1	-	61

Country / City / Location	Type of property	Year of acquisition	Year of construction	Letteble floor space (m²)	Number of tenants	Number of apartments	Theoretical rent- (x € 1,000)
BOULOGNE SUR MER							
Rue Adolphe Thiers 29	High street shop	2001	1950	246	-	-	20
BREST							
Rue de Siam 70	High street shop	2000	1950	818	1	-	104
CANNES							
Rue d'Antibes 40	High street shop	2000	1950	948	1	-	362
CHAMBÊRY							
Place Saint-Léger 228	High street shop	2001	1950	40	1	-	59
DIEPPE							
Grande Rue 84-86	High street shop	2001	1950	100	1	-	28
DOUAI							
Avenue Georges Clemenceau 21	High street shop	2007	1900	318	-	-	25
FERRIÈRE-LA-GRANDE							
Avenue Georges Clemenceau 1	Other	2007	1970	-	-	20	95
LA GARDE							
ZAC Quatre Chemins de la Pauline	Retail warehouse	2007	2005	1,967	5	-	437
LAVAL							
Rue du Général de Gaulle 41 / Rue de Rennes 14	High street shop	2001	1950	450	1	-	61
LILLE							
Place de Béthune 13	High street shop	2007	1950	155	1	-	127
Place de la Gare 8	High street shop	2007	1945	314	2	-	82
Place des Patiniers 1 bis	High street shop	2007	1900	112	1	-	52
Place des Patiniers 2	High street shop	2007	1945	132	1	-	77
Place du Lion d'Or 9	High street shop	2007	1870	150	1	-	16
Place Louise de Bettignies 15-17	High street shop	2007	1870	352	1	-	202
Rue Basse 8	High street shop	2007	1930	148	1	-	46
Rue de la Grande Chaussée 25	High street shop	2007	1870	200	1	-	170
Rue de la Grande Chaussée 29	High street shop	2007	1870	236	1	1	91
Rue de la Grande Chaussée 33-35	High street shop	2007	1870	429	1	-	233
Rue de la Monnaie 2 / Place Louise de Bettignies 11-14	High street shop	2007	1870	240	1	4	311
Rue de la Monnaie 4	High street shop	2007	1870	103	1	-	87
Rue de la Monnaie 6	High street shop	2007	1870	126	1	-	69
Rue de la Monnaie 6 bis	High street shop	2007	1870	83	1	-	48
Rue de la Monnaie 12	High street shop	2007	1870	168	1	-	45
Rue de la Monnaie 13	High street shop	2007	1870	85	1	-	87
Rue de Paris 20	High street shop	2007	1870	336	1	-	88
Rue de Paris 38	High street shop	2007	1870	100	1	-	63
Rue de Paris 42	High street shop	2007	1870	200	1	-	107
Rue des Chats Bossus 13	High street shop	2007	1870	418	1	-	150
Rue des Chats Bossus 21	High street shop	2007	1870	168	1	-	153
Rue des Ponts de Comines 30	High street shop	2007	1945	197	1	-	69
Rue des Ponts de Comines 32	High street shop	2007	1945	267	1	-	120
Rue du Curé Saint-Etienne 6	High street shop	2007	1950	153	1	-	28
Rue du Curé Saint-Etienne 17	High street shop	2007	1870	172	1	-	84
Rue du Sec Arembault 24	High street shop	2007	1945	78	1	-	45
Rue Faidherbe 28-30	High street shop	2007	1945	102	1	-	82
Rue Faidherbe 32-34	High street shop	2007	1945	676	1	-	312
Rue Faidherbe 38-44	High street shop	2007	1945	310	1	-	123
Rue Faidherbe 48	High street shop	2007	1945	135	1	-	89
Rue Faidherbe 50	High street shop	2007	1945	308	1	-	95
Rue Faidherbe 54	High street shop	2007	1945	176	-	-	53
Rue Léon Gambetta 163	High street shop	2007	1945	101	-	-	16
Rue Léon Gambetta 236	High street shop	2007	1950	115	1	-	38

Country / City / Location	Type of property	Year of acquisition	Year of construction	Lettable floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
LIMOGES							
Centre Commercial Beaubreuil	Shopping centre	2001	1980	4,452	13	-	545
Centre Commercial Limoges Corgnac	Shopping centre	2007	2006	5,407	13	-	1,413
LYON							
Rue Victor Hugo 5	High street shop	2001	1950	90	1	-	76
MÂCON							
Rue Philibert Laguiche 11-13 / Place aux Herbes 53-56	High street shop	2001	1950	1,148	1	-	86
MARSEILLE							
Rue Saint Ferréol 29	High street shop	2006	1980	249	1	-	226
NANCY							
Rue Saint-Jean 44-45	High street shop	1998	1990	4,794	8	-	1,791
NICE							
Avenue Jean Médecin 8 bis / Rue Gustave Deloye 5	High street shop	2001	1950	362	1	-	210
PARIS							
Rue d'Alésia 123	High street shop	2006	1956	420	1	-	336
Rue de Rivoli 102	High street shop	2012	1900	1,092	3	-	1,353
Rue de Rivoli 118-120	High street shop	1998	1997	3,341	7	8	3,610
Rue Montmartre 17	High street shop	2206	2003	270	1	-	183
ROUBAIX							
Grande Rue 21	High street shop	2007	1900	1,059	1	-	120
SAINT-ÉTIENNE							
Rue Saint-Jean 27	High street shop	2001	1950	60	1	-	12
SOISSONS							
Rue Saint-Martin 57	High street shop	2001	1950	400	1	-	62
THONON-LES-BAINS							
Rue des Arts 16	High street shop	2001	1950	220	1	-	95
TOULON							
Rue Jean Jaurès 82 / Rue Racine 11	High street shop	2000	1950	1,609	2	-	173
TROYES							
Rue Emile Zola 113	High street shop	2006	2006	359	1	-	204
Rue Emile Zola 117	High street shop	2001	1950	360	1	-	181
VALENCE							
Avenue Victor Hugo 25 / Rue Pasteur 1-3	High street shop	2001	1950	200	1	-	67
VICHY							
Rue Georges Clemenceau 12 / Rue Ravy-Breton 2	High street shop	2001	1950	1,437	2	-	192
Total investment properties in operation France				**57,542**	**140**	**57**	**21,782**

Country / City / Location	Type of property	Year of acquisition	Year of construction	Lettable floor space (m²)	Number of tenants	Number of apartments	Theoretical rent- (x € 1,000)
BELGIUM[2)]							
AALST							
Albrechtlaan 56 [1)]	Retail warehouse	2000	>1980	1,000	1	-	90
Brusselsesteenweg 41	Retail warehouse	2007	>1980	770	1	-	92
Nieuwstraat 10	High street shop	1998	<1950	151	1	-	76
AARTSELAAR							
Antwerpsesteenweg 13 / 4	Retail warehouse	2000	>1980	1,334	1	-	129
ANS							
Rue de Français 393	Retail warehouse	1999	>1980	3,980	8	-	387
ANTWERP							
Abdijstraat 29	High street shop	1995	<1950	198	1	-	32
Abdijstraat 82-84	High street shop	1995	<1950	167	-	2	42
De Keyserlei 47	High street shop	2000	<1950	62	1	-	52
De Keyserlei 49	High street shop	2000	<1950	102	1	-	67
Frankrijklei 27	High street shop	1993	<1950	654	1	1	92
Groendalstraat 11	High street shop	2000	<1950	48	1	-	36
Huidevettersstraat 12	High street shop	1994	<1950	721	1	-	311
Korte Gasthuisstraat 27	High street shop	2000	<1950	145	1	-	150
Leysstraat 17	High street shop	2000	<1950	325	1	2	199
Leysstraat 28-30	High street shop	1997	<1950	1,705	2	5	852
Meir 99	High street shop	1996	<1950	583	1	-	509
Schuttershofstraat 24 / Kelderstraat 7	High street shop	2000	<1950	106	1	-	102
Schuttershofstraat 30	High street shop	2000	<1950	66	1	-	80
Schuttershofstraat 32 / Arme Duivelstraat 2	High street shop	2000	<1950	54	1	-	66
BALEN							
Molsesteenweg 56	Retail warehouse	1999	>1980	1,871	2	-	114
BOECHOUT							
Hovesesteenweg 123-127	Retail warehouse	2002	>1980	1,230	1	-	108
BORGLOON							
Sittardstraat 10	Retail warehouse	1999	>1980	996	2	-	64
BREE							
Toleikstraat 30	Retail warehouse	1999	>1980	855	1	-	84
BRUGES							
Maalsesteenweg 142	Retail warehouse	2007	>1980	600	1	-	73
Steenstraat 38	High street shop	2013	<1950	992	1	-	450
Steenstraat 80	High street shop	1998	<1950	2,058	2	-	976
BRUSSELS							
Elsensesteenweg 16	High street shop	1996	<1950	1,222	2	-	303
Elsensesteenweg 41-43	High street shop	1998	<1950	6,577	6	-	1,743
Louizalaan 7	High street shop	2000	<1950	160	1	-	410
Nieuwstraat 98	High street shop	2001	<1950	150	1	-	229
CHÊNÉE							
Rue de la Station 23	Retail warehouse	2002	50/80	2,933	3	-	265
DILSEN							
Rijksweg 17 nr. 770	Retail warehouse	1999	>1980	992	-	-	55
DROGENBOS							
Nieuwe Stallestraat 217	Retail warehouse	2007	>1980	530	1	-	95
FLÉMALLE							
Rue de la Fabrique 6	Retail warehouse	2002	>1980	2,887	4	-	248
FROYENNES							
Rue des Roselières 6	Retail warehouse	2000	>1980	950	1	-	111

Country City Location		Type of property	Year of acquisition	Year of construction	Lettable floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
GHENT								
Guillaume Lambertlaan 115		Retail warehouse	1999	> 1980	3,109	5	-	239
Hasseltweg 74		Retail warehouse	2002	> 1980	2,331	3	-	241
Veldstraat 81 / Zonnestraat 6-10		High street shop	1998	< 1950	2,966	5	-	605
Volderstraat 15		High street shop	1993	< 1950	279	1	-	167
GRIVEGNÉE								
Boulevard de Froidmont 29		Retail warehouse	2007	> 1980	1,100	2	-	120
Rue Servais Malaise		Retail warehouse	2002	> 1980	2,000	1	-	139
HASSELT								
Genkersteenweg 76		Retail warehouse	1999	> 1980	996	2	-	104
Genkersteenweg 215-219		Retail warehouse	2007	> 1980	1,745	2	-	193
HEUSDEN-ZOLDER								
Inakker		Retail warehouse	2002	> 1980	1,019	2	-	75
HOBOKEN								
Zeelandstraat 6-8		Retail warehouse	2002	> 1980	2,490	2	-	246
HUY								
Rue Joseph Wauters 3	1)	Retail warehouse	2007	> 1980	1,000	2	-	95
JEMAPPES								
Avenue Wilson 510		Retail warehouse	2007	> 1980	900	2	-	88
KAMPENHOUT								
Mechelsesteenweg 38-42		Retail warehouse	1999	> 1980	3,322	3	-	280
KORBEEK-LO								
Tiensesteenweg 378	1)	Retail warehouse	2007	> 1980	990	1	-	120
KUURNE								
Ringlaan 12		Retail warehouse	2007	> 1980	1,336	1	-	74
LA LOUVIÈRE								
Avenue de la Wallonie 1		Retail warehouse	2007	> 1980	1,620	2	-	131
Rue Albert 1er 84-86		High street shop	2000	< 1950	198	1	-	75
LEOPOLDSBURG								
Lidostraat 7		Retail warehouse	1999	> 1980	1,850	1	-	137
LEUVEN								
Bondgenotenlaan 69-73		High street shop	2001	< 1950	1,495	2	-	675
LIÈGE								
Rue Pont d'Ile 35		High street shop	1998	< 1950	80	1	-	84
Rue Pont d'Ile 45		High street shop	1998	< 1950	55	1	-	77
Rue Pont d'Ile 49		High street shop	1998	< 1950	375	1	-	239
MALMÉDY								
Avenue des Alliés 14b		Retail warehouse	1999	> 1980	813	1	-	69
MECHELEN								
Bruul 39-41		High street shop	2000	< 1950	361	2	-	191
Bruul 42-44		High street shop	2001	< 1950	2,948	1	-	714
MOESKROEN								
Petite Rue 18		High street shop	1998	< 1950	235	1	-	50
MONS								
Grand Rue 19		High street shop	2000	< 1950	185	1	-	86
Rue de la Chaussée 31-33		High street shop	1998	< 1950	447	2	1	158
MONTIGNIES-SUR-SAMBRE								
Rue de la Persévérance 14		Retail warehouse	2007	> 1980	750	1	-	70
MORTSEL								
Statielei 71-73		High street shop	1998	50/80	430	2	-	141
NAMUR								
Place de l'Ange 42		High street shop	2011	50/80	2,331	13	-	923

Country / City / Location	Type of property	Year of acquisition	Year of construction	Letteble floor space (m²)	Number of tenants	Number of apartments	Theoretical rent (x € 1,000)
OVERPELT							
Burgemeester Laenenstraat 3	Retail warehouse	2002	> 1980	877	2	-	93
PHILIPPEVILLE							
Rue de France	Retail warehouse	1999	> 1980	3,689	5	-	361
SCHAARBEEK							
Leuvensesteenweg 610-640	Retail warehouse	1999	> 1980	2,964	4	-	382
SINT-NIKLAAS							
Kapelstraat 101	Retail warehouse	2007	> 1980	740	1	-	77
SINT-PIETERS-LEEUW							
Bergensesteenweg 458	Retail warehouse	2007	> 1980	750	1	-	85
TIELT-WINGE							
Retailpark Gouden Kruispunt	Retail warehouse	'99-'02	> 1980	18,861	22	-	2,092
TIENEN							
Slachthuisstraat 36	Retail warehouse	2002	> 1980	4,984	6	-	522
TONGEREN							
Shopping centre Julianus	Winkelcentrum	2008	> 1980	8,459	17	-	788
TURNHOUT							
Gasthuisstraat 5-7	High street shop	2001	< 1950	1,269	1	-	348
Gasthuisstraat 32	High street shop	1996	< 1950	1,743	-	-	260
VILVOORDE							
Leuvensestraat 43	High street shop	1998	< 1950	1,338	1	-	211
Luchthavenlaan 5	Retail warehouse	1999	> 1980	6,345	3	-	584
Mechelsesteenweg 48	Retail warehouse	1999	> 1980	7,936	11	1	782
WATERLOO							
Chaussée de Bruxelles 284	Retail warehouse	1993	50/80	1,198	1	-	130
WAVRE							
Boulevard de l'Europe 41	Retail warehouse	2007	> 1980	860	1	-	149
Rue du Commerce 26	High street shop	1998	< 1950	242	1	-	67
Rue du Pont du Christ 46 / Rue Barbier 15	High street shop	1998	< 1950	319	1	-	129
WESTERLO							
Hotelstraat 2 A-B	Retail warehouse	2007	> 1980	1,000	2	-	98
WILRIJK							
Boomsesteenweg 643-645	Retail warehouse	2000	50/80	1,463	2	-	174
Boomsesteenweg 666-672	Retail warehouse	2000	> 1980	4,884	4	-	573
Total investment properties in operation Belgium				**146,851**	**208**	**12**	**23,203**

Country / City / Location	Type of property	Year of acquisition	Year of construction	Lettable floor space (m^2)	Number of tenants	Number of apartments	Theoretical rent- (x € 1,000)
TURKEY							
ISTANBUL							
Abdi Ipekci Street 41	High street shop	2011	1932	1,975	1	-	1,320
Bahariye Caddesi 58	High street shop	2009	1985	400	1	-	213
Bahariye Caddesi 66/B	High street shop	2009	2005	195	1	-	161
Istasyon Caddesi 27	High street shop	2012	1983	2,000	1	-	540
Istiklal Caddesi 18	High street shop	2007	1980	1,170	1	-	548
Istiklal Caddesi 85	High street shop	2010	1890	3,300	1	-	2,100
Istiklal Caddesi 98	High street shop	2008	1920	530	1	-	360
Istiklal Caddesi 119	High street shop	2009	1950	495	2	-	444
Istiklal Caddesi 161	High street shop	2010	1980	3,010	1	-	2,348
Total investment properties in operation Turkey				**13,075**	**10**		**8,034**

Country / City / Location	Type of property	Year of acquisition	Year of construction	Lettable floor space (m^2)	Number of tenants	Number of apartments	Theoretical rent- (x € 1,000)
SPAIN							
CASTELLÓN DE LA PLANA							
Calle Grecia 4	Retail warehouse	2001	2003	5,109	1	-	771
LEON							
Avenida Ordoño II 18	High street shop	2001	< 1950	591	1	-	248
MADRID							
Calle de Fuencarral 23	High street shop	2006	< 1950	256	1	-	349
Calle de Fuencarral 25	High street shop	2006	< 1950	120	1	-	167
Calle Serrano 36	High street shop	1999	< 1950	615	1	-	1,020
Calle Tetuân 19 / Calle Carmen 3	High street shop	2002	< 1950	429	1	-	336
MÂLAGA							
Plaza de la Constitución 9	High street shop	2010	< 1950	279	1	-	322
Total investment properties in operation Spain				**7,399**	**7**	**-**	**3,213**

Country / City / Location	Type of property	Year of acquisition	Year of construction	Letteble floor space (m²)	Number of tenants	Number of apartments	Theoretical rent- (x € 1,000)
PORTUGAL							
BARCELOS							
Rua Porta Nova 41	High street shop	2002	< 1950	128	1	-	30
BRAGA							
Avenida Central 78-80	High street shop	2002	< 1950	471	1	-	124
LISBON							
Rua Damião de Góis 41-44d	High street shop	2002	< 1950	150	1	-	56
Rua do Carmo 100-102 / Rua do Ouro 287 And 291-295	High street shop	2002	< 1950	1,139	5	-	420
Rua Morais Soares 93	High street shop	2002	< 1950	257	1	-	77
PORTO							
Praça Marquês Pombal 152	High street shop	2002	< 1950	437	1	-	82
Praça Mouzinho de Alburquerque 119-124	High street shop	2002	< 1950	148	1	-	50
Rua de Brito Capelo 160	High street shop	2002	< 1950	164	1	-	55
Rua Santa Caterina 325-329	High street shop	2002	< 1950	529	1	-	193
Total investment properties in operation Portugal				**3,423**	**13**		**1,087**
Total investment properties in operation				**431,907**	**899**	**306**	**101,744**

[1] Land on long lease.
[2] All Belgian properties are held directly by Vastned Retail Belgium, in which Vastned has a 65.5% interest at year-end 2013.

EXPLANATORY NOTES TO THE PROPERTY PORTFOLIO IN OPERATION

The theoretical rental income as at 31 December 2012 (including performance-linked rents, mall income and other rent) consists of the rental income assuming full occupancy.

- In the Netherlands, virtually all leases are concluded for a period of five years, the tenant having one or more options to extend the lease by five years. Annual rent increases are based on the cost-of-living index.
- In France, leases are normally concluded for a period of nine or twelve years, the tenant having the option of terminating or renewing the lease every three years. Annual rent increases are based on a weighted index (ILC), unless agreed otherwise.
- In Belgium, leases are normally concluded for a period of nine years, with termination options after three and six years. Annual rent increases are based on the cost-of-living index.
- In Spain, virtually all leases are concluded for a minimum period of five years. Annual rent increases are based on the cost-of-living index.
- In Turkey, leases are usually concluded for a 5-year period. Lease contracts of Vastned in Istanbul are all in euros only. These contracts are indexed annually on the basis of specific agreements.
- In Portugal, all leases are entered into under a law that is similar to that of Spain, which means that leases are usually concluded for a period of at least five years and that the annual rent increases are based on the index of the cost of living.

APPRAISERS

- CBRE in Brussels, Madrid and Paris
- Crédit Foncier in Paris
- Cushman & Wakefield in Amsterdam, Brussels, Madrid and Paris
- De Crombrugghe & Partners in Brussels
- DTZ Zadelhoff in Amsterdam
- Jones Lang Lasalle in Lisbon and Istanbul

OTHER INVESTMENT PROPERTIES

Country / City / Location	Type of property	Year of acquisition	Letteble floor space (m²)	Investment (x € million)
INVESTMENT PROPERTIES IN PIPELINE				
THE NETHERLANDS				
HOUTEN				
Achterom 1-5/Spoorhaag 130/134 [1)]	Shopping centre	2007	2,406	1.9

Country / City / Location	Type of property	Year of acquisition	Year of construction	Letteble floor space (m²)	Number of tenants	Number of apartments	Theoretical rent- (x € 1,000)
ASSETS HELD FOR SALE							
SPAIN							
ALICANTE							
Parque Vistahermosa	Retail warehouse	1999	2002	34,609	6	-	3,555
BADALONA							
Centro Comercial Montigalá	Shopping centre	1998	1991	11,396	53	-	2,796
BURGOS							
Centro Comercial El Mirador	Shopping centre	'99 - '01	1997	9,832	37	-	2,172
MADRID							
Centro Comercial Getafe III [1)]	Shopping centre	2006	2006	20,328	45	-	2,603
Centro Comercial Las Rosas	Shopping centre	'99 - '01	1998	8,254	89	-	3,838
Centro Comercial Madrid Sur	Shopping centre	2003	1998	23,405	60	-	4,567
MÁLAGA							
Centro Comercial La Rosaleda	Shopping centre	1998	1993	15,336	66	-	4,937
MURCIA							
Centro Comercial Las Atalayas	Shopping centre	'99 - '01	1993	10,342	39	-	2,521
Total				**133,502**	**395**		**26,989**

LIST OF ABBREVIATIONS

AFM	Dutch Authority for the Financial Markets
Bevak	(Belgian) investment company with fixed capital
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Investment Officer
Code	The Dutch corporate governance code
CPI	Consumer Price Index
EPRA	European Public Real Estate Association
GDP	Gross Domestic Product
GPR	Global Property Research
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IRS	Interest Rate Swap
IVBN	Dutch Association of institutional property investors
REIT	Real Estate Investment Trust
SIIC	Société d'Investissements Immobiliers Cotées

DEFINITIONS

Average (financial) occupancy rate
100% less the average (financial) vacancy rate.

Average (financial) vacancy rate
The market rent applicable for a particular period of vacant properties, expressed as a percentage of the theoretical rental income for the same period.

Direct investment result
Consist of Net rental income less net financing costs (excluding value movements financial derivatives), general expenses, current income tax expense and the part of this income and expenditure attributable to non-controlling interests.

EPRA Earnings
Recurring earnings from core operational activities. In practice this is reflected by the direct investment result.

EPRA NAV
Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.

EPRA NNNAV
EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.

EPRA Net Initial Yield (NIY)
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.
Annualised rental income includes any CPI indexation and estimated turnover rents or other recurring operational income but does not include any provisions for doubtful debtors and letting and marketing fees.

EPRA 'topped-up' NIY
This yield is calculated by making an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

EPRA Vacancy Rate
Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

Estimated Market Rental Value (ERV)
The rental value estimated by external valuers for which a particular property may be leased at a given time by well-informed parties who are prepared to make a transaction, who are independent and who act prudently and free from duress.

Gross rent
Contractually agreed rent for a particular property, taking the effect of straight-lining of lease incentives into account.

Gross rental income
The gross rent recognised for a certain period after deduction of the effects of straight-lining of lease incentives.

Gross yield
Theoretical annual rent expressed as a percentage of the market value of the property.

Indirect investment result
Consists of the value movements and the net result on disposals of investment properties, movements in deferred tax assets and deferred tax liabilities and the value movements of financial derivatives that do not qualify as effective hedges, less the part of these items attributable to non-controlling interest.

Lease incentive
Any compensation, temporary lease discount or expense for a tenant upon the conclusion or renewal of a lease agreement.

Market value
The estimated amount for which a particular investment property might be traded between well-informed parties who are prepared to make a transaction, who are independent and who act prudently and free from duress.

Net Asset Value (NAV)
Represents the equity attributable to Vastned Retail shareholders as shown in the consolidated financial statements of Vastned Retail prepared in accordance with IFRS.

Net initial yield
Net rental income expressed as a percentage of the acquisition price (including transaction costs) of the respective investment property.

Net rental income
Gross rental income less ground rents paid, less net service charge expenses and operating expenses attributable to the respective period, such as maintenance costs, management expenses, insurance, letting costs and local taxes.

Net yield
Theoretical net rental income expressed as a percentage of the market value of the respective investment property.

Occupancy rate
100% less the vacancy rate.

Straight-lining
Phasing the costs of lease discounts, rent-free periods and lease incentives over the duration of the lease contract.

Theoretical annual rent
The annual gross rent at a given time, excluding the effects of straight-lining of lease incentives and such, plus the annual market rent of any vacant properties.

Theoretical rental income
The gross rent attributable to a particular period excluding the effects of straight-lining of lease incentives and such, plus the market rent of any vacant properties applicable to the same period.

Vacancy rate
The annual market rent of unleased properties at a certain point in time expressed as a percentage of the theoretical annual rent at the same point in time.

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VASTNED RETAIL SHARE

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Bloomberg:VASTN.NA